



Before the Oil Conservation Division  
Examiner Hearing October 8, 2020

Compulsory Pooling

**Case No. 21439:** LHS Wildcat Fed Com 604H

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC FOR COMPUSLORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 21439**

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# COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21439

APPLICANT'S RESPONSE

Date: 10/08/2020 (Hearing date)

Applicant:

Franklin Mountain Energy, LLC

Designated Operator & OGRID (affiliation if applicable)

Franklin Mountain Energy, LLC (373910)

Applicant's Counsel:

Modrall Sperling

Case Title:

Application of Franklin Mountain Energy, LLC for  
Compulsory Pooling, Lea County, New Mexico

Entries of Appearance/Intervenors:

Marathon Oil Permian, LLC

Well Family

Paul Foster

## Formation/Pool

Formation Name(s) or Vertical Extent:

Third Bone Spring

Primary Product (Oil or Gas):

Oil

Pooling this vertical extent:

N/A

Pool Name and Pool Code:

WC-025 G-09 S253502B; Pool Code 98185

Well Location Setback Rules:

Statewide Rules

Spacing Unit Size:

320 acres

## Spacing Unit

Type (Horizontal/Vertical)

Horizontal

Size (Acres)

320 acres

Building Blocks:

40 acres

Orientation:

N/S

Description: TRS/County

E/2 E/2 of Sections 1 and 12, Township 26 South,  
Range 35 East, NMPM, Lea County, New Mexico

Standard Horizontal Well Spacing Unit (Y/N), If No, describe

Y

## Other Situations

Depth Severance: Y/N. If yes, description

N

Proximity Tracts: If yes, description

Y

Proximity Defining Well: if yes, description

N

Applicant's Ownership in Each Tract

See Exhibit B-4, page 16

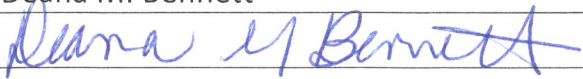
EXHIBIT

A

tabbles

<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1: LHS Wildcat Fed Com 604H (API Pending)	SHL: 250' FSL 523' FEL (Unit P) Section 36, T-25-S R-35-E FTP: 111' FNL 679' FEL Section 1, T-26-S R-35-E BHL: 150' FSL 680' FEL (Unit P) Section 12, T-26-S R-35-E Orientation: North to South Completion Target: Third Bone Spring Completion Status: Standard TVD: 11,836', MVD: 21,336'
Horizontal Well First and Last Take Points	See above; see also Exhibit B-3, page 14
Completion Target (Formation, TVD and MD)	See above; see also Exhibit B-3; B-6, page 20
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$7,000.00
Production Supervision/Month \$	\$700.00
Justification for Supervision Costs	See Exhibit B, ¶ 23
Requested Risk Charge	See Exhibit B, ¶ 24
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Exhibit B-2, page 13
Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit B-8, pages 24-33
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit B-8, page 34
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	See Exhibit B-4, page 15
Tract List (including lease numbers and owners)	See Exhibit B-4, page 16
Pooled Parties (including ownership type)	See Exhibit B-4, pages 17-18
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	See Exhibit B-6, pages 20-21
List of Interest Owners (ie Exhibit A of JOA)	See Exhibit B-4, page 17
Chronology of Contact with Non-Joined Working Interests	See Exhibit B-5, page 19
Overhead Rates In Proposal Letter	N/A: See Exhibit B, ¶ 23



Cost Estimate to Drill and Complete	See Exhibit B-7, page 23
Cost Estimate to Equip Well	See Exhibit B-7, page 23
Cost Estimate for Production Facilities	See Exhibit B-7, page 23
<b>Geology</b>	
Summary (including special considerations)	See Exhibit C, pages 35-38
Spacing Unit Schematic	See Exhibit C-9, page 39; Exhibit B-1, page 9
Gunbarrel/Lateral Trajectory Schematic	See Exhibit C-10, page 40
Well Orientation (with rationale)	See Exhibit C-12, page 46; Exhibit C, ¶ 14
Target Formation	See Exhibit C-11-C, page 44
HSU Cross Section	See Exhibit C-11-C, page 44
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	See Exhibit B-3, page 14
Tracts	See Exhibit B-4, pages 15-16
Summary of Interests, Unit Recapitulation (Tracts)	See Exhibit B-4, pages 16-17
General Location Map (including basin)	See Exhibit C-9, page 39
Well Bore Location Map	See Exhibit C-11-A, page 42
Structure Contour Map - Subsea Depth	See Exhibit C-11-A, page 42
Cross Section Location Map (including wells)	See Exhibit C-11-B, page 43
Cross Section (including Landing Zone)	See Exhibit C-11-C, page 44
<b>Additional Information</b>	
Special Provisions/Stipulations	None
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Deana M. Bennett
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b> 10/6/2020	

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC FOR COMPUSLORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 21439  
(E/2 E/2 Bone Spring)**

**AFFIDAVIT**

STATE OF COLORADO                    )  
  ) ss.  
COUNTY OF DENVER                    )

Shelly Albrecht, being duly sworn, deposes and states:

1.       I am over the age of 18, I am the Director of Land for Franklin Mountain Energy, LLC ("Franklin"), and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and I have been qualified by the Division as an expert petroleum landman.

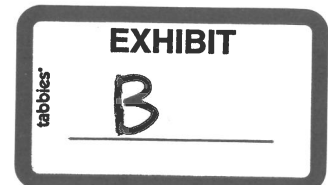
2.       My area of responsibility at Franklin includes the area of Lea County in New Mexico.

3.       I am familiar with the application filed by Franklin in this case.

4.       I am familiar with the status of the lands that are subject to the application.

5.       I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.

6.       The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the well to be drilled in the unit.



7. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well.

8. The spacing unit and well that Franklin is proposing in this case is part of a comprehensive development plan, covering the entirety of Sections 1 and 12, and the NW/4 NE/4 and the NE/4 NW/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. Franklin's development plan includes a total of seven units, including both Wolfcamp and Bone Spring units. The Development Overview is attached as **Exhibit 1**.

9. In this case, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico.

10. This spacing unit will be dedicated to the **LHS Wildcat Fed Com 604H** well, to be horizontally drilled. The Application is attached hereto as **Exhibit 2**.

11. Attached as **Exhibit 3** is the proposed C-102 for the well.

12. The C-102 identifies the proposed surface hole location, the first take point, and the bottom hole location. The C-102 identifies the pool and pool code.

13. The well will develop the WC-025 G-09 S253502B, Lower Bone Spring, Pool Code 98185.

14. This pool is an oil pool with 40-acre building blocks.

15. This pool is governed by the state-wide horizontal well rules. The producing interval for the well will be orthodox and will comply with the Division's set back requirements.

16. There are no depth severances within the proposed spacing unit.

17. **Exhibit 4** includes a lease tract map outlining the unit being pooled. Exhibit 4 also includes the parties being pooled, the nature, and the percent of their interests.

18. I have conducted a diligent search of the public records in the county where the well is located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.

19. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well.

20. **Exhibit 5** is a summary of my contacts with the working interest owners.

21. **Exhibit 6** is a sample of the well proposal letter that was sent to all working interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the well.

22. **Exhibit 7** contains the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.

23. Franklin requests overhead and administrative rates of \$7000.00/month for drilling a well and \$700.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Franklin requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

24. Franklin requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

25. Franklin requests that it be designated operator of the well.

26. The parties Franklin is seeking to pool were notified of this hearing.

27. Franklin seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.

28. **Exhibit 8** is an affidavit of notice prepared by counsel for Franklin that shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Hobbs News-Sun newspaper, showing that notice of this hearing was published on September 15, 2020.

29. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

30. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.

31. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

Shelly Albrecht  
Shelly Albrecht

SUBSCRIBED AND SWORN to before me this 5<sup>th</sup> day of October, 2020 by Shelly Albrecht on behalf of Franklin Mountain Energy, LLC.

Karlene Schuman  
Notary Public

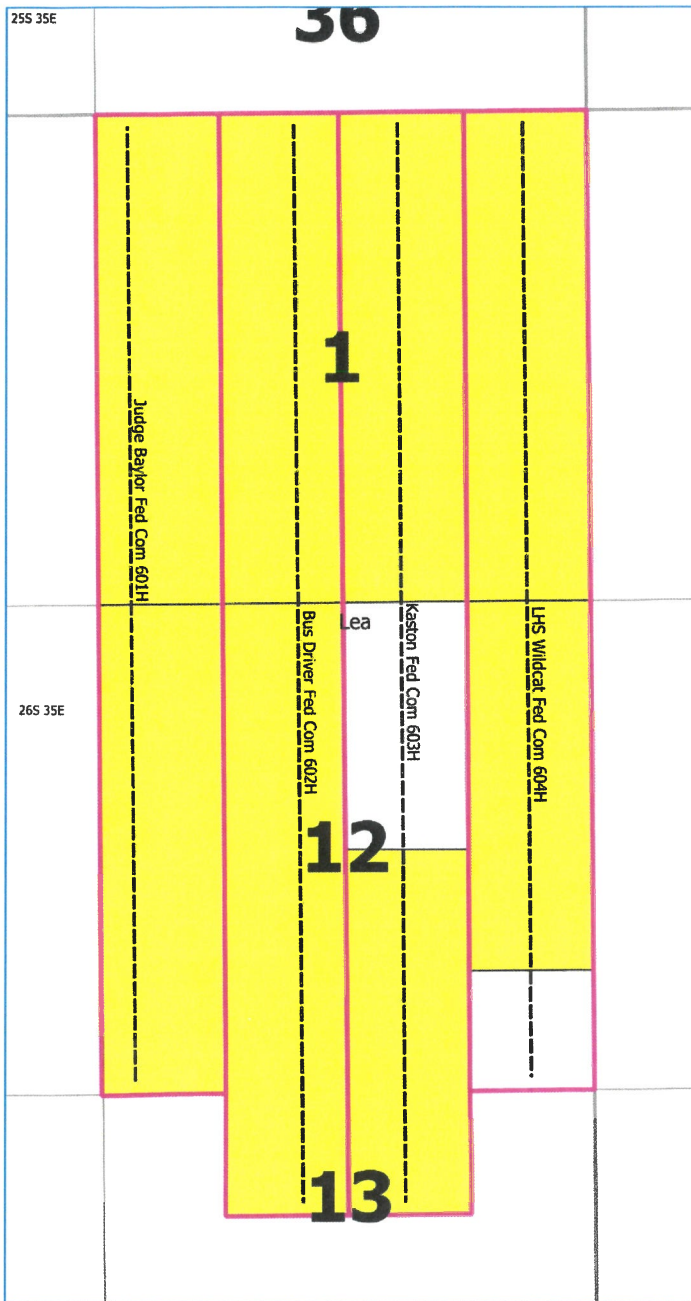
My commission expires: 02-27-21



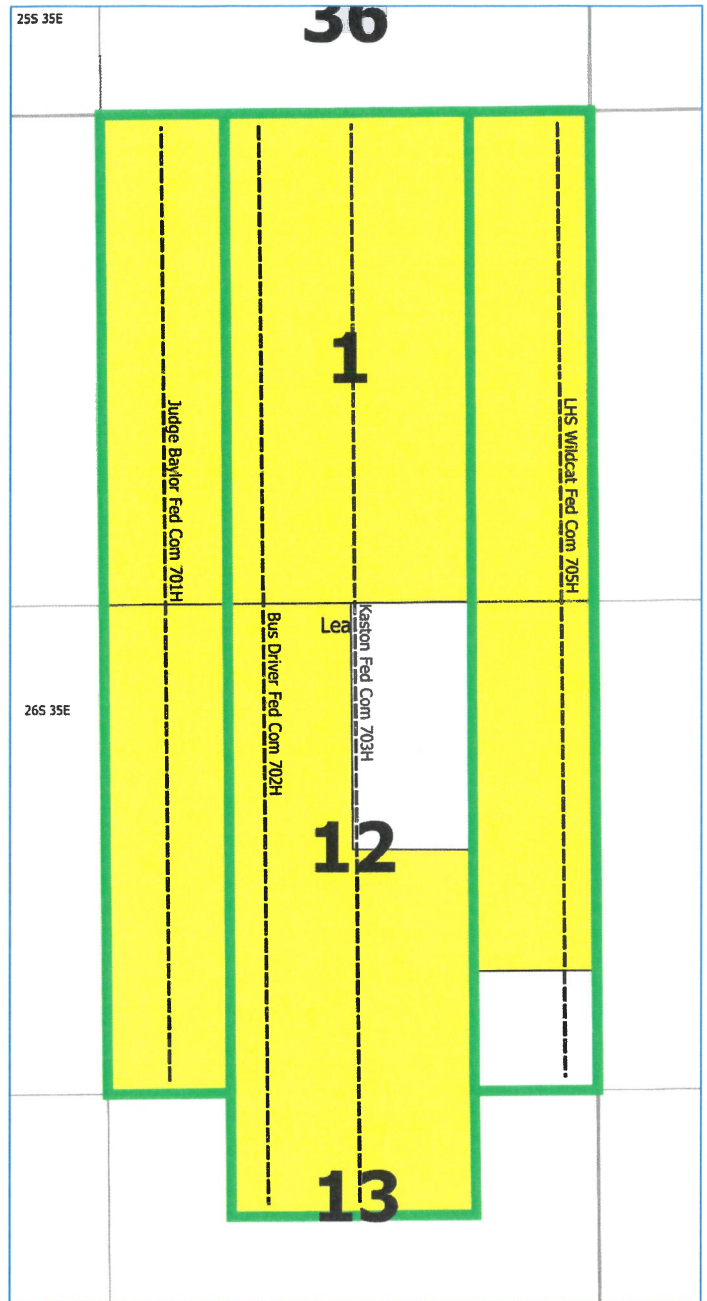
## Development Overview




Sections 1, 12 & 13 (partial)-26S-35E, Lea County, NM  
Case Nos. 21438, 21439, 21440, 21441, 21442, 21443 and 21444

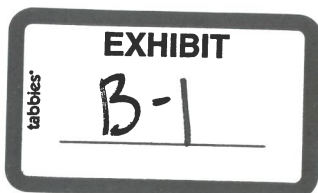
### Bone Spring Units



### Wolfcamp Units



-  Franklin Mountain Leasehold
-  Bone Spring Proration Unit
-  Wolfcamp Proration Unit





**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC  
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

**CASE NO.** 21439

**APPLICATION**

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division ("Division") pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico

In support of this application, FME states as follows:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FME seeks to dedicate the E/2 E/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
3. FME plans to drill the **LHS Wildcat Fed Com 604H** well to a depth sufficient to test the Bone Spring formation. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
4. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.





5. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

6. FME further requests that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 8, 2020, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the E/2 E/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Designating FME as operator of this unit and the well to be drilled thereon;

C. Authorizing FME to recover its costs of drilling, equipping and completing the well;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well;

F. Allowing a time period of one (1) year between when the well is drilled and completion of the well under the order issued by the Division.

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: Deana M. Bennett

Deana M. Bennett  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. 21439: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **LHS Wildcat Fed Com 604H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well. Said area is located approximately 8 miles Southwest from Jal, New Mexico.





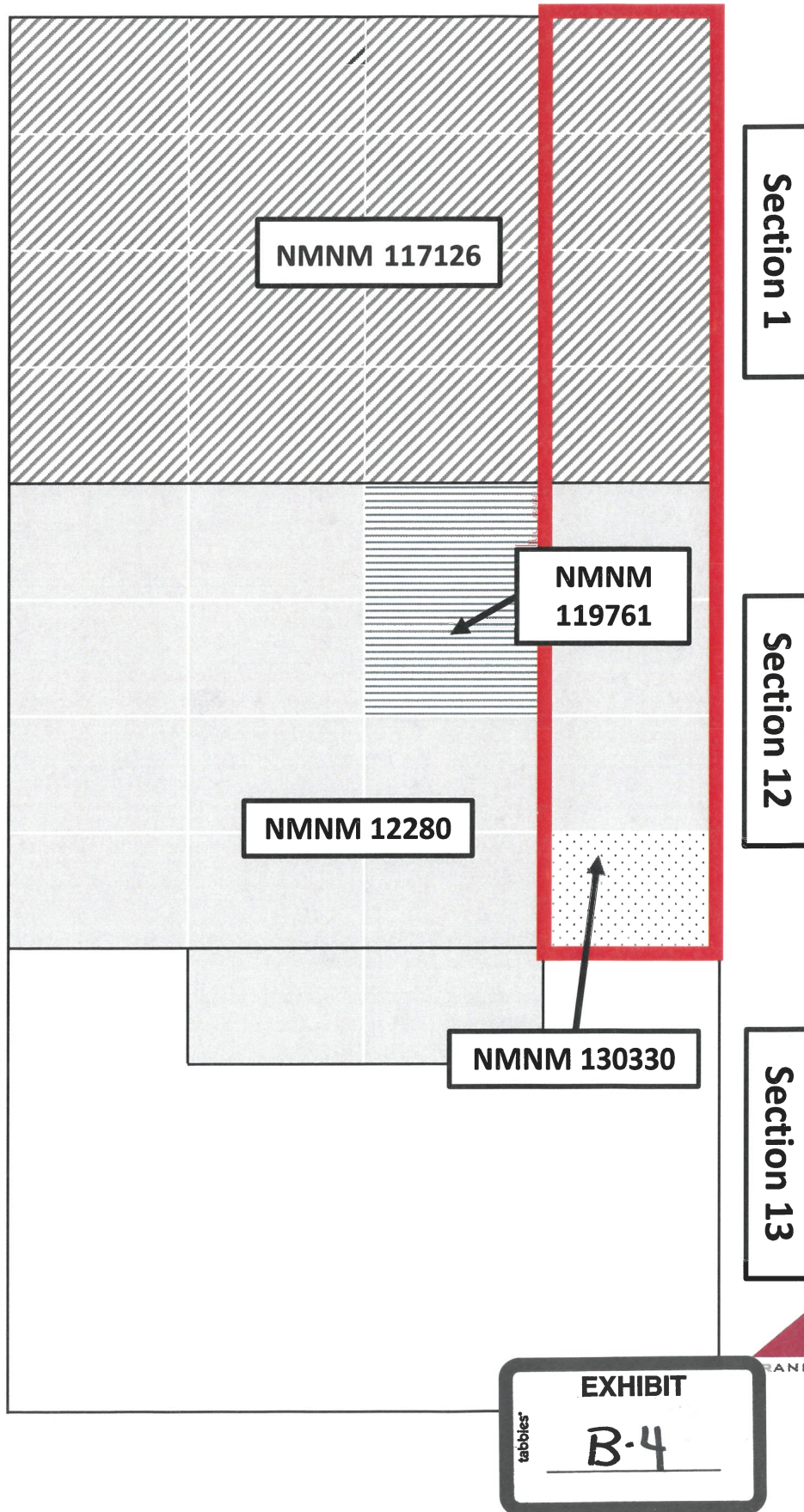
**Lease Tract Map**

Case No. 21439

E2E2 of Sections 1 & 12-T26S-T35E – 320 Gross Acres

LHS Wildcat Fed Com 604H

**ALL FEDERAL LEASED MINERALS**



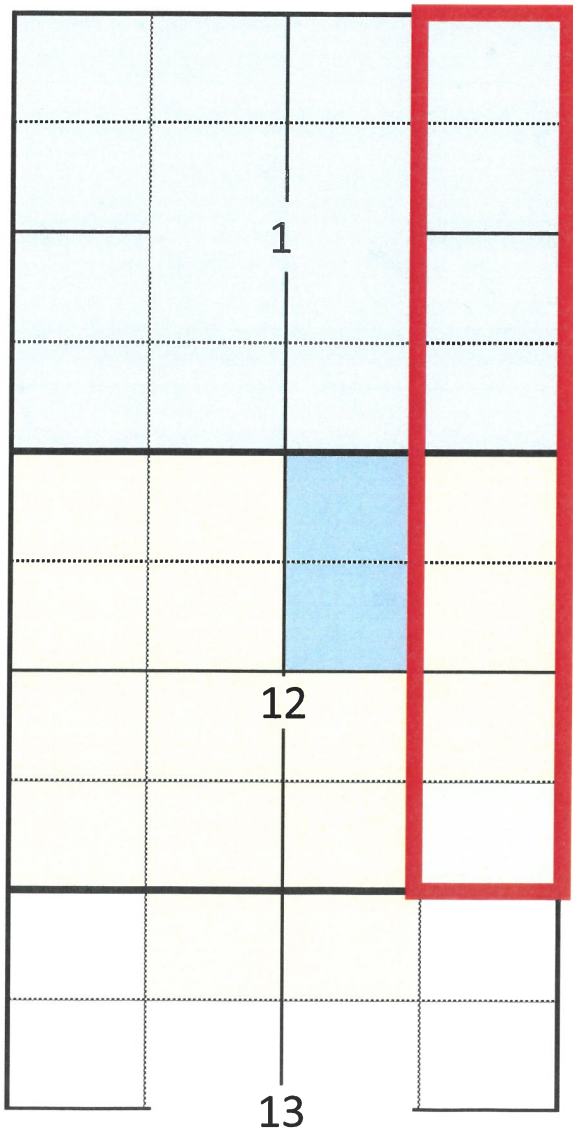
## Unit Recapitulation

Case No. 21439

E2E2 of Sections 1 & 12-T26S-T35E – 320 Gross Acres

LHS Wildcat Fed Com 604H

Working Interest Owner	Tract 1: 160 ac	Tract 2: 120 ac	Tract 4: 40 ac
COG Operating LLC	70%	0%	0%
Franklin Mtn Energy LLC	15%	90%	0%
Chevron U.S.A. Inc.	15%	0%	0%
VPD New Mexico LLC	0%	10%	0%
Marathon Oil Permian LLC	0%	0%	100%
<b>TOTAL:</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



Tract	Lease
1	NMNM 117126
2	NMNM 12280
3	NMNM 119761
4	NMNM 130330



## Summary of Interests

Case No. 21439

E2E2 of Sections 1 & 12-T26S-T35E – 320 Gross Acres

LHS Wildcat Fed Com 604H

Committed Working Interest	
Franklin Mountain Energy, LLC	41.250000%
Uncommitted Working Interest	
COG Operating LLC	35.000000%
Chevron U.S.A. Inc.	7.500000%
VPD New Mexico LLC	3.750000%
Marathon Oil Permian LLC	12.500000%
<b>TOTAL:</b>	<b>100.000000%</b>



Parties to Be Pooled; Case No. 21439

Chevron U.S.A. Inc.	WI
COG Operating LLC	WI
VPD New Mexico LLC	WI
Marathon Oil Permian LLC	WI
Devon Energy Production Co., L.P.	ORRI
Chevron U.S.A. Inc.	ORRI
Green Ribbon, Inc.	ORRI
Bernard A. Winer and Grace S. Winer, as Trustees of the Bernard and Grace Winer Living Trust dated 10/3/2007	ORRI
David N. Grimes	ORRI
Sandia Minerals, LLC	ORRI
Elanor Jeane Hopper	ORRI
Lacy Dinsmoore Roop 1999 Revocable Management Trust	ORRI
Doris Earline Freeman	ORRI
Young Minerals Company	ORRI
VPD New Mexico Royalty LLC	ORRI
Crown Oil Partners, LP	ORRI
Post Oak Crown IV-B, LLC	ORRI
Post Oak Crown IV, LLC	ORRI
Collins & Jones Investments, LLC	ORRI
Mavros Minerals II, LLC	ORRI
LMC Energy, LLC	ORRI
Gerard G. Vavrek	ORRI
Jesse A. Faught, Jr.	ORRI
Jesse A. Faught, Jr.	ORRI
H. Jason Wacker	ORRI
Oak Valley Mineral and Land, LP	ORRI
David W. Cromwell	ORRI
Kaleb Smith	ORRI
Mike Moylett	ORRI
Deane Durham	ORRI



## Summary of Attempted Contacts

- Franklin Mountain Energy conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin searched public records, phone directory, and various different types of internet searches.
- Franklin sent well proposal letters to the working interest owners on or around January 28, 2020.
- Franklin sent Joint Operating Agreements to working interest owners on August 6, 2020 to see if they would participate in the wells and/or execute a joint operating agreement.
- Franklin continued to attempt to contact the parties who had not executed an agreement.
- Franklin filed an application to force pool parties who had not entered in to an agreement.
- Franklin's counsel sent notices of the force pooling application to the addresses of record for the uncommitted interest owners.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.





Sent via Certified Mailing  
Tracking No. 9414 7116 9900 0604 9253 39

January 28, 2020

COG Operating LLC  
One Concho Center  
600 W Illinois Avenue  
Midland, Texas 79701  
Attn: Land Dept, Delaware Basin

RE: LHS Wildcat Federal 604H and LHS Wildcat Federal 705H Well Proposals  
Township 26 South, Range 35 East, Sections 1 & 12: E/2E/2, 320 acres  
Lea County, New Mexico

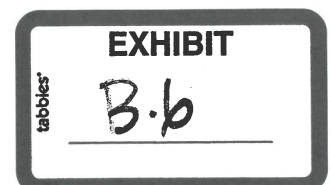
Dear Working Interest Owner:

Franklin Mountain Energy, LLC ("FME"), as Operator, hereby proposes the drilling and completion of the following wells located in the E/2E/2 of Sections 1 & 12, Township 26 South, Range 35 East:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	AFE
LHS Wildcat Federal 604H	Bone Spring	11,836'	21,336'	Sec. 1-T26S-R35E 250' FNL 523' FEL	Sec. 12-T26S-R35E 150' FSL 680' FEL	\$11,119,875
LHS Wildcat Federal 705H	Wolfcamp	12,043'	21,543'	Sec. 1-T26S-R35E 250' FNL 488' FWL	Sec. 12-T26S-R35E 150' FSL 350' FEL	\$11,119,875

FME's proposed Operating Agreement ("OA") will be forthcoming.

FME reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns. Should there be any modifications to the plans listed above, FME will notify you.





If you do NOT wish to participate, FME proposes to acquire your interest at the following terms, on a mutually agreeable conveyance form:

Please indicate your elections on the following page and return to Elliot Berard at [eberard@fme LLC.com](mailto:eberard@fme LLC.com) or to the address provided below at your earliest convenience. Should you elect to participate, please also return executed versions of the AFE enclosed.

FME looks forward to working with your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME will file an application for compulsory pooling to pool any uncommitted working interest owners.

Should you have any questions, please contact the undersigned at (720) 414-7865 or by email at the address mentioned above.

Respectfully,

Franklin Mountain Energy, LLC

Elliot Berard  
Landman

Enclosures



**LHS Wildcat Federal 604H:**

\_\_\_\_\_ I/We hereby elect to participate in the **LHS Wildcat Federal 604H** well.  
\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **LHS Wildcat Federal 604H** well.

**LHS Wildcat Federal 705H:**

\_\_\_\_\_ I/We hereby elect to participate in the **LHS Wildcat Federal 705H** well.  
\_\_\_\_\_ I/We hereby elect **NOT** to participate in the **LHS Wildcat Federal 705H** well.  
\_\_\_\_\_ I/We hereby elect to sell our interest.

**Working Interest Owner:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_



Franklin Mountain Energy, LLC  
2401 E 2nd Avenue, Suite 300  
Denver, CO 80206  
Phone: 720-414-7868  
franklinmountainenergy.com

#### AUTHORITY FOR EXPENDITURE

Well Name: LHS Wildcat Federal 604H  
Location: SHL: Sec 12-T26S-R35E 250' FNL 523' FEL  
BHL: Sec 12-T26S-R35E 150' FSL 680' FEL  
Operator: Franklin Mountain Energy, LLC  
Purpose: Drill and complete a 9,500' BS3 well with 2,250 lbs/H Slickwater  
frac. TVD 11,836', MD 21,336'

Well #: 604H  
County/State: Lea Co., NM  
Date Prepared: 1/23/2020  
AFE #: DCE200107

Intangible Drilling Costs				Intangible Completion Costs			
Major	Minor	Description	Amount	Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$35,000	240	5	ADMINISTRATIVE OVERHEAD	\$12,500
225	10	CASING CREW & EQPT	\$82,000	240	10	CASED HOLE LOGS & SURVEYS	\$15,000
225	15	CEMENTING INTERMEDIATE CASING	\$88,000	240	15	CASING CREW & EQPT	\$0
225	16	CEMENTING PRODUCTION CASING	\$77,000	240	20	COILED TUBING/SNUBBING UNIT	\$375,000
225	20	CEMENTING SURFACE CASING	\$37,000	240	25	COMMUNICATIONS	\$15,000
225	25	COMMUNICATIONS	\$42,000	240	30	COMPANY DIRECT LABOR	\$15,000
225	30	COMPLETION FLUIDS	\$25,000	240	35	COMPLETION/WORKOVER RIG	\$50,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$100,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$0
225	40	CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	\$25,000
225	45	DAMAGES	\$15,500	240	55	DISPOSAL SOLIDS	\$0
225	50	DAYWORK CONTRACT	\$720,000	240	60	ELECTRICAL POWER/GENERATION	\$0
225	55	DRILLING - DIRECTIONAL	\$295,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	60	DRILLING - FOOTAGE	\$90,000	240	70	FISHING TOOLS / SERVICES	\$0
225	65	DRILLING BITS	\$200,000	240	71	FLUIDS/HAULING/DISPOSAL	\$135,000
225	70	ELECTRICAL POWER/GENERATION	\$0	240	72	FRAC WATER/COMPLETION FLUID	\$400,000
225	75	ENGINEERING	\$90,000	240	75	FUEL, POWER/DIESEL	\$300,000
225	80	ENVIRONMENTAL SERVICES	\$125,000	240	80	HEALTH & SAFETY	\$10,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$150,000	240	85	HOUSING AND SUPPORT SERVICES	\$0
225	85	EQUIPMENT RENTAL	\$150,000	240	90	MATERIALS & SUPPLIES	\$0
225	90	FISHING TOOLS/SERVICES	\$0	240	95	MISCELLANEOUS	\$50,000
225	95	HEALTH & SAFETY	\$42,000	240	100	MUD & CHEMICALS	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$50,000	240	110	P&A/TA COSTS	\$0
225	105	INSURANCE	\$30,000	240	115	PERFORATING/WIRELINE SERVICE	\$450,000
225	106	INSPECTIONS	\$32,000	240	120	PIPE INSPECTION	\$25,000
225	11	LEGAL, TITLE SERVICES	\$8,000	240	125	ROAD, LOCATIONS REPAIRS	\$25,000
225	115	MATERIALS & SUPPLIES	\$10,000	240	130	STIMULATION	\$2,750,000
225	120	MISCELLANEOUS	\$25,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$0
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$22,000	240	140	SUPERVISION	\$75,000
225	130	MUD & CHEMICALS	\$295,000	240	145	SURFACE EQUIP RENTAL	\$100,000
225	140	OPENHOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING	\$20,000
225	141	CASED HOLE LOGGING	\$12,000	240	155	WATER TRANSFER	\$0
225	145	PERMITS, LICENSES, ETC	\$30,000	240	160	WELDING SERVICES	\$0
225	150	POWER FUEL & WATER HAULING	\$190,000	240	165	WELL TESTING/FLOWBACK	\$100,000
225	155	RIG MOVE & RACKING COSTS	\$100,000	240	40	CONTINGENCY COSTS 5%	\$246,700
225	160	RIG UP TEAR OUT & STANDBY	\$48,000	Total Intangible Completion Costs:			\$5,194,200
225	163	SITE RESTORATION	\$20,000	Tangible Completion Costs			
225	165	STAKING & SURVEYING	\$6,000	Major	Minor	Description	Amount
225	170	SUPERVISION	\$115,500	245	5	ARTIFICIAL LIFT	\$250,000
225	175	SUPERVISION - GEOLOGICAL	\$96,000	245	10	ENGINEERING	\$10,000
225	180	TRANSPORTATION/TRUCKING	\$25,000	245	15	FLOWLINES	\$10,000
225	35	CONTINGENCY 5%	\$168,900	245	25	FRAC STRING	\$50,000
Total Intangible Drilling Costs:			\$7,546,900	245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$25,000
Tangible Drilling Costs				245	45	PRODUCTION LINER	\$0
Major	Minor	Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	\$0
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$498,000	245	55	PRODUCTION TUBING	\$55,000
230	20	PACKERS/SLEEVES/PLUGS	\$30,000	245	60	RODS/PUMPS	\$0
230	25	PRODUCTION CASING & ATTACHMENTS	\$431,000	245	65	SUBSURFACE EQUIPMENT	\$0
230	35	SURFACE CASING & ATTACHMENTS	\$47,000	245	75	WELLHEAD EQUIPMENT	\$40,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$75,000	245	70	TAXES	\$22,000
230	40	TAXES	\$54,050	Total Tangible Completion Costs:			\$462,000
Total Tangible Drilling Costs:			\$1,135,050	Intangible Facility Costs			
Tangible Facility Costs				Major	Minor	Description	Amount
Major	Minor	Description	Amount	265	5	CONSULTING	\$25,000
270	5	COMPRESSOR	\$0	265	11	COMMUNICATIONS	\$5,000
270	10	CONNECTIONS/VALVES/FITTINGS	\$15,000	265	12	COMPANY DIRECT LABOR	\$0
270	15	CONTAINMENT	\$0	265	15	CRANE SERVICES	\$0
270	25	DEHYDRATOR	\$0	265	20	DAMAGES/ROW	\$10,000
270	30	ELECTRICITY	\$20,000	265	21	DISPOSAL SOLIDS	\$0
270	35	FILTERS / COOLERS	\$0	265	25	ENGINEERING / SCIENCE	\$15,000
270	40	FLARE / COMBUSTORS	\$25,000	265	30	EQUIPMENT INSPECTION & TEST	\$0
270	45	FLOW METERS	\$40,000	265	34	FLUIDS/HAULING/DISPOSAL	\$10,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$25,000	265	35	FUEL / POWER	\$50,000
270	55	GENERATOR PURCHASE	\$0	265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$27,000
270	60	H2S SCAVENGING EQUIPMENT	\$20,000	265	41	HOUSING AND SUPPORT SERVICES	\$1,500
270	63	HEALTH/SAFETY/ENVIRONMENTAL	\$0	265	45	CONTRACT LABOR & SERVICES	\$10,000
270	63	HEATERS/TREATERS/FREE-WATER KO	\$0	265	55	MISCELLANEOUS	\$0
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$10,000	265	60	OVERHEAD	\$12,500
270	75	PRE-FABRICATED HEATER TREATER	\$40,000	265	70	SURFACE EQUIP INSTALL / LABOR	\$100,000
270	80	PRE-FABRICATED MEAS. SEPARATOR	\$40,000	265	75	SURFACE RENTAL EQUIPMENT	\$0
270	85	PRE-FABRICATED PIPING MANIFOLD	\$20,000	265	80	SURVEY / PLATS / STAKINGS	\$0
270	86	PUMPS (SURFACE)	\$20,000	265	85	TRANSPORTATION / TRUCKING	\$25,000
270	90	SAFETY SYSTEM	\$0	265	90	WELDING	\$3,500
270	95	SAFETY SYSTEM EQUIPMENT	\$10,000	265	10	CONTINGENCY COST	\$14,725
270	100	SCADA / CONTROL EQUIPMENT	\$50,000	Total Intangible Facility Costs:			\$309,225
270	105	SEPARATORS	\$0	Office Use Only:			
270	110	TANKS	\$100,000				
270	115	VAPOR RECOVERY	\$0				
270	119	WELLHEAD EQUIPMENT	\$15,000				
270	125	TAXES	\$22,500				
Total Tangible Facility Costs:			\$472,500				
Total Drill:			\$4,681,950.00				
Total Completion:			\$5,656,200.00				
Total Facility:			\$781,725.00				
Total DC Intangible:			\$8,741,100.00				
Total DC Tangible:			\$1,597,050.00				
Total AFE:			\$11,119,875.00				

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS.

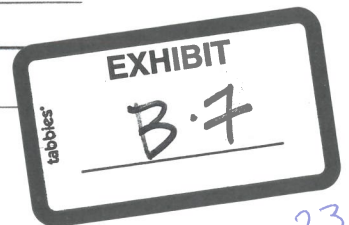
Operator: Franklin Mountain Energy, LLC  
Approved By:   
Jeff Stevens  
Chief Executive Officer

Date: 1/23/2020

WI Owner: \_\_\_\_\_

Date: \_\_\_\_\_

Approved By: \_\_\_\_\_



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

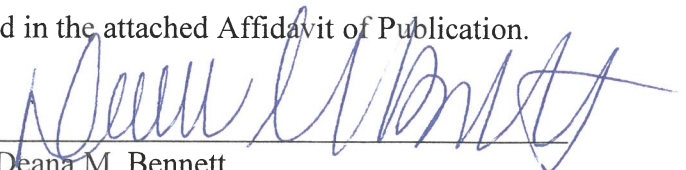
APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO

CASE NOS. 21438, 21439,  
21440, 21441, 21442, 21443.

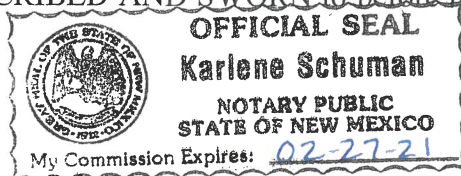
AFFIDAVIT


STATE OF NEW MEXICO            )  
  ) ss.  
COUNTY OF BERNALILLO        )

Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under a notice letter, attached, and that proof of receipt is attached hereto. I also state that notice of the October 8, 2020 hearing was published in the Hobbs News-Sun on September 15, 2020, as reflected in the attached Affidavit of Publication.

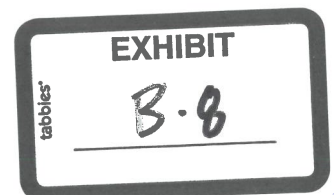
  
Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 2nd day of October, 2020 by Deana M. Bennett.



  
Notary Public

My commission expires: 02-27-2021





September 10, 2020

Deana M. Bennett  
505.848.1834  
[Deana.Bennett@modrall.com](mailto:Deana.Bennett@modrall.com)

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC  
FOR COMPULSORY POOLING, LEA COUNTY, NEW  
MEXICO.**

**CASE NO. 21439**

**TO: AFFECTED PARTIES**

This letter is to advise you that Franklin Mountain Energy, LLC ("FME") has filed the above-listed application.

In Case No. 21439, FME seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **LHS Wildcat Fed Com 604H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on October 8, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>.**

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in the case, including the right to present evidence either in support of or in opposition to the

Modrall Sperling  
Roehl Harris & Sisk P.A.  
500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102  
PO Box 2168  
Albuquerque,  
New Mexico 87103-2168  
Tel: 505.848.1800  
[www.modrall.com](http://www.modrall.com)

Page 2

application. Failure to appear at the hearing may preclude you from any involvement in the case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

A handwritten signature in cursive script, appearing to read "Deana M. Bennett".

Deana M. Bennett

*Attorney for Applicant*



**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC  
FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

**CASE NO. 21439**

**APPLICATION**

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division ("Division") pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico

In support of this application, FME states as follows:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FME seeks to dedicate the E/2 E/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
3. FME plans to drill the **LHS Wildcat Fed Com 604H** well to a depth sufficient to test the Bone Spring formation. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.
4. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.

5. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

6. FME further requests that it be allowed one (1) year between the time the well is drilled and completion of the well under the order issued by the Division.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 8, 2020, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all mineral interests in the Bone Spring formation underlying a horizontal spacing unit within the E/2 E/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;

B. Designating FME as operator of this unit and the well to be drilled thereon;

C. Authorizing FME to recover its costs of drilling, equipping and completing the well;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well;

F. Allowing a time period of one (1) year between when the well is drilled and completion of the well under the order issued by the Division.

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.

By: Deana M. Bennett

Deana M. Bennett  
Post Office Box 2168  
500 Fourth Street NW, Suite 1000  
Albuquerque, New Mexico 87103-2168  
Telephone: 505.848.1800  
*Attorneys for Applicant*

**CASE NO. 21439 : Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **LHS Wildcat Fed Com 604H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well. Said area is located approximately 8 miles Southwest from Jal, New Mexico.

Karlene Schuman  
Modrall Sperling Roehl Harris & Sisk P.A.  
500 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
09/10/2020

No 21439 ~ 21440

Firm Mailing Book ID: 194989

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0074 8028 01	Chevron USA Inc. 6301 Deauville Blvd. Midland TX 79706	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
2	9314 8699 0430 0074 8028 18	United States of America, BLM 301 Dinosaur Trail Santa Fe NM 87508	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
3	9314 8699 0430 0074 8028 25	Devon Energy Production Co., L.P. 333 West Sheridan Ave. Oklahoma City OK 73102	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
4	9314 8699 0430 0074 8028 32	COG Operating LLC 600 W. Illinois Ave. Midland TX 79701	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
5	9314 8699 0430 0074 8028 49	VPD New Mexico LLC 2100 McKinney Ave., Suite 1770 Dallas TX 75201	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
6	9314 8699 0430 0074 8028 56	Green Ribbon, Inc. 828 East Edgehill Road Salt Lake City UT 84103	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
7	9314 8699 0430 0074 8028 63	Bernard Winer and Grace S. Winer as Trustees 4758 SW Eddy St. Seattle WA 98136	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
8	9314 8699 0430 0074 8028 70	David N. Grimes P.O. Box 2006 Midland TX 79702	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
9	9314 8699 0430 0074 8028 87	Elanor Jeane Hopper 3102 Sentinel Drive Midland TX 79701	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
10	9314 8699 0430 0074 8028 94	Lacy Dinsmoore Roop 1999 Revocable 3109 C.R. 264 Breckenridge TX 75424	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
11	9314 8699 0430 0074 8029 00	Doris Earline Freeman 505 Apple Tree Court Saginaw TX 76179	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
12	9314 8699 0430 0074 8029 17	Young Minerals Company 200 Bailey Ave., Suite 102 Fort Worth TX 76107	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
13	9314 8699 0430 0074 8029 24	VPD New Mexico Royalty LLC 2100 McKinney Ave., Suite 1770 Dallas TX 75201	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
14	9314 8699 0430 0074 8029 31	Marathon Oil Permian LLC 5555 San Felipe St. Houston TX 77056	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
15	9314 8699 0430 0074 8029 48	Crown Oil Partners LP P.O. Box 50820 Midland TX 79710	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice



REC'D VIXA

Karlene Schuman  
Modrall Sperling Roehl Harris & Sisk P.A.  
500 Fourth Street, Suite 1000  
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
09/10/2020

Firm Mailing Book ID: 194989

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0074 8029 55	Post Oak Crown IV-B, LLC 34 S. Wynden Drive Houston TX 77056	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
17	9314 8699 0430 0074 8029 62	Post Oak Crown IV, LLC 34 S. Wynden Drive Houston TX 77056	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
18	9314 8699 0430 0074 8029 79	Collins & Jones Investments LLC 508 W. Wall Street Midland TX 79701	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
19	9314 8699 0430 0074 8029 86	Mavros Minerals II LLC P.O. Box 50820 Midland TX 79701	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
20	9314 8699 0430 0074 8029 93	LMC Energy, LLC 550 W Texas Ave., Ste 945 Midland TX 79701	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
21	9314 8699 0430 0074 8030 06	Gerard G. Varek 1521 2nd Ave. #1604 Seattle WA 98101	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
22	9314 8699 0430 0074 8030 13	Jesse A Faught Jr. 4307 Crestgate Ave. Midland TX 79707	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
23	9314 8699 0430 0074 8030 20	Jesse A Faught Jr. P.O. Box 52603 Midland TX 79707	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
24	9314 8699 0430 0074 8030 37	H. Jason Wacker 5601 Hillcrest Midland TX 79707	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
25	9314 8699 0430 0074 8030 44	Oak Valley Mineral and Land LP 4000 N. Big Spring, Suite 31 Midland TX 79705	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
26	9314 8699 0430 0074 8030 51	David W. Cromwell 2008 Country Club St Midland TX 79701	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
27	9314 8699 0430 0074 8030 68	Kaleb Smith P.O. Box 50820 Midland TX 79710	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
28	9314 8699 0430 0074 8030 75	Mike Moylett P.O. Box 50820 Midland TX 79710	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
29	9314 8699 0430 0074 8030 82	Dean Durham P.O. Box 50820 Midland TX 79710	\$1.40	\$3.55	\$1.70	\$0.00	10154.0001.21439. Notice
Totals:			\$40.60	\$102.95	\$49.30	\$0.00	
Grand Total:						\$192.85	

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Listed by Sender

Total Number of Pieces  
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Postmaster:  
Name of receiving employee

Dated:

REC'D V.A. AGO

Transaction Report Details - CertifiedPro.net  
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9314869904300074802825	2020-09-10 10:20 AM	Devon Energy Production Co., L.P.	Oklahoma City	OK	73102	Delivered	Return Receipt - Electronic, Certified Mail	09-11-2020
9314869904300074802818	2020-09-10 10:20 AM	United States of America, BLM	Santa Fe	NM	87508	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020
9314869904300074802801	2020-09-10 10:20 AM	Chevron USA Inc.	Midland	TX	79706	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020



Affidavit of Publication

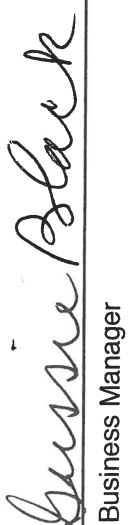
STATE OF NEW MEXICO  
COUNTY OF LEA

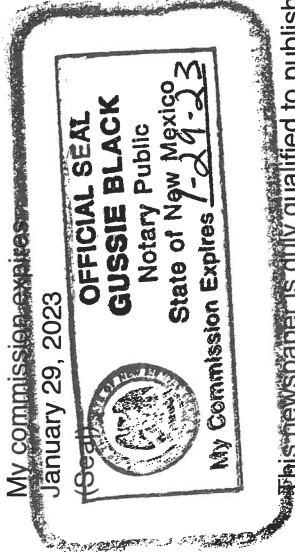
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
September 15, 2020  
and ending with the issue dated  
September 15, 2020.

  
Publisher

Sworn and subscribed to before me this  
15th day of September 2020.

  
Business Manager



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

CASE NO. 21443: Notice to all affected parties, as well as the heirs and devisees of Chevron U.S.A. Inc., United States of America, BLM, Devon Energy Production Co., L.P., COG Operating LLC, VPD New Mexico LLC, Green Ribbon, Inc., Bernard A. Winer and Grace S. Winer, as Trustees of the Bernard and Grace Winer Living Trust dated 10/3/2007, David N. Grimes, Elanor Jeanne Hopper, Lacy Dinsmoore Roop, 1999 Revocable Management Trust, Doris Earline Freeman, Young Minerals Company, VPD New Mexico Royalty LLC, COG Production LLC, Malaga Royalty LLC, Malaga EF7, LLC, Canean Resources Drilling Company, LLC, JP Morgan Ventures Energy Corporation, Canaan Resource Partners Drilling Fund, L.P., of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on October 8, 2020, to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Judge Baylor Fed Com 703H well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well. Said area is located approximately 8 miles Southwest from Jal, New Mexico.

CASE NO. 21444: Notice to all affected parties, as well as the heirs and devisees of Chevron U.S.A. Inc., United States of America, BLM, Devon Energy Production Co., L.P., COG Operating LLC, VPD New Mexico LLC, Green Ribbon, Inc., Bernard A. Winer and Grace S. Winer, as Trustees of the Bernard and Grace Winer Living Trust dated 10/3/2007, David N. Grimes, Elanor Jeanne Hopper, Lacy Dinsmoore Roop, 1999 Revocable Management Trust, Doris Earline Freeman, Young Minerals Company, VPD New Mexico Royalty LLC, COG Production LLC, Malaga Royalty LLC, Malaga EF7, LLC, Canaan Resources Drilling Company, LLC, JP Morgan Ventures Energy Corporation, Canaan Resource Partners Drilling Fund, L.P., of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on October 8, 2020, to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 E/2 and the E/2 W/2 of Sections 1 and 12, and the NW/4 NE/4 and the NE/4 NW/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. Part of FME's 20-acre horizontal spacing unit will overlap an existing 240-acre spacing unit for the Wolfcamp formation, which is approved under Division Order R-14547 for the Ushanka Federal Com. Well No. 23H. FME's spacing unit will be dedicated to the Kaston Fed Com 703H and the Bus Driver Fed Com 702H wells, to be horizontally drilled. The completed interval for Kaston Fed Com 703H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the wells will be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain

CASE NO. 21438: Notice to all affected parties, as well as the heirs and devisees of Chevron U.S.A. Inc., United States of America, BLM, Devon Energy Production Co., L.P., COG Operating LLC, VPD New Mexico LLC, Green Ribbon, Inc., Bernard A. Winer and Grace S. Winer, as Trustees of the Bernard and Grace Winer Living Trust dated 10/3/2007, David N. Grimes, Elanor Jeanne Hopper, Lacy Dinsmoore Roop, 1999 Revocable Management Trust, Doris Earline Freeman, Young Minerals Company, VPD New Mexico Royalty LLC, COG Production LLC, Malaga Royalty LLC, Malaga EF7, LLC, of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on October 8, 2020, to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 W/2 of Sections 1 and 12 and the NE/4 NW/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Bus Driver Fed Com 602H well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well. Said area is located approximately 8 miles Southwest from Jal, New Mexico.

CASE NO. 21439: Notice to all affected parties, as well as the heirs and devisees of Chevron U.S.A. Inc., United States of America, BLM, Devon Energy Production Co., L.P., COG Operating LLC, VPD New Mexico LLC, Green Ribbon, Inc., Bernard Winer and Grace S. Winer as Trustees of the Bernard and Grace Winer Living Trust dated 10/3/2007, David N. Grimes, Elanor Jeanne Hopper, Lacy Dinsmoore Roop, 1999 Revocable Management Trust, Doris Earline Freeman, Young Minerals Company, VPD New Mexico Royalty LLC, Marathon Oil Permian LLC, Crown Oil Partners LP, Post Oak Crown IV-B, LLC, Post Oak Crown IV, LLC, Collins & Jones Investments, LLC, Mavros Minerals II, LLC, LMC Energy, LLC, Gerard G. Vavrek, Jesse A. Faught, Jr., H. Jason Wacker, Oak Valley Mineral and Land, LP, David W. Cromwell, Kaleb Smith, Mike Moylett, Deane Durham of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on October 8, 2020, to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the E/2 E/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the LHS Wildcat Fed Com 604H well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well. Said area is located approximately 8 miles Southwest from Jal, New Mexico.

CASE NO. 21440: Notice to all affected parties, as well as the heirs and devisees of Chevron U.S.A. Inc., United States of America, BLM, Devon Energy Production Co., L.P., COG Operating LLC, VPD New Mexico LLC, Green Ribbon, Inc., Bernard Winer and Grace S. Winer as Trustees of the Bernard and Grace Winer Living Trust dated 10/3/2007, David N. Grimes, Elanor Jeanne Hopper, Lacy Dinsmoore Roop, 1999 Revocable Management Trust, Doris Earline Freeman, Young Minerals Company, VPD New Mexico Royalty LLC, Marathon Oil Permian LLC, Crown Oil Partners LP, Post Oak Crown IV-B, LLC, Post Oak Crown IV, LLC, Collins & Jones Investments, LLC, Mavros Minerals II, LLC, LMC Energy, LLC, Gerard G. Vavrek, Jesse A. Faught, Jr., H. Jason Wacker, Oak Valley Mineral and Land, LP, David W. Cromwell, Kaleb Smith, Mike Moylett, Deane Durham of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on October 8, 2020, to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the E/2 E/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the LHS Wildcat Fed Com 705H well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well. Said area is located approximately 8 miles Southwest from Jal, New Mexico.

CASE NO. 21441: Notice to all affected parties, as well as the heirs and devisees of Chevron U.S.A. Inc., United States of America, BLM, Devon Energy Production Co., L.P., COG Operating LLC, VPD New Mexico LLC, Green Ribbon, Inc., Bernard A. Winer and Grace S. Winer, as Trustees of the Bernard and Grace Winer Living Trust dated 10/3/2007, David N. Grimes, Elanor Jeanne Hopper, Lacy Dinsmoore Roop, 1999 Revocable Management Trust, Doris Earline Freeman, Young Minerals Company, VPD New Mexico Royalty LLC, COG Production LLC, Malaga Royalty LLC, Malaga EF7, LLC, of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on October 8, 2020, to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Judge Baylor Fed Com 601H well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well. Said area is located approximately 8 miles Southwest from Jal, New Mexico.

CASE NO. 21442: Notice to all affected parties, as well as the heirs and devisees of Chevron U.S.A. Inc., United States of America, BLM, Devon Energy Production Co., L.P., COG Operating LLC, VPD New Mexico LLC, Green Ribbon, Inc., Bernard A. Winer and Grace S. Winer, as Trustees of the Bernard and Grace Winer Living Trust dated 10/3/2007, David N. Grimes, Elanor Jeanne Hopper, Lacy Dinsmoore Roop, 1999 Revocable Management Trust, Doris Earline Freeman, Young Minerals Company, VPD New Mexico Royalty LLC, COG Production LLC, Malaga Royalty LLC, Malaga EF7, LLC, of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on October 8, 2020, to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 E/2 of Sections 1 and 12, and the NW/4 NE/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Kaston Fed Com 603H well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well. Said area is located approximately 8 miles Southwest from Jal, New Mexico.



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY, LLC FOR COMPUSLORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 21439  
(E/2 E/2 Bone Spring)

AFFIDAVIT

STATE OF COLORADO                    )  
  ) ss.  
COUNTY OF DENVER                    )

Ben Kessel, being duly sworn, deposes and states:

1. I am over the age of 18, I am a geologist for Franklin Mountain Energy, LLC (“Franklin”), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division (“Division”) and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.

2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.

3. I am familiar with the application filed by Franklin in this case.

4. **Exhibit 9** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.

5. **Exhibit 10** is a wellbore schematic showing Franklin’s development plan, which includes the well at issue in this case and the wells proposed in Case Numbers 21438 and 21440-21444.



6. The exhibits behind **Tab 11** are the geology study I prepared for the **LHS Wildcat Fed Com 604H** well.

7. **Exhibit 11-A** is structure map of top of the Third Bone Spring Sand. The proposed project area is identified by a pink box. The LHS Wildcat Fed Com 604H well is the pink dashed line identified by the box labeled “1”. The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips gently to the south.

8. **Exhibit 11-B** identifies five wells in the vicinity of the proposed well, shown by a line of cross-section running from A to A’.

9. **Exhibit 11-C** is a stratigraphic cross section hung on the Wolfcamp top. The well logs on the cross-section give a representative sample of the Third Bone Spring Sand formation in the area. The target zone is identified by the words “Producing Zone” and the shaded area across the cross section. I have also identified where the LHS Wildcat Fed Com 604H well falls within the wells I used for cross-section.

10. In my opinion, the gross interval thickness thickens slightly from north to the south.

11. **Exhibit 11-D** is a Gross Interval Isochore of the Third Bone Spring Sand. The gross interval thickness thickens slightly from north to the south.

12. I conclude from the maps that:

- a. The horizontal spacing unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- c. Each quarter quarter section in the proposed unit will contribute more or less equally to production.

13. **Exhibit 12** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.

14. The preferred well orientation in this area is either north/south or south/north. This is because the  $S_{Hmax}$  is at approximately 265 degrees in this area of Lea County.

15. Exhibits 9-12 were prepared by me or under my supervision or compiled from company business records.

16. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.

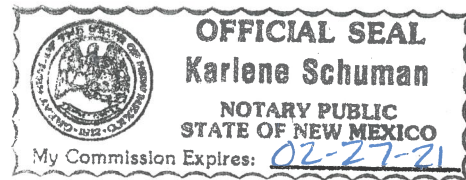
*[Signature page follows]*

BTK  
Ben Kessel

SUBSCRIBED AND SWORN to before me this 5th day of October, 2020 by Ben Kessel,  
on behalf of Franklin Mountain Energy, LLC.

Karlene Schuman  
Notary Public

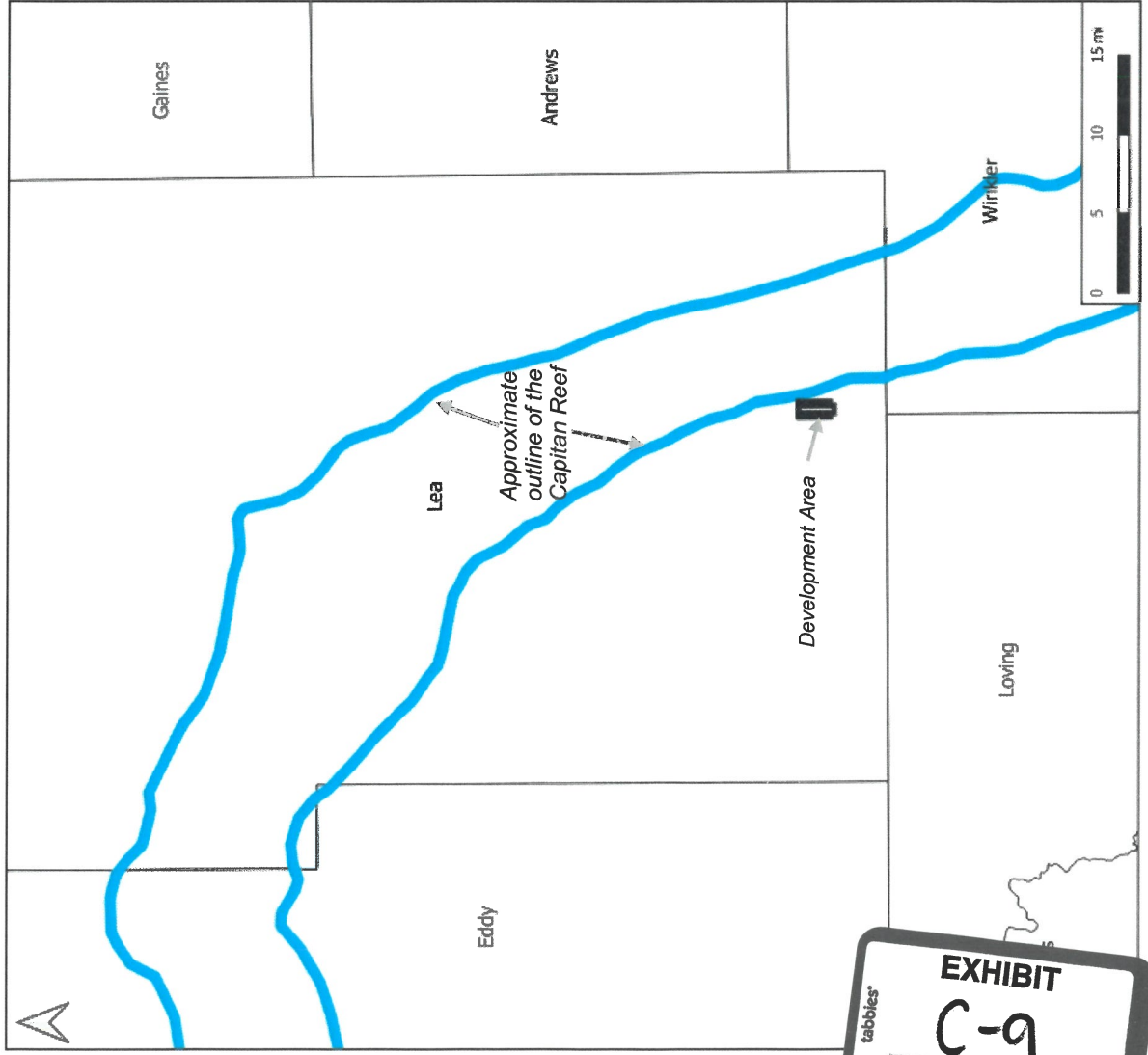
My commission expires: 02-27-21



# Locator Map



Case Nos. 21438, 21439, 21440, 21441, 21442, 21443 and 21444



- Black box shows the location of the development area
- Planned wells are located outside of the western edge of the Capitan Reef



# Wellbore Schematic

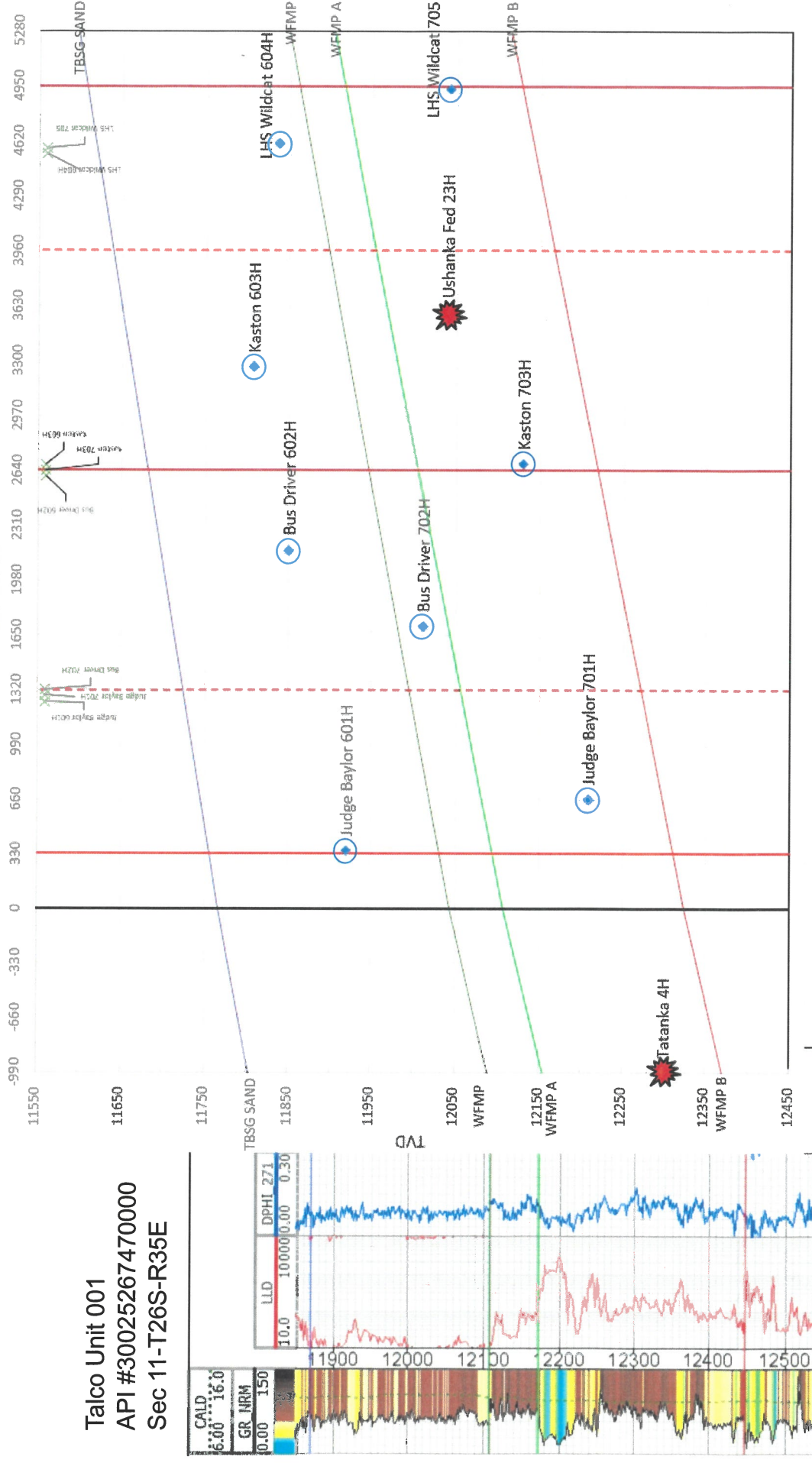


Case Nos. 21438, 21439, 21440, 21441, 21442, 21443 and 21444

26S 35E Section 1-Looking North

Distance FWL

Talco Unit 001  
API #30025267470000  
Sec 11-T26S-R35E



EXHIBIT

C-10

Existing Lateral Proposed Lateral

*Case No. 21439: LHS Wildcat Fed Com 604H*

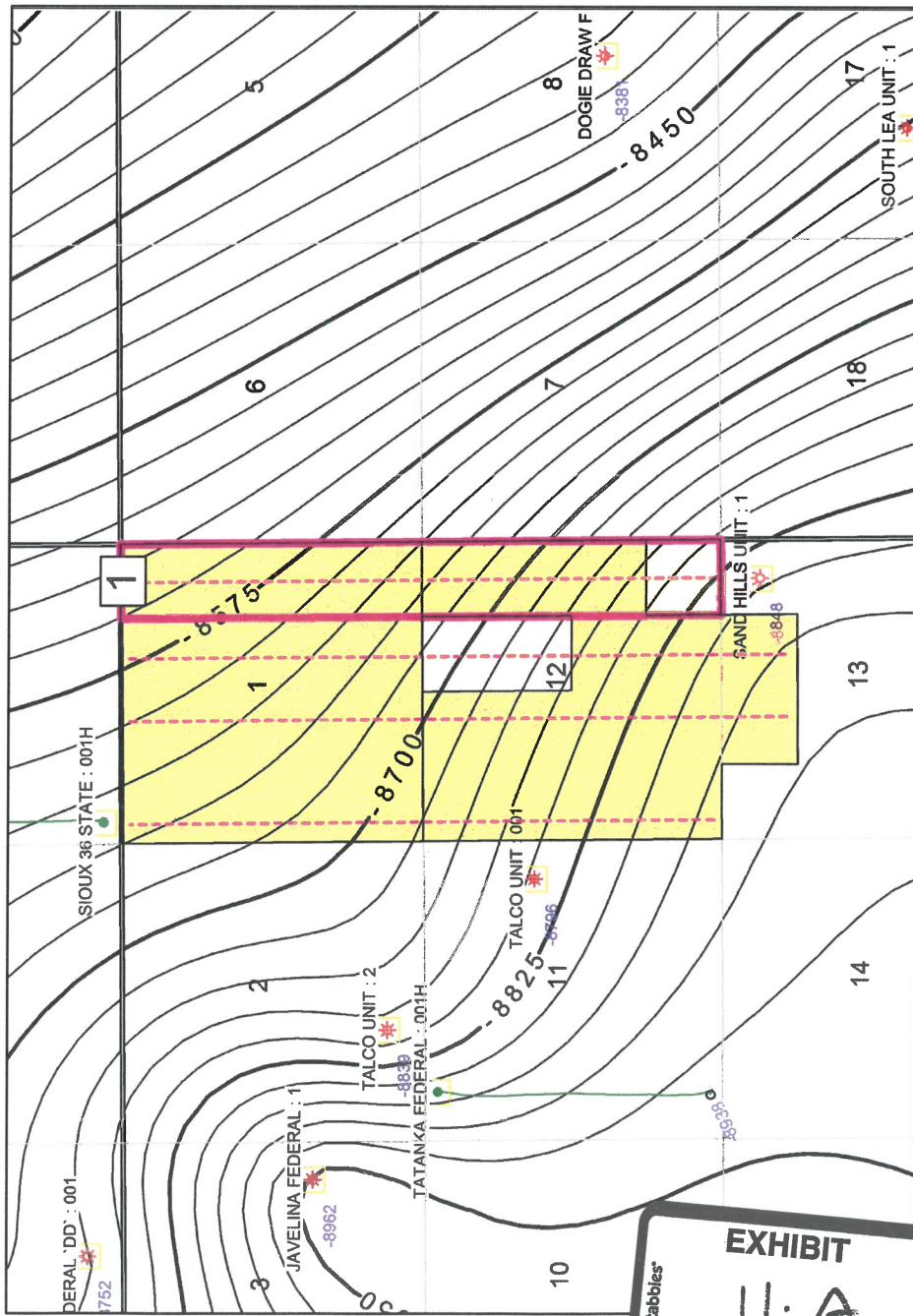
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*Bone Spring*



# Third Bone Spring Structure Map (SSTVD)

Case No. 21439: LHS Wildcat Fed Com 604H



Franklin Mountain  
Acreage



Bone Spring Unit

Proposed Horizontal Location

1

LHS Wildcat Fed Com 604H



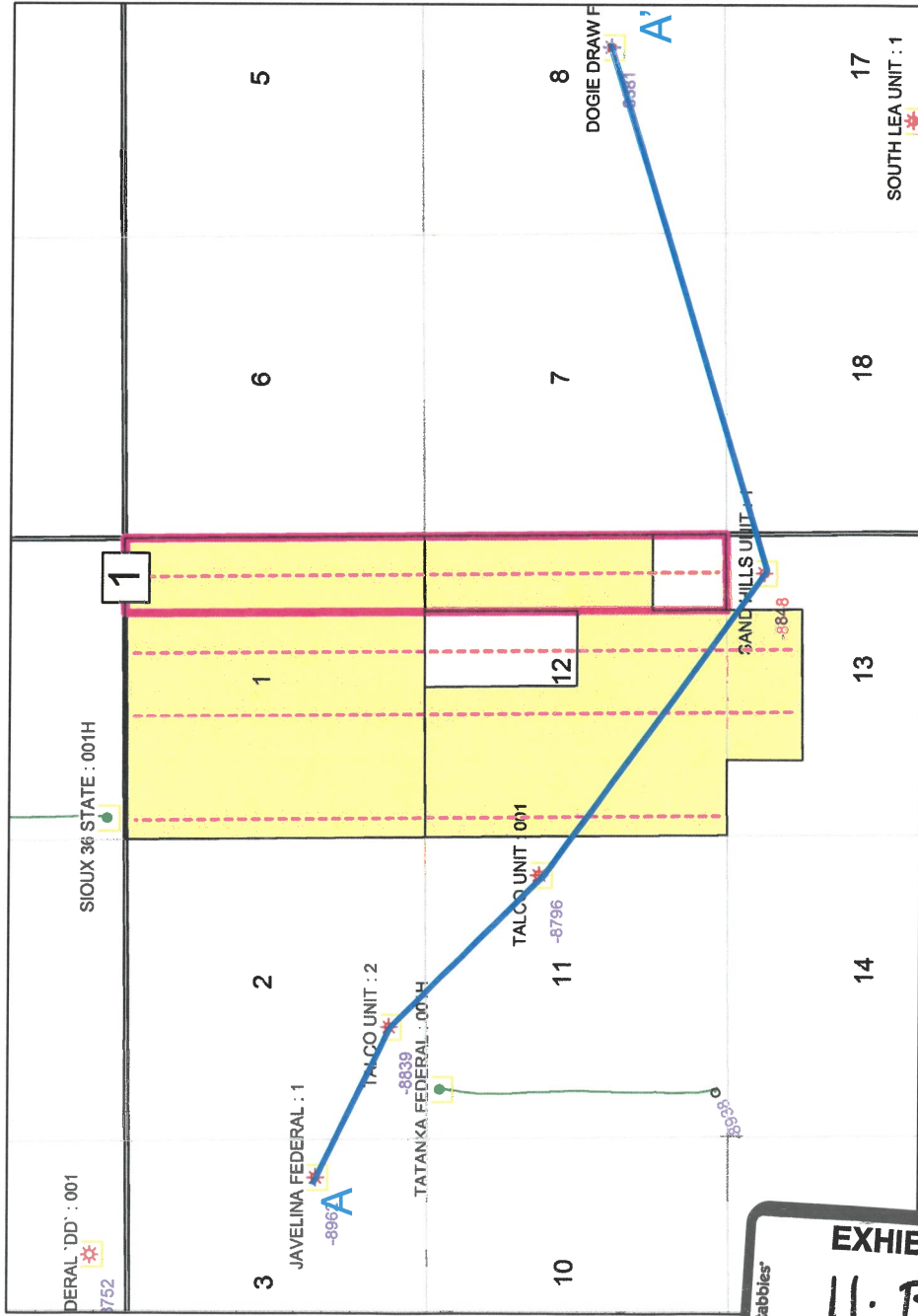
C.I. = 25'

1 mile



# Third Bone Spring Cross Section Reference Map

Case No. 21439: LHS Wildcat Fed Com 604H



1 mile

Franklin Mountain Acreage

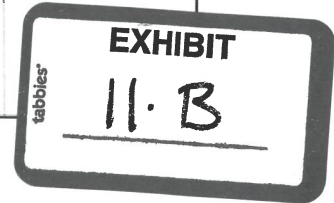


Bone Spring Unit

Proposed Horizontal Location

Cross Section Line

**1** LHS Wildcat Fed Com 604H



# Third Bone Spring Sand Cross Section



JAVELINA FEDERAL 1 30025286440000  
 TALCO UNIT 2 30025276140000  
 TALCO UNIT 001 30025267470000  
 SAND HILLS UNIT 1 3002508890000  
 DOGIE DRAW FED 1 30025247190000

Offset: 0. 1.366

A'

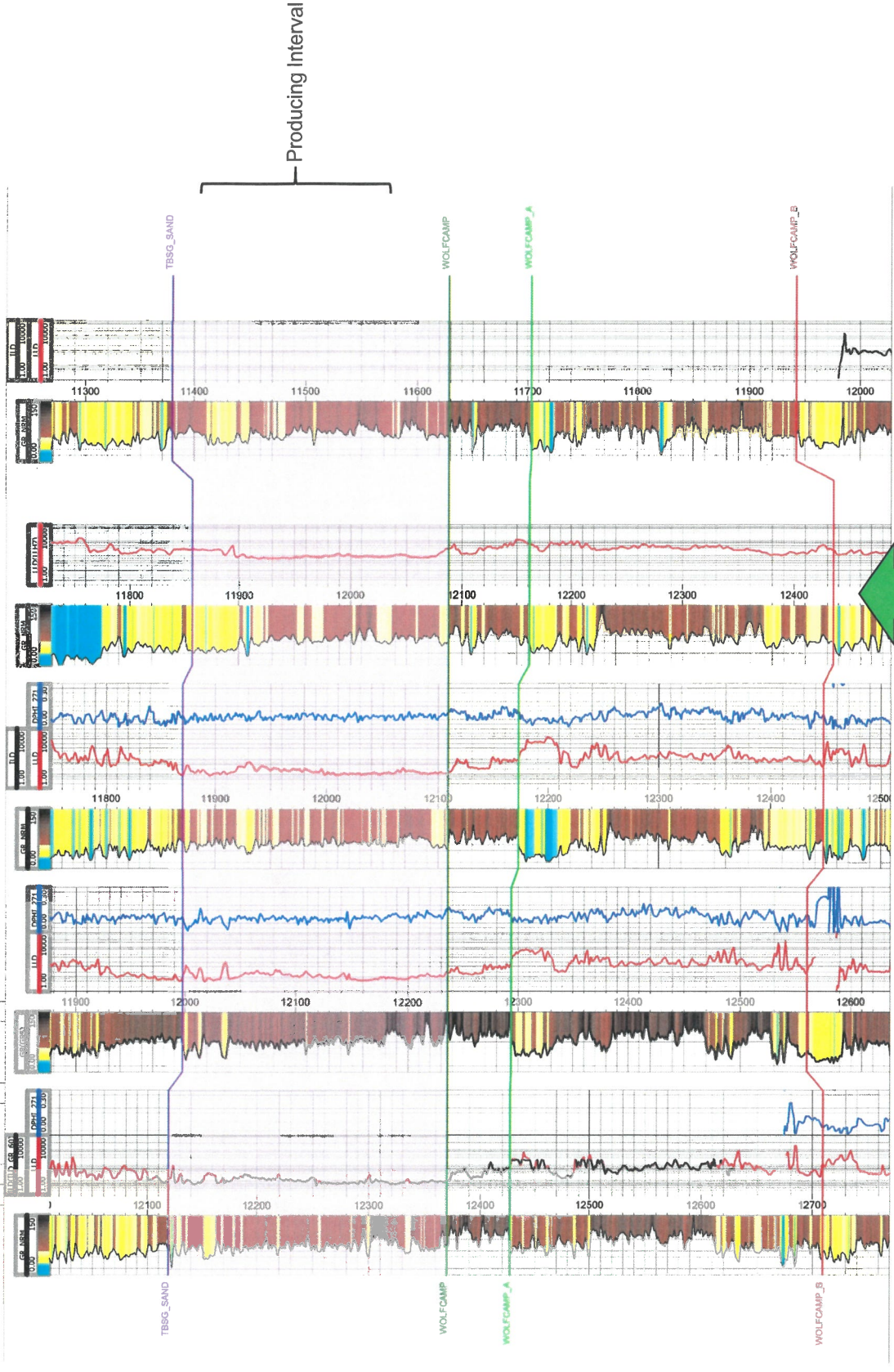
9612 ft

6608 ft

3741 ft

2952 ft

A



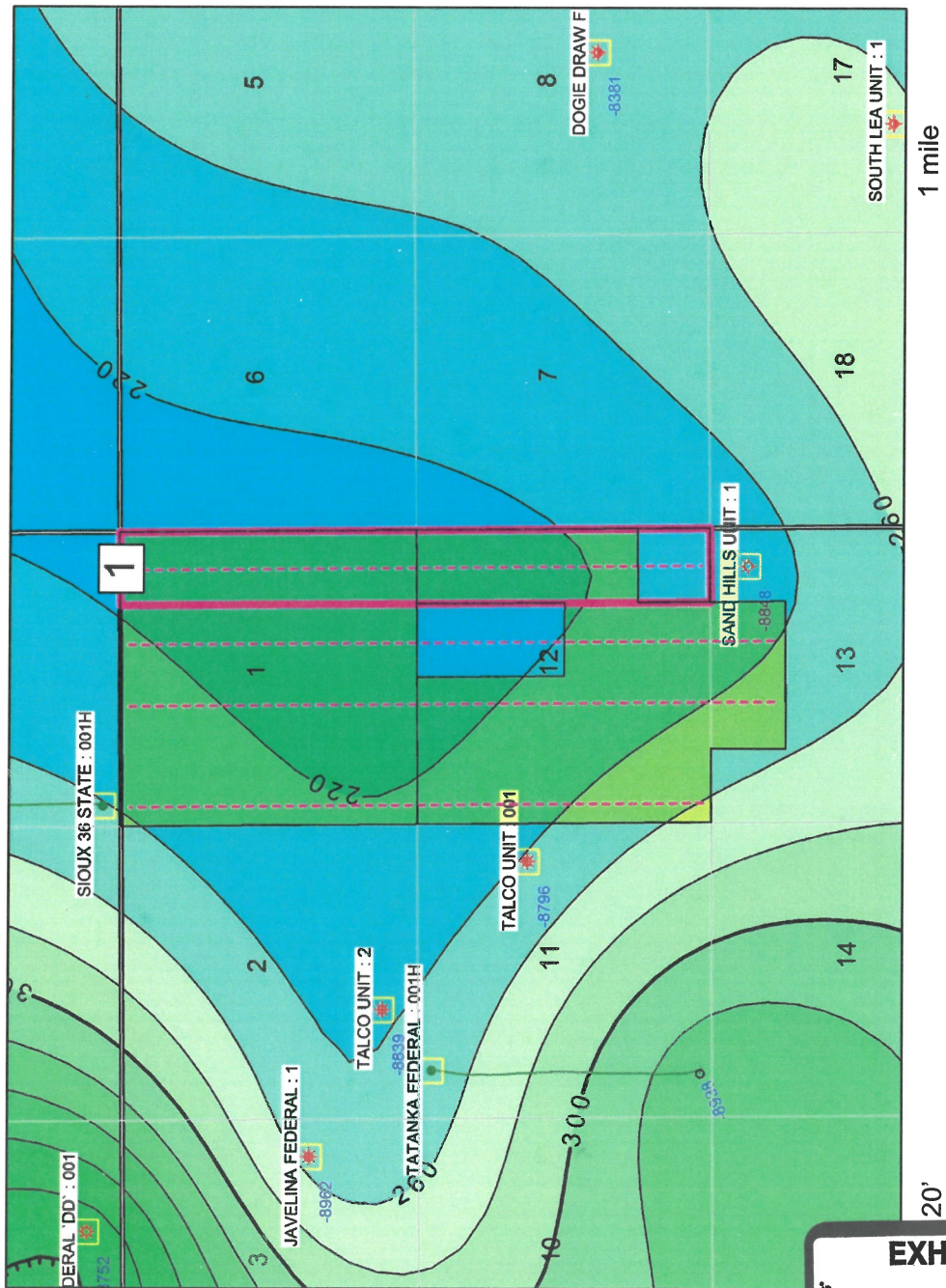
LHS Wildcat Fed Com 604H

EXHIBIT  
 11.C



# Third Bone Spring Sand Isochore Map

Case No. 21439: LHS Wildcat Fed Com 604H



Franklin Mountain Acreage

Bone Spring Unit

Proposed Horizontal Location

1 LHS Wildcat Fed Com 604H

tabbles

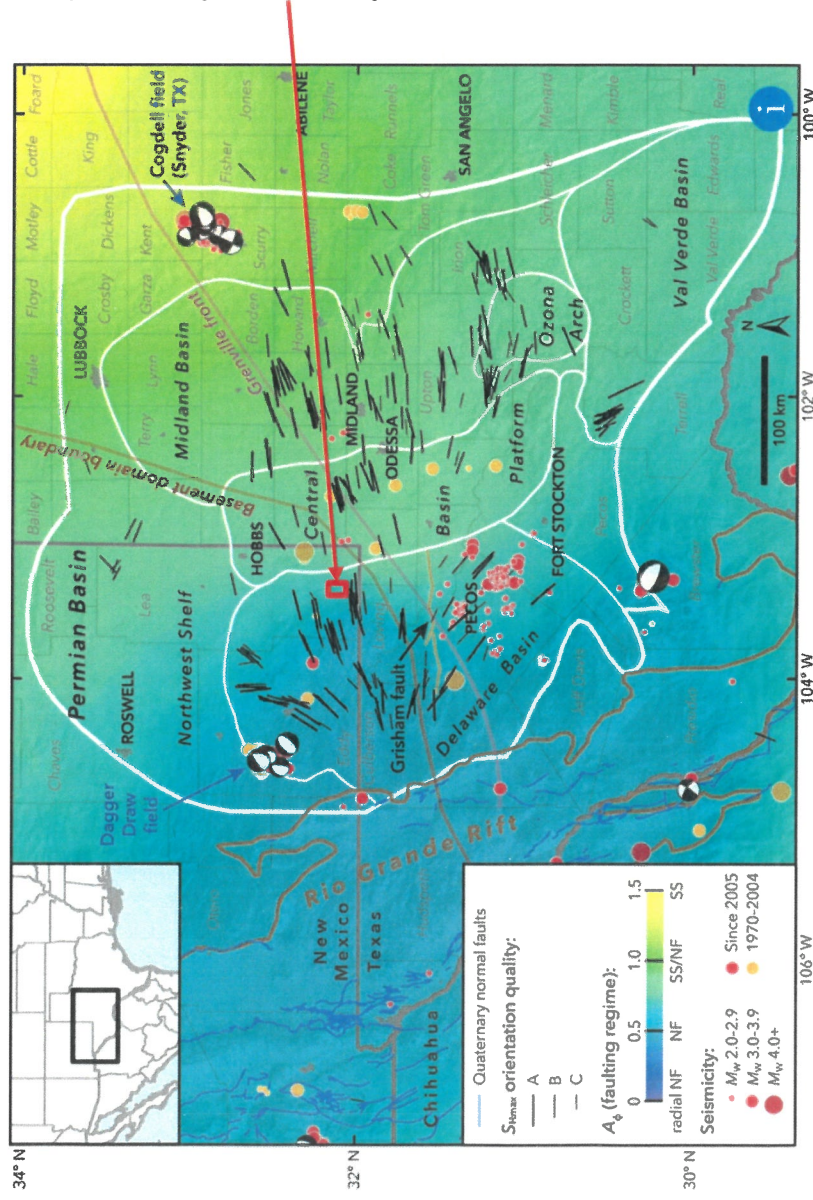
EXHIBIT

11-D

# Regional Stress



Case Nos. 21438, 21439, 21440, 21441, 21442, 21443 and 21444



- Red box shows the approximate location of development area
- Reported local  $S_{Hmax}$  (Snee and Zoback, 2018) direction is ENE, around  $265^\circ$
- Development wells are planned to drill N-S, nearly orthogonal to  $S_{Hmax}$ , optimal for induced fracture propagation

Snee, J.L. and Zoback, M.D., 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 37, no. 2  
[http://www.tleonline.org/theleadingedge/february\\_2018/MobilePageArticle.action?articleId=1331603#articleId1331603](http://www.tleonline.org/theleadingedge/february_2018/MobilePageArticle.action?articleId=1331603#articleId1331603)