

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Franklin Mountain Energy, LLC
OPERATOR ADDRESS: 44 Cool Street, Suite 1000, Denver, CO 80206

APPLICATION TYPE:
 Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee State Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
 Yes No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
[97088] WC-025 G-08 S253534O; BONE SPRING	43.2° / 1347 BTU/CF	43.2° / 1234 BTU/CF		\$50/bbl oil \$1.00/MCF	330 BOPD 400 MCFD
[98228] WC-025 G-09 S253536D; UPR WOLF CAMP	43.2° / 1347 BTU/CF	43.2° / 1234 BTU/CF		\$50/bbl oil \$1.00/MCF	330 BOPD 400 MCFD

(2) Are any wells producing at top allowables? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.
(4) Measurement type: Metering Other (Specify)
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

(1) Pool Name and Code.
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE:  TITLE: Director Ops Planning & Regulatory DATE: 5/26/2021
TYPE OR PRINT NAME: Rachel Overbey TELEPHONE NO.: 303-570-4057
E-MAIL ADDRESS: roverbey@fmellc.com



May 26, 2021

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

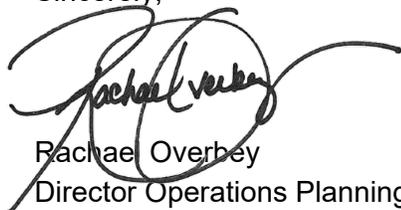
Re: C-107B Application for Surface Commingling (diverse ownership) for Franklin Mountain Energy, LLC

To Whom It May Concern:

Franklin Mountain Energy, LLC, OGRID No. 373910, requests to commingle future oil and gas production from 8 wells. Production would come from multiple Federal leases and zones (pool numbers 97088 and 98228). All wells will go through individual three-phase separators and each stream (oil, gas, water) will be measured as it exits the three-phase separator. Oil will be measured at the three-phase separator with a Coriolis meter, Gas will be measured with an orifice meter, and water will be measured with a mag meter.

Commingling will happen after the three-phase separator. The gas will flow into a common line after the three-phase separator, flow is directed through an additional two-phase separator to remove any excess liquids before gas is sent into a 3rd party gas gathering system. The oil will be commingled after the three-phase separator into a common line, where it then flows into oil tanks before it is pumped into a 3rd party crude gathering system. The water will be commingled after the three-phase separator into a common line, where it then flows into a gun barrel before it is pumped into a 3rd party water gathering system. Oil and gas sales will be allocated against sales meter volumes. All meters will be calibrated according to manufacturer's recommendations.

Sincerely,



Rachael Overbey
Director Operations Planning and Regulatory
roverbey@fmellc.com
Main: 720-414-7868
Mobile: 303-570-4057

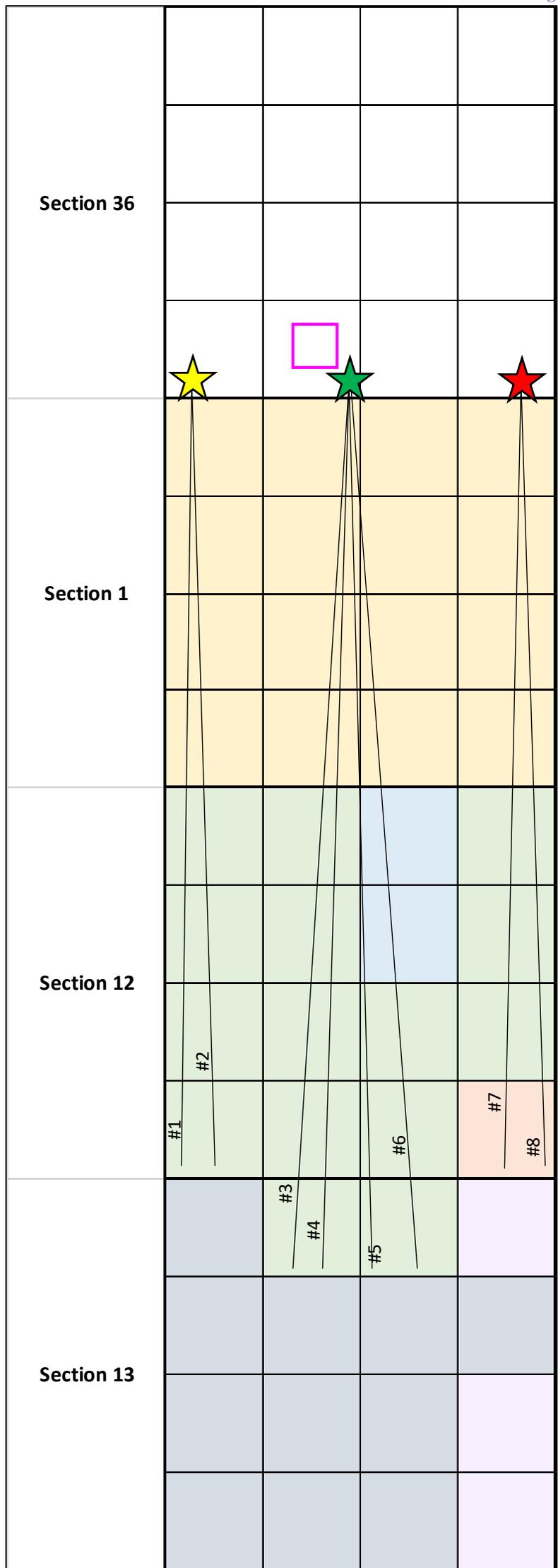
- ★ Paul Foster West Pad
 - Judge Baylor Fed Com 601H
 - Judge Baylor Fed Com 701H

- ★ Paul Foster Mid Pad
 - Bus Driver Fed Com 602H
 - Bus Driver Fed Com 702H
 - Kaston Fed Com 603H
 - Kaston Fed Com 703H

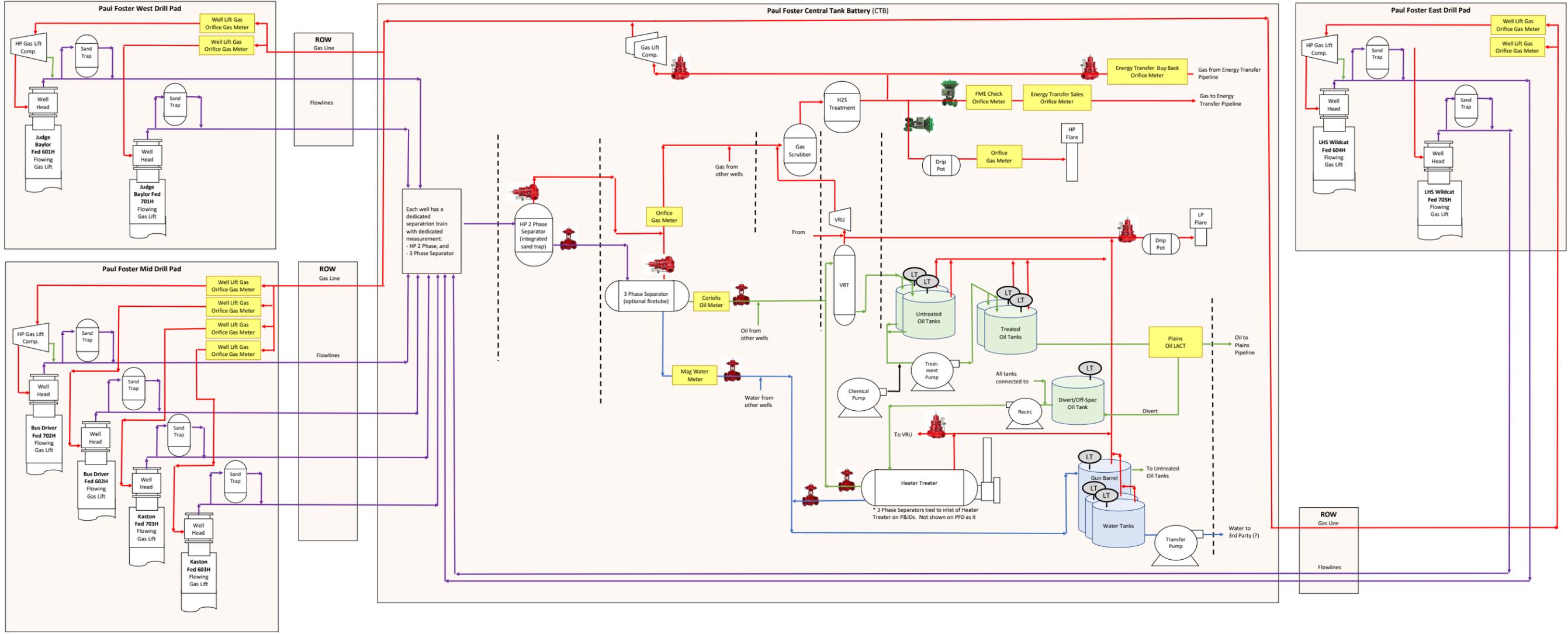
- ★ Paul Foster East Pad
 - LHS Wildcat Fed Com 604H
 - LHS Wildcat Fed Com 705H

□ Paul Foster CTB

Sec 36	NMSLO
Sec 1	NM-117126
Sec 12 & 13	NM-12280
Sec 12	NM-119761
Sec 12	NM-130330



Plat No.	Well Names	Formation	Unit Description	Unit Acres	NMOCD Pooling Order
1	Judge Baylor Fed Com 601H	Bone Spring	W2W2 Secs 1&12-T26S-R35E	320	R-21513
2	Judge Baylor Fed Com 701H	Wolfcamp	W2W2 Secs 1&12-T26S-R35E	320	R-21514
4	Bus Driver Fed Com 602H	Bone Spring	E2W2 Secs 1&12; NENW Sec 13-T26S-R35E	360	R-21511
3	Bus Driver Fed Com 702H	Wolfcamp	W2E2, E2W2 Secs 1&12; NWNE, NENW Sec 13-T26S-R35E	720	R-21505
5	Kaston Fed Com 703H	Wolfcamp	W2E2, E2W2 Secs 1&12; NWNE, NENW Sec 13-T26S-R35E	720	R-21505
6	Kaston Fed Com 603H	Bone Spring	W2E2 Secs 1&12; NWNE Sec 13-T26S-R35E	360	R-21498
7	LHS Wildcat Fed Com 604H	Bone Spring	E2E2 Secs 1 &12-T26S-R35E	320	R-21496
8	LHS Wildcat Fed Com 705H	Wolfcamp	E2E2 Secs 1 &12-T26S-R35E	320	R-21497





May 26, 2021

SENT VIA CERTIFIED MAIL

RE: Notice of C-107B Application
Surface Commingling (diverse ownership) for Franklin Mountain Energy, LLC

Dear Sir/Madam:

For notice purposes, enclosed please find Franklin Mountain Energy, LLC's application filed with the New Mexico Oil Conservation Division ("NMOCD") to commingle production from the following wells in which you may own an interest in the production:

Well Name: JUDGE BAYLOR FED COM 601H
Pool: WC-025 G-08 S253534O; BONE SPRING [97088]
API: 30-025-48102
Location: SHL: M- Section 36-25S-35E, BHL: M-Section 12, 26S-35E

Well Name: JUDGE BAYLOR FED COM 701H
Pool: WC-025 G-09 S253536D;UPR WOLFCAMP [98228]
API: 30-025-48103
Location: SHL: M- Section 36-25S-35E, BHL: M-Section 12, 26S-35E

Well Name: BUS DRIVER FED COM 602H
Pool: WC-025 G-08 S253534O; BONE SPRING [97088]
API: 30-025-48100
Location: SHL: N- Section 36-25S-35E, BHL: C-Section 13, 26S-35E

Well Name: BUS DRIVER FED COM 702H
Pool: WC-025 G-09 S253536D;UPR WOLFCAMP [98228]
API: 30-025-48101
Location: SHL: N- Section 36-25S-35E, BHL: C-Section 13, 26S-35E

Well Name: KASTON FED COM 703H
Pool: WC-025 G-09 S253536D;UPR WOLFCAMP [98228]
API: 30-025-48105
Location: SHL: N- Section 36-25S-35E, BHL: B-Section 13, 26S-35E

Well Name: KASTON FED COM 603H
Pool: WC-025 G-08 S253534O; BONE SPRING [97088]
API: 30-025-48104
Location: SHL: N- Section 36-25S-35E, BHL: B-Section 13, 26S-35E



Well Name: LHS WILDCAT FED COM 604H
Pool: WC-025 G-08 S2535340; BONE SPRING [97088]
API: 30-025-48106
Location: SHL: P- Section 36-25S-35E, BHL: P-Section 12, 26S-35E

Well Name: LHS WILDCAT FED COM 705H
Pool: WC-025 G-09 S253536D;UPR WOLFCAMP [98228]
API: 30-025-48107
Location: SHL: P- Section 36-25S-35E, BHL: P-Section 12, 26S-35E

Franklin Mountain Energy, LLC's specific plans under this application are as follows:

Franklin Mountain Energy, LLC, OGRID No. 373910, will commingle future oil and gas production from the aforementioned eight (8) wells. Production will come from multiple Federal leases and zones (pool numbers 97088 and 98228). All wells will go through individual three-phase separators and each stream (oil, gas, water) will be measured as it exits the three-phase separator. Oil will be measured at the three-phase separator with a Coriolis meter, Gas will be measured with an orifice meter, and water will be measured with a mag meter.

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Pursuant to Rule 19.15.12.10(C)(4)(c), any objection or requests for a hearing regarding this application must be submitted to the NMOCD Santa Fe office in writing within 20 days from the date the OCD received the application. The NMOCD will receive our application in its entirety on or before June 4, 2021.

Pursuant to Rule 19.15.12.10(C)(4)(g) NMAC, Franklin also requests the option to include additional pools and/or leases within defined parameters set forth in the order for future additions.



Should you have any questions, please contact the undersigned at the contact information provided below.

Respectfully,

Franklin Mountain Energy, LLC

A handwritten signature in blue ink that reads "Shelly Albrecht". The signature is fluid and cursive.

Shelly Albrecht

Director of Land

salbrecht@fmelle.com

Direct: (720) 414-7855

Mobile: (720) 630-0544

Enclosures

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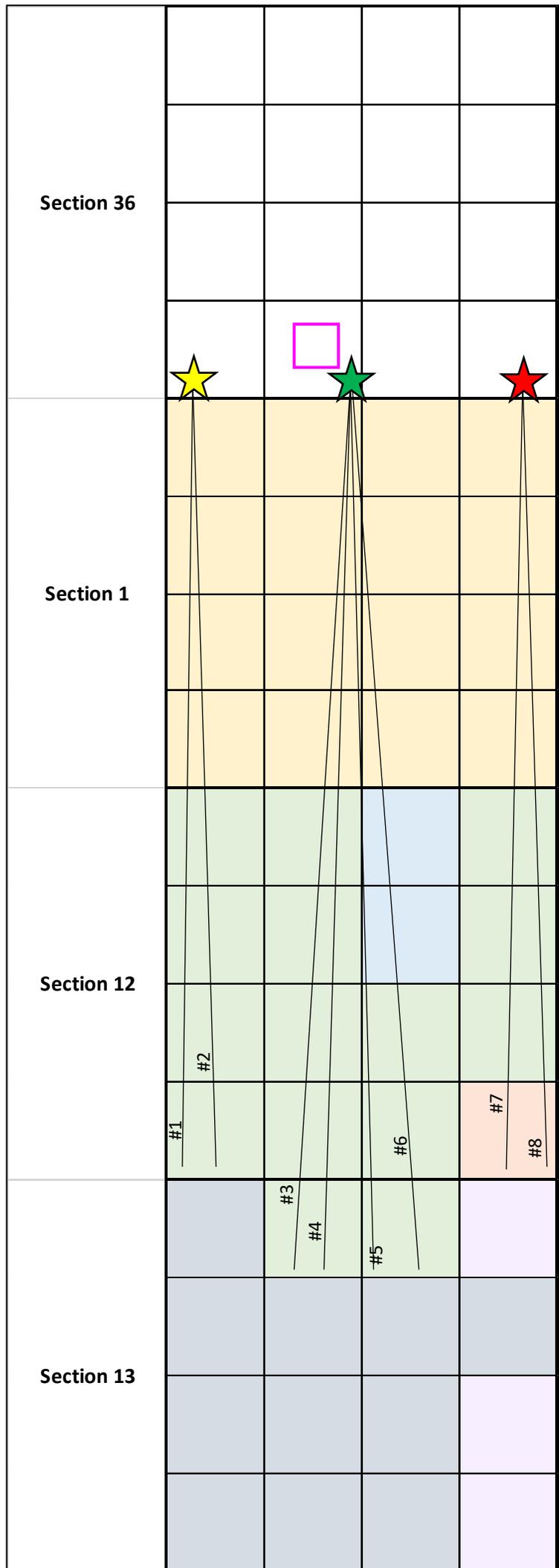
(1) A schematic diagram of facility, including legal location.
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(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE:  TITLE: Director Ops Planning & Regulatory DATE: 5/26/2021
TYPE OR PRINT NAME: Rachel Overbey TELEPHONE NO.: 303-570-4057
E-MAIL ADDRESS: roverbey@fmcmlc.com

- ★ Paul Foster West Pad
 - Judge Baylor Fed Com 601H
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 - Bus Driver Fed Com 702H
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 - Kaston Fed Com 703H
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Sec 36	NMSLO
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Plat No.	Well Names	Formation	Unit Description	Unit Acres	NMOCD Pooling Order
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4	Bus Driver Fed Com 602H	Bone Spring	E2W2 Secs 1&12; NENW Sec 13-T26S-R35E	360	R-21511
3	Bus Driver Fed Com 702H	Wolfcamp	W2E2, E2W2 Secs 1&12; NWNE, NENW Sec 13-T26S-R35E	720	R-21505
5	Kaston Fed Com 703H	Wolfcamp	W2E2, E2W2 Secs 1&12; NWNE, NENW Sec 13-T26S-R35E	720	R-21505
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8	LHS Wildcat Fed Com 705H	Wolfcamp	E2E2 Secs 1 &12-T26S-R35E	320	R-21497



Well List:

Well #1

Well Name: JUDGE BAYLOR FED COM 601H

Pool: WC-025 G-08 S253534O; BONE SPRING [97088]

API: 30-025-48102

Location: SHL: M- Section 36-25S-35E, BHL: M-Section 12, 26S-35E

Well #2

Well Name: JUDGE BAYLOR FED COM 701H

Pool: WC-025 G-09 S253536D; UPR WOLFCAMP [98228]

API: 30-025-48103

Location: SHL: M- Section 36-25S-35E, BHL: M-Section 12, 26S-35E

Well #3

Well Name: BUS DRIVER FED COM 602H

Pool: WC-025 G-08 S253534O; BONE SPRING [97088]

API: 30-025-48100

Location: SHL: N- Section 36-25S-35E, BHL: C-Section 13, 26S-35E

Well #4

Well Name: BUS DRIVER FED COM 702H

Pool: WC-025 G-09 S253536D; UPR WOLFCAMP [98228]

API: 30-025-48101

Location: SHL: N- Section 36-25S-35E, BHL: C-Section 13, 26S-35E

Well #5

Well Name: KASTON FED COM 703H

Pool: WC-025 G-09 S253536D; UPR WOLFCAMP [98228]

API: 30-025-48105

Location: SHL: N- Section 36-25S-35E, BHL: B-Section 13, 26S-35E

Well #6

Well Name: KASTON FED COM 603H

Pool: WC-025 G-08 S253534O; BONE SPRING [97088]

API: 30-025-48104

Location: SHL: N- Section 36-25S-35E, BHL: B-Section 13, 26S-35E

44 Cook St., Suite 1000, Denver, CO 80206

Well #7

Well Name: LHS WILDCAT FED COM 604H

Pool: WC-025 G-08 S253534O; BONE SPRING [97088]

API: 30-025-48106

Location: SHL: P- Section 36-25S-35E, BHL: P-Section 12, 26S-35E

Well #8

Well Name: LHS WILDCAT FED COM 705H

Pool: WC-025 G-09 S253536D; UPR WOLFCAMP [98228]

API: 30-025-48107

Location: SHL: P- Section 36-25S-35E, BHL: P-Section 12, 26S-35E

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48102	² Pool Code 97088	³ Pool Name WC-025 G-08 S2535340;BONE SPRING
⁴ Property Code 329876	⁵ Property Name JUDGE BAYLOR FED COM	
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	
		⁶ Well Number 601H
		⁹ Elevation 3070.0'

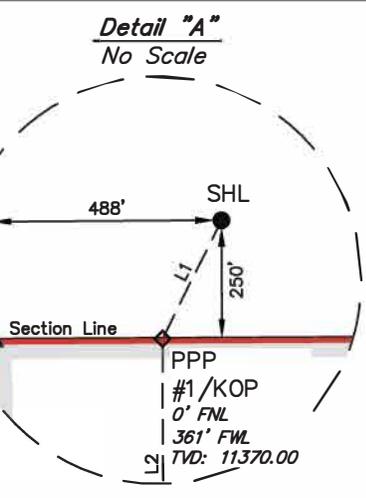
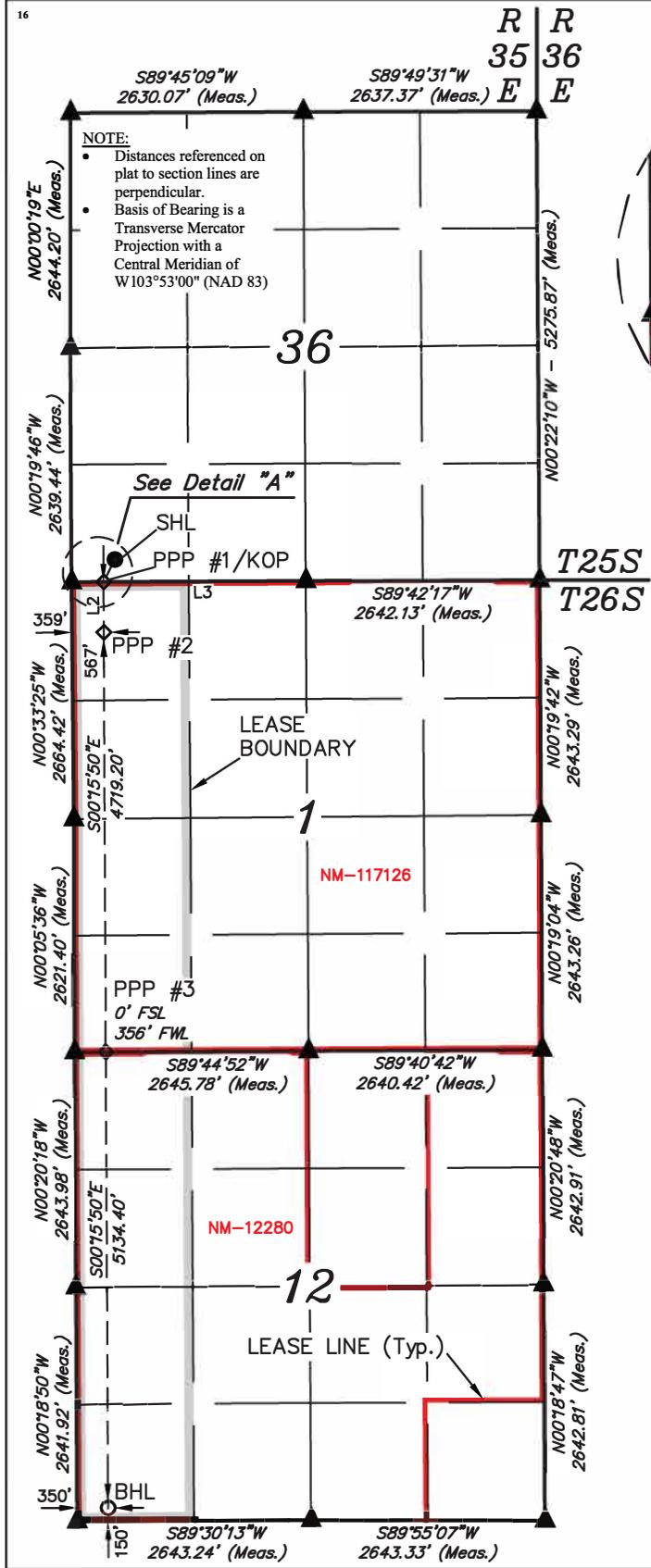
¹⁰ Surface Location

UL or lot no. M	Section 36	Township 25S	Range 35E	Lot Idn	Feet from the 250	North/South line SOUTH	Feet from the 488	East/West line WEST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. M	Section 12	Township 26S	Range 35E	Lot Idn	Feet from the 150	North/South line SOUTH	Feet from the 350	East/West line WEST	County LEA
¹² Dedicated Acres 320		¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.				

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Shelly Albrecht* Date: 10/13/2020
Printed Name: Shelly Albrecht
E-mail Address: salbrecht@fme LLC.com

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

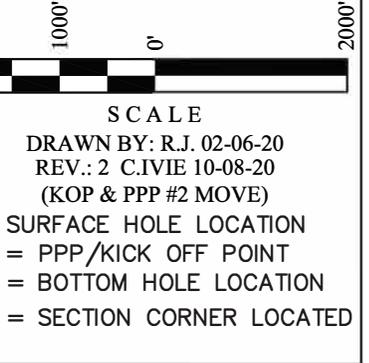
January 30, 2020
Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number:

NAD 83 (SHL) LATITUDE = 32°04'48.94" (32.080260°) LONGITUDE = 103°19'41.56" (103.328211°)
NAD 27 (SHL) LATITUDE = 32°04'48.48" (32.080133°) LONGITUDE = 103°19'39.90" (103.327750°)
STATE PLANE NAD 83 (N.M. EAST) N: 394386.23' E: 852648.61'
STATE PLANE NAD 27 (N.M. EAST) N: 394328.30' E: 811460.96'
NAD 83 (PPP #1/KOP) LATITUDE = 32°04'46.46" (32.079573°) LONGITUDE = 103°19'43.03" (103.328619°)
NAD 27 (PPP #1/KOP) LATITUDE = 32°04'46.01" (32.079446°) LONGITUDE = 103°19'41.37" (103.328158°)
STATE PLANE NAD 83 (N.M. EAST) N: 394135.09' E: 852524.57'
STATE PLANE NAD 27 (N.M. EAST) N: 394077.17' E: 811336.91'
NAD 83 (PPP #2) LATITUDE = 32°04'40.86" (32.078015°) LONGITUDE = 103°19'43.03" (103.328620°)
NAD 27 (PPP #2) LATITUDE = 32°04'40.40" (32.077889°) LONGITUDE = 103°19'41.37" (103.328160°)
STATE PLANE NAD 83 (N.M. EAST) N: 393568.35' E: 852529.55'
STATE PLANE NAD 27 (N.M. EAST) N: 393510.44' E: 811341.87'
NAD 83 (PPP #3) LATITUDE = 32°03'54.17" (32.065046°) LONGITUDE = 103°19'43.06" (103.328628°)
NAD 27 (PPP #3) LATITUDE = 32°03'53.71" (32.064919°) LONGITUDE = 103°19'41.41" (103.328168°)
STATE PLANE NAD 83 (N.M. EAST) N: 388850.02' E: 852570.97'
STATE PLANE NAD 27 (N.M. EAST) N: 388792.24' E: 811383.10'
NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°03'03.37" (32.050935°) LONGITUDE = 103°19'43.09" (103.328637°)
NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°03'02.91" (32.050808°) LONGITUDE = 103°19'41.44" (103.328178°)
STATE PLANE NAD 83 (N.M. EAST) N: 383716.56' E: 852616.03'
STATE PLANE NAD 27 (N.M. EAST) N: 383658.92' E: 811427.96'

LINE TABLE

LINE	DIRECTION	LENGTH
L1	S26°31'27"W	280.15'
L2	S00°15'52"E	566.84'
L3	S89°42'18"W	2644.44'



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¹⁰ Surface Location

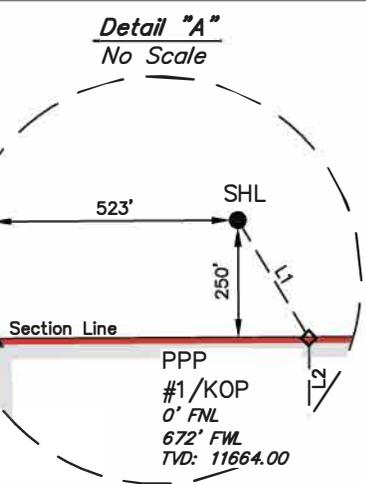
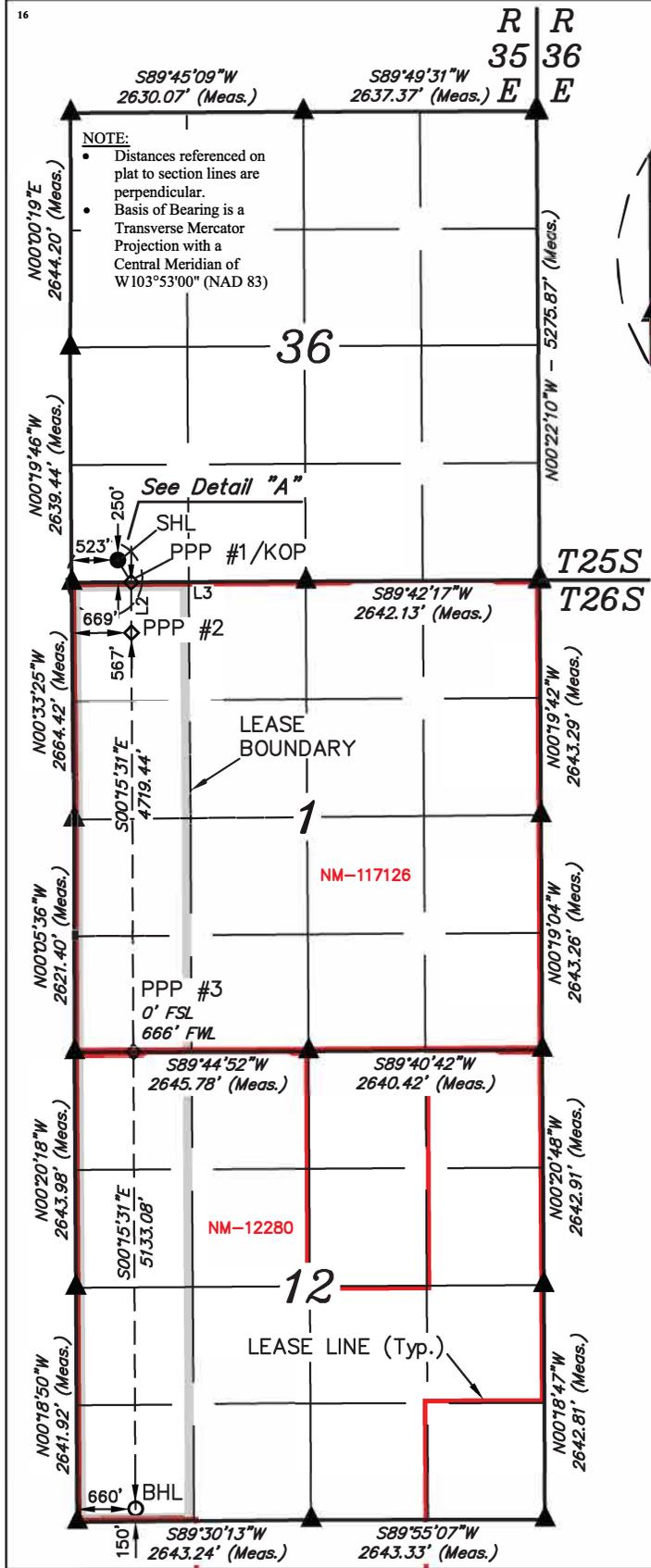
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25S	35E		250	SOUTH	523	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	26S	35E		150	SOUTH	660	WEST	LEA

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Shelly Albrecht* Date: 10/13/2020
Printed Name: Shelly Albrecht
E-mail Address: salbrecht@fmellc.com

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

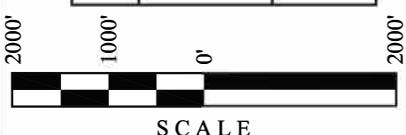
January 30, 2020
Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number:

NAD 83 (SHL) LATITUDE = 32°04'48.94" (32.080260°) LONGITUDE = 103°19'41.15" (103.328098°)
NAD 27 (SHL) LATITUDE = 32°04'48.48" (32.080133°) LONGITUDE = 103°19'39.49" (103.327637°)
STATE PLANE NAD 83 (N.M. EAST) N: 394386.55' E: 852683.60'
STATE PLANE NAD 27 (N.M. EAST) N: 394328.62' E: 811495.95'
NAD 83 (PPP #1/KOP) LATITUDE = 32°04'46.46" (32.079573°) LONGITUDE = 103°19'39.42" (103.327616°)
NAD 27 (PPP #1/KOP) LATITUDE = 32°04'46.01" (32.079446°) LONGITUDE = 103°19'37.76" (103.327155°)
STATE PLANE NAD 83 (N.M. EAST) N: 394137.99' E: 852835.50'
STATE PLANE NAD 27 (N.M. EAST) N: 394080.06' E: 811647.84'
NAD 83 (PPP #2) LATITUDE = 32°04'40.86" (32.078015°) LONGITUDE = 103°19'39.42" (103.327617°)
NAD 27 (PPP #2) LATITUDE = 32°04'40.40" (32.077889°) LONGITUDE = 103°19'37.76" (103.327156°)
STATE PLANE NAD 83 (N.M. EAST) N: 393571.25' E: 852840.42'
STATE PLANE NAD 27 (N.M. EAST) N: 393513.34' E: 811652.73'
NAD 83 (PPP #3) LATITUDE = 32°03'54.16" (32.065045°) LONGITUDE = 103°19'39.45" (103.327626°)
NAD 27 (PPP #3) LATITUDE = 32°03'53.71" (32.064918°) LONGITUDE = 103°19'37.80" (103.327166°)
STATE PLANE NAD 83 (N.M. EAST) N: 388852.68' E: 852881.40'
STATE PLANE NAD 27 (N.M. EAST) N: 388794.90' E: 811693.52'
NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°03'03.38" (32.050938°) LONGITUDE = 103°19'39.49" (103.327637°)
NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°03'02.92" (32.050811°) LONGITUDE = 103°19'37.84" (103.327178°)
STATE PLANE NAD 83 (N.M. EAST) N: 383720.54' E: 852925.96'
STATE PLANE NAD 27 (N.M. EAST) N: 383662.90' E: 811737.89'

LINE TABLE

LINE	DIRECTION	LENGTH
L1	S31°11'22"E	291.35'
L2	S00°15'30"E	566.84'
L3	S89°42'18"W	2644.44'



SCALE
DRAWN BY: R.J. 02-06-20
REV.: 2 C.IVIE 10-08-20
(KOP & PPP #2 MOVE)

- SURFACE HOLE LOCATION
- ◇ = PPP/KICK OFF POINT
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
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Submit one copy to appropriate
District Office

AMENDED REPORT

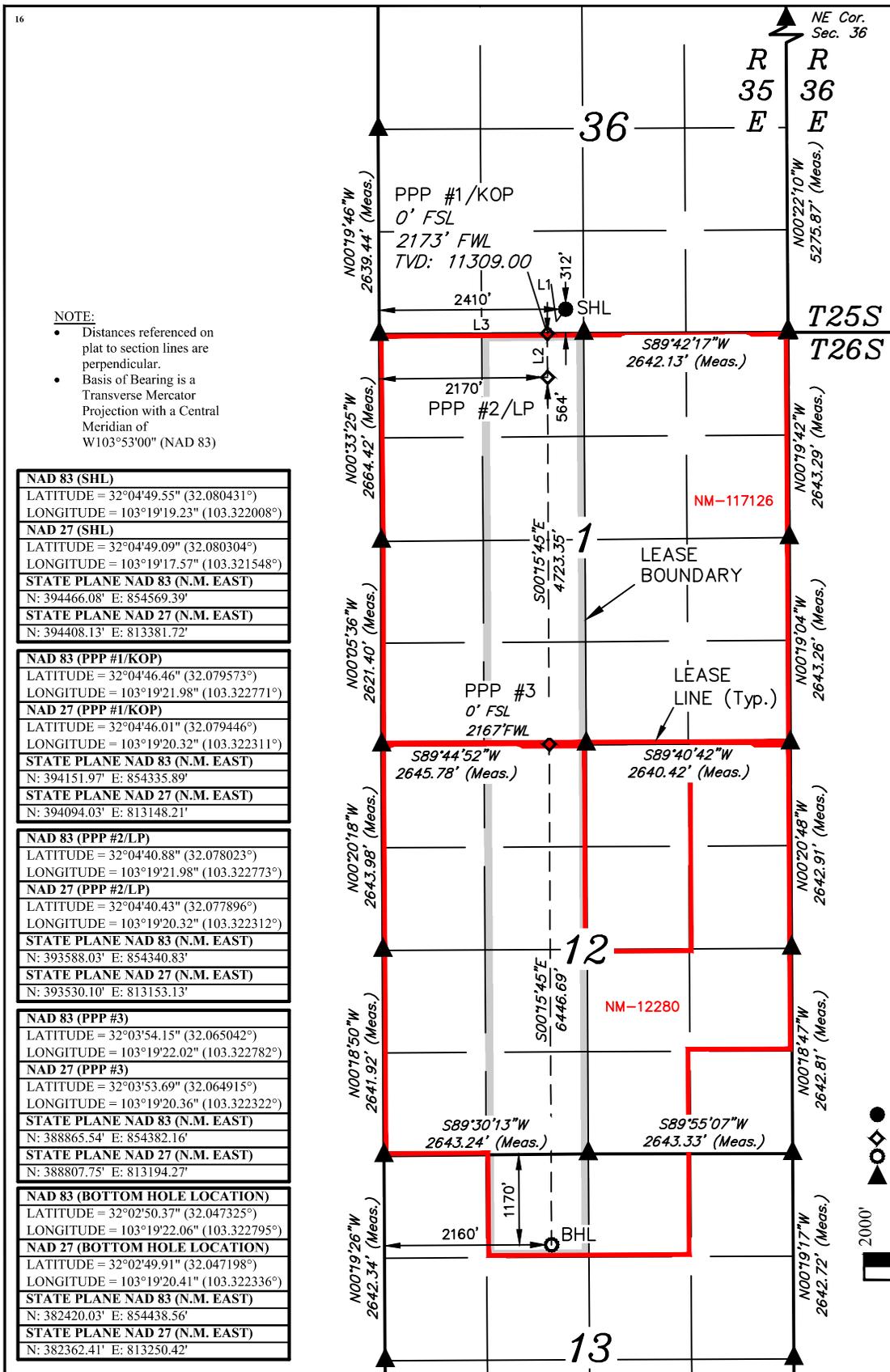
WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: 1 API Number (30-025-48100), 2 Pool Code (97088), 3 Pool Name (WC-025 G-08 S2535340; BONE SPRING), 4 Property Code (329875), 5 Property Name (BUS DRIVER FED COM), 6 Well Number (602H), 7 OGRID No. (373910), 8 Operator Name (FRANKLIN MOUNTAIN ENERGY LLC), 9 Elevation (3057.5')

10 Surface Location table with columns: UL or lot no. (N), Section (36), Township (25S), Range (35E), Lot Idn, Feet from the (312), North/South line (SOUTH), Feet from the (2410), East/West line (WEST), County (LEA)

11 Bottom Hole Location If Different From Surface table with columns: UL or lot no. (C), Section (13), Township (26S), Range (35E), Lot Idn, Feet from the (1170), North/South line (NORTH), Feet from the (2160), East/West line (WEST), County (LEA). Includes 12 Dedicated Acres (360), 13 Joint or Infill, 14 Consolidation Code, 15 Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Signature: Shelly Albrecht, Date: 10/12/2020

Shelly Albrecht
Printed Name
salbrecht@fmellc.com
E-mail Address

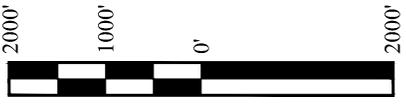
18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
February 03, 2020
Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

LINE TABLE with columns: LINE, DIRECTION, LENGTH. Rows: L1 (S36°51'54"W, 391.45'), L2 (S00°15'46"E, 564.05'), L3 (S89°42'18"W, 2644.44')

- = SURFACE HOLE LOCATION
- ◇ = PPP
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED



SCALE
DRAWN BY: T.A. 02-06-20
REV: 2 10-08-20 C.IVIE
(KOP & LP MOVE)

Table of coordinates for various points: NAD 83 (SHL), NAD 27 (SHL), NAD 83 (PPP #1/KOP), NAD 27 (PPP #1/KOP), NAD 83 (PPP #2/LP), NAD 27 (PPP #2/LP), NAD 83 (PPP #3), NAD 27 (PPP #3), NAD 83 (BOTTOM HOLE LOCATION), NAD 27 (BOTTOM HOLE LOCATION)

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48101		² Pool Code 98228		³ Pool Name WC-025 G-09 S253536D; UPR WOLFCAMP	
⁴ Property Code 329875		⁵ Property Name BUS DRIVER FED COM			⁶ Well Number 702H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3057.7'

¹⁰ Surface Location

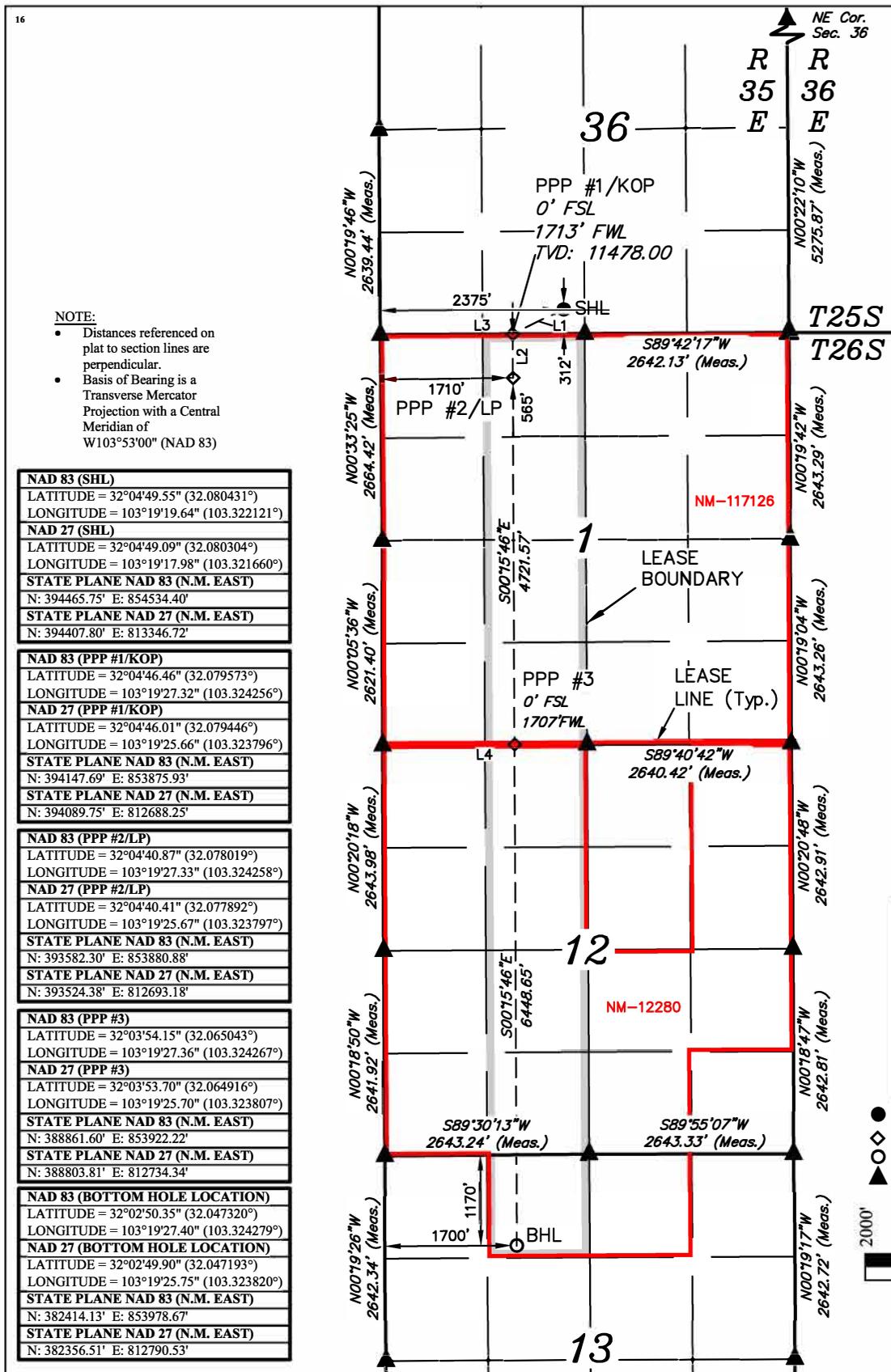
UL or lot no. N	Section 36	Township 25S	Range 35E	Lot Idn	Feet from the 312	North/South line SOUTH	Feet from the 2375	East/West line WEST	County LEA
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	---------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. C	Section 13	Township 26S	Range 35E	Lot Idn	Feet from the 1170	North/South line NORTH	Feet from the 1700	East/West line WEST	County LEA
--------------------	---------------	-----------------	--------------	---------	-----------------------	---------------------------	-----------------------	------------------------	---------------

¹² Dedicated Acres 720	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Shelly Albrecht 10/13/2020
Signature Date

Shelly Albrecht
Printed Name
salbrecht@fmc.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 03, 2020
Date of Survey

Signature and Seal of Professional Surveyor:

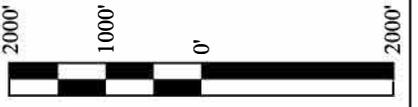


Certificate Number:

LINE TABLE

LINE	DIRECTION	LENGTH
L1	S64°27'23"W	731.37'
L2	S00°15'45"E	565.49'
L3	S89°42'18"W	2644.44'
L4	S89°44'52"W	2645.78'

- = SURFACE HOLE LOCATION
- ◇ = PPP
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED



SCALE
DRAWN BY: T.A. 02-06-20
REV: 2 10-08-20 C.IVIE
(KOP & LP MOVE)

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48104	² Pool Code 97088	³ Pool Name WC-025 G-08 S2535340; BONE SPRING
⁴ Property Code 329877	⁵ Property Name KASTON FED COM	
⁷ OGRID No. 373910	⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC	
		⁶ Well Number 603H
		⁹ Elevation 3056.1'

¹⁰ Surface Location

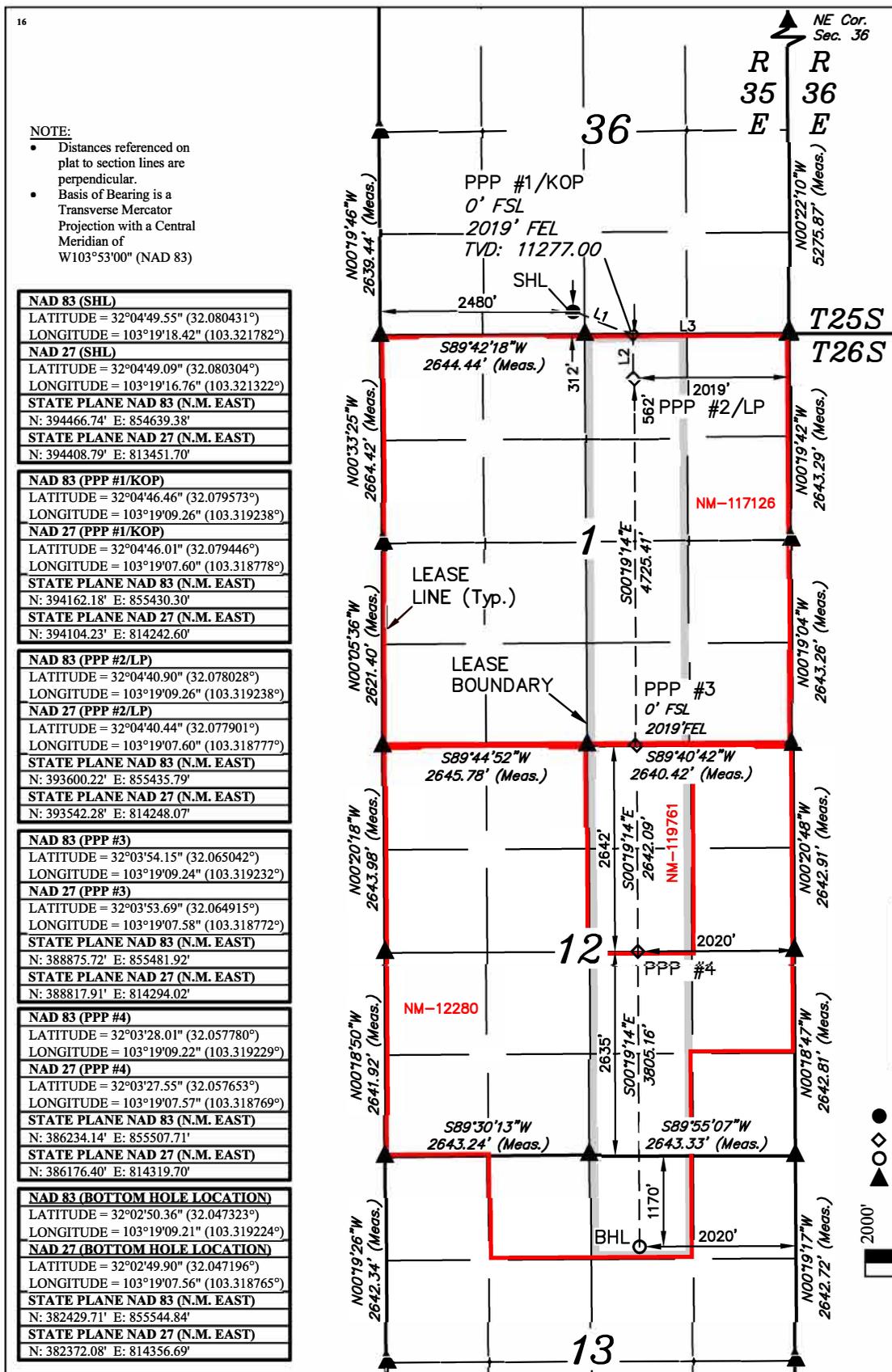
UL or lot no. N	Section 36	Township 25S	Range 35E	Lot Idn	Feet from the 312	North/South line SOUTH	Feet from the 2480	East/West line WEST	County LEA
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	---------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. B	Section 13	Township 26S	Range 35E	Lot Idn	Feet from the 1170	North/South line NORTH	Feet from the 2020	East/West line EAST	County LEA
--------------------	---------------	-----------------	--------------	---------	-----------------------	---------------------------	-----------------------	------------------------	---------------

¹² Dedicated Acres 360	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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Signature: *Shelly Albrecht* Date: 10/13/2020

Shelly Albrecht
Printed Name
salbrecht@fmellc.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 03, 2020
Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

LINE TABLE

LINE	DIRECTION	LENGTH
L1	S68°42'02"E	847.66'
L2	S00°19'15"E	562.07'
L3	S89°42'17"W	2642.13'

- = SURFACE HOLE LOCATION
- = PPP
- ◇ = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED



SCALE
DRAWN BY: T.A. 02-06-20
REV: 2 10-08-20 C.IVIE
(KOP & LP MOVE)

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48105		² Pool Code 98228		³ Pool Name WC-025 G-09 S253536D; UPR WOLFCAMP	
⁴ Property Code 329877		⁵ Property Name KASTON FED COM			⁶ Well Number 703H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3056.5'

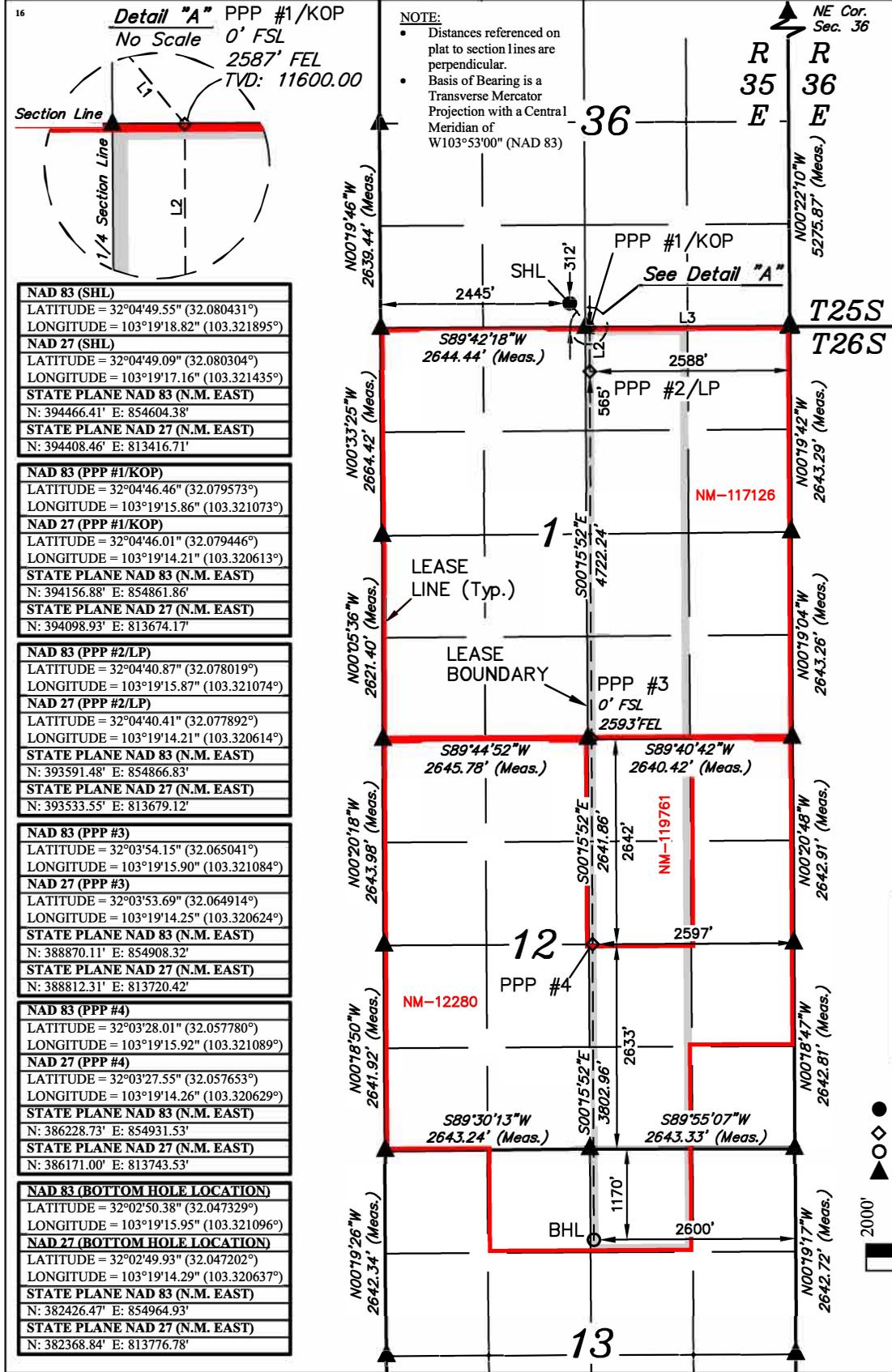
¹⁰ Surface Location

UL or lot no. N	Section 36	Township 25S	Range 35E	Lot Idn	Feet from the 312	North/South line SOUTH	Feet from the 2445	East/West line WEST	County LEA
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	---------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. B	Section 13	Township 26S	Range 35E	Lot Idn	Feet from the 1170	North/South line NORTH	Feet from the 2600	East/West line EAST	County LEA
¹² Dedicated Acres 720		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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17 OPERATOR CERTIFICATION
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Signature: *Shelly Albrecht* Date: 10/12/2020

Shelly Albrecht
Printed Name
salbrecht@fmellc.com
E-mail Address

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

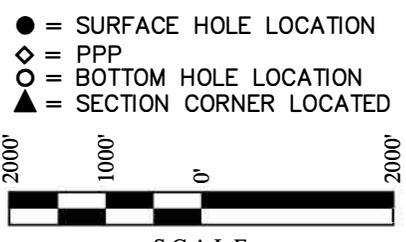
February 03, 2020
Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

LINE TABLE

LINE	DIRECTION	LENGTH
L1	S39°30'55"E	402.68'
L2	S00°15'53"E	565.50'
L3	S89°42'17"W	2642.13'



SCALE
DRAWN BY: T.A. 02-06-20
REV: 2 10-08-20 C.IVIE
(KOP & LP MOVE)

District I
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OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48106		² Pool Code 97088		³ Pool Name WC-025 G-08 S2535340; BONE SPRING	
⁴ Property Code 329878		⁵ Property Name LHS WILDCAT FED			⁶ Well Number 604H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3031.5'

¹⁰ Surface Location

UL or lot no. P	Section 36	Township 25S	Range 35E	Lot Idn	Feet from the 250	North/South line SOUTH	Feet from the 523	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. P	Section 12	Township 26S	Range 35E	Lot Idn	Feet from the 150	North/South line SOUTH	Feet from the 680	East/West line EAST	County LEA
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶

SHL
523'
250'
Section Line
PPP #1 / KOP
679' FSL
TVD: 11287
Detail "A"
No Scale

NOTE:

- Distances referenced on plat to section lines are perpendicular.
- Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

SHL
S89°45'09"W 2630.07' (Meas.)
S89°49'31"W 2637.37' (Meas.)
N00°07'19"E 2644.20' (Meas.)
R 35 E
R 36 E
N00°22'10"W - 5275.87' (Meas.)
Section 36
Section 35
Section 36
T25S
T26S
S89°42'18"W 2644.44' (Meas.)
S89°42'17"W 2642.13' (Meas.)
PPP #1/KOP
SHL
PPP #2/LP 679'
N00°19'46"W 2639.44' (Meas.)
N00°33'25"W 2664.42' (Meas.)
N00°19'42"W 2643.29' (Meas.)
LEASE BOUNDARY
NM-117126
S00°19'21"E 4794.32'
N00°19'42"W 2643.26' (Meas.)
N00°05'36"W 2621.40' (Meas.)
N00°19'04"W 2643.26' (Meas.)
PPP #3
0' FSL
679' FEL
S89°44'52"W 2645.78' (Meas.)
S89°40'42"W 2640.42' (Meas.)
N00°20'18"W 2643.98' (Meas.)
N00°19'04"W 2643.26' (Meas.)
N00°20'48"W 2642.91' (Meas.)
N00°18'50"W 2641.92' (Meas.)
N00°18'47"W 2642.81' (Meas.)
N00°19'21"E 3962.75'
N00°19'21"E 1170.11'
N00°18'47"W 2642.81' (Meas.)
Section 12
Section 1
NM-12280
PPP #4
1320' FSL
680' FEL
BHL
S00°19'21"E 680'
S89°30'13"W 2643.24' (Meas.)
S89°55'07"W 2643.33' (Meas.)
150'

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Shelly Albrecht 10/13/2020
Signature Date

Shelly Albrecht
Printed Name

salbrecht@fmellc.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

January 30, 2020
Date of Survey

Signature and Seal of Professional Surveyor:
Paul Buchele

Certificate Number:

LINE TABLE

LINE	DIRECTION	LENGTH
L1	S31°39'23"W	294.67'
L2	S00°19'20"E	562.53'

SCALE
DRAWN BY: K.A. 02-07-20
REV. 2 D.J.S. 10-08-20
(UPDATE KOP & PPP'S)

- SURFACE HOLE LOCATION
- ◇ = PPP/KICK OFF POINT
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED

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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48107		² Pool Code 98228		³ Pool Name WC-025 G-09 S253536D; UPR WOLFCAMP	
⁴ Property Code 329878		⁵ Property Name LHS WILDCAT FED COM			⁶ Well Number 705H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3031.9'

¹⁰ Surface Location

UL or lot no. P	Section 36	Township 25S	Range 35E	Lot Idn	Feet from the 250	North/South line SOUTH	Feet from the 488	East/West line EAST	County LEA
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	----------------------	------------------------	---------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. P	Section 12	Township 26S	Range 35E	Lot Idn	Feet from the 150	North/South line SOUTH	Feet from the 350	East/West line EAST	County LEA
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶

PPP #1/KOP
0' FSL
349' FEL
TVD: 11495

Detail
No Scale

NOTE:

- Distances referenced on plat to section lines are perpendicular.
- Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

LEASE BOUNDARY
NM-117126

PPP #1/KOP
PPP #2/LP
PPP #3
0' FSL
349' FEL
PPP #4
1321' FSL
350' FEL

BHL

NM-12280
NM-130330

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Shelly Albrecht 10/13/2020
Signature Date

Shelly Albrecht
Printed Name

salbrecht@fmllc.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

January 30, 2020
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number:

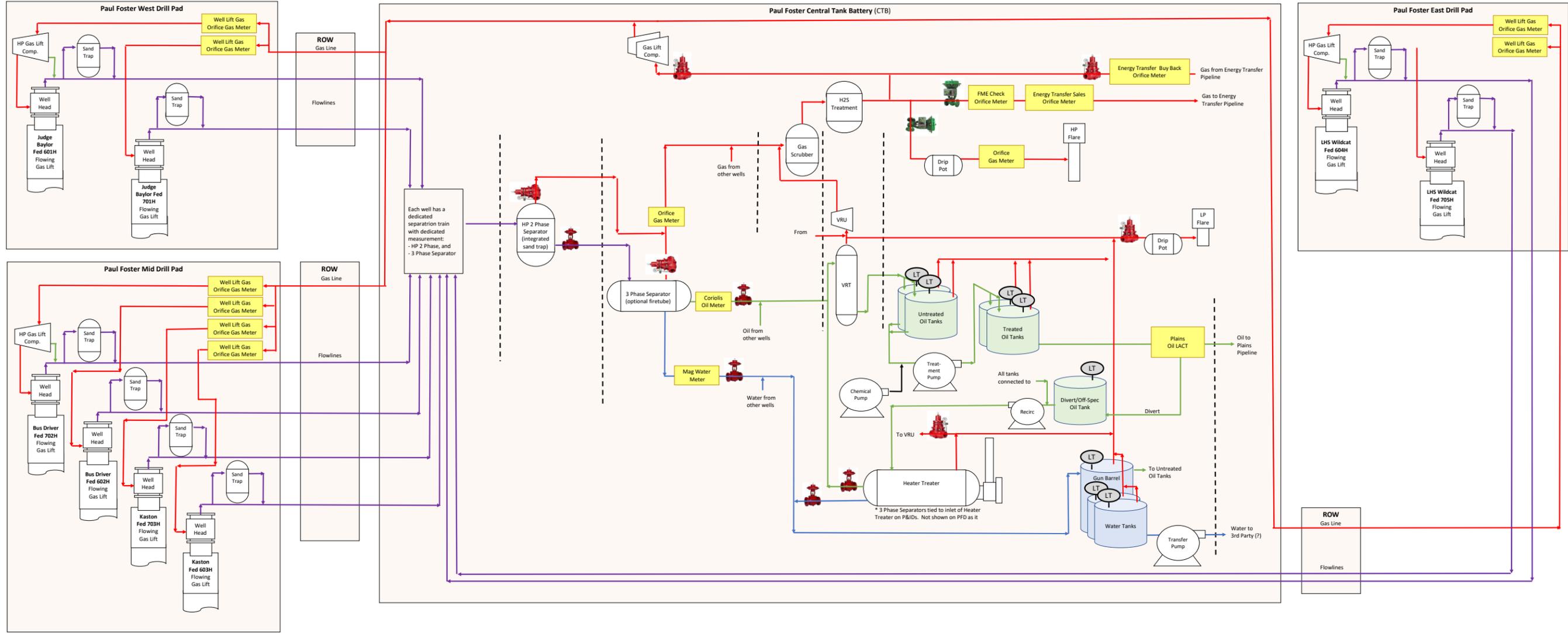
LINE TABLE

LINE	DIRECTION	LENGTH
L1	S29°23'03"E	286.09'
L2	S00°19'19"E	561.84'

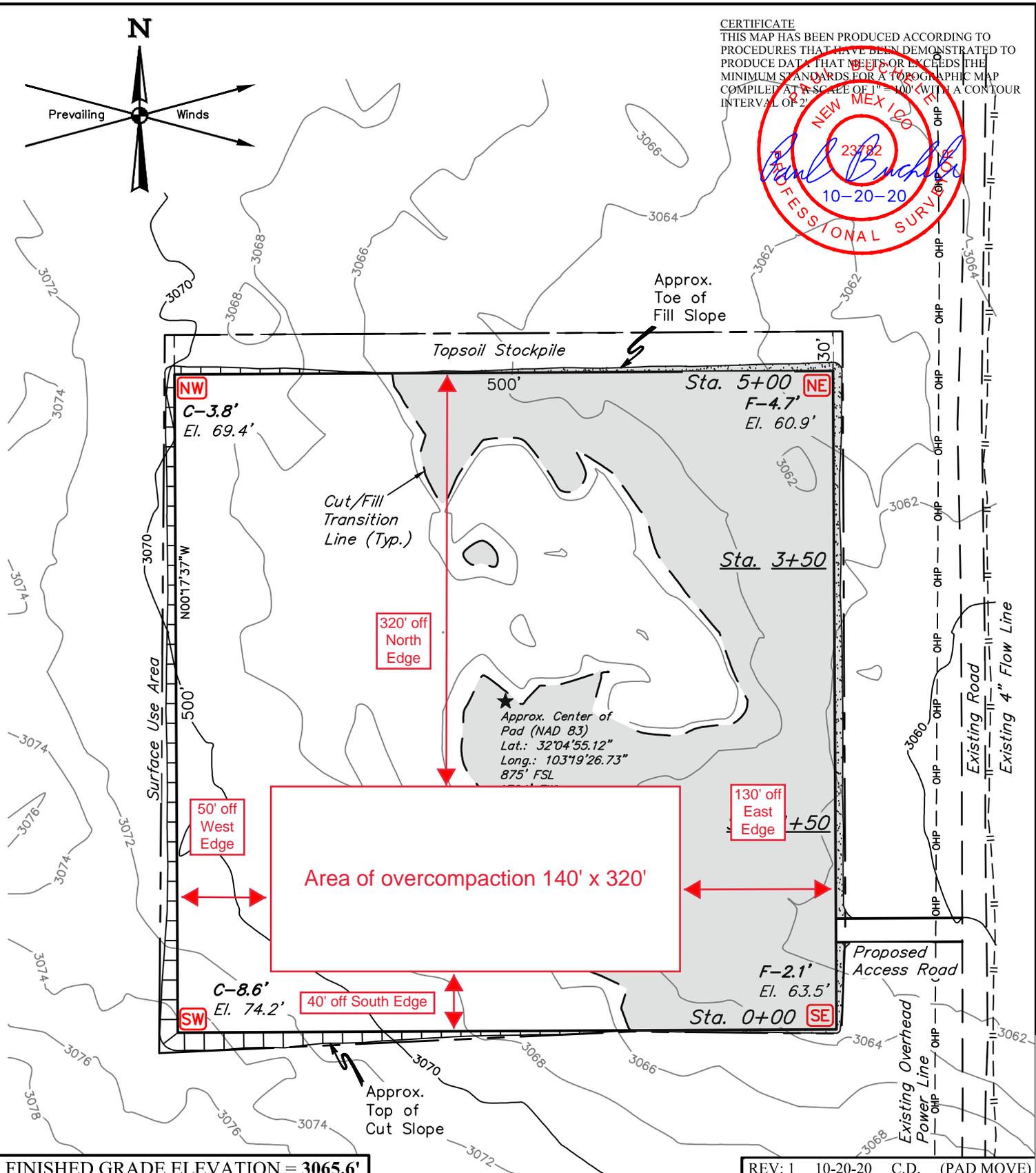
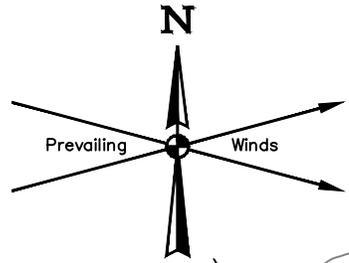
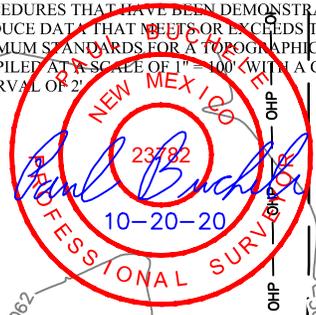
SCALE
DRAWN BY: K.A. 02-07-20
REV. 2 D.J.S. 10-08-20
(UPDATE KOP & PPP'S)

- SURFACE HOLE LOCATION
- ◇ = PPP/KICK OFF POINT
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED

Paul Foster CTB
May 2021



CERTIFICATE
 THIS MAP HAS BEEN PRODUCED ACCORDING TO PROCEDURES THAT HAVE BEEN DEMONSTRATED TO PRODUCE DATA THAT MEETS OR EXCEEDS THE MINIMUM STANDARDS FOR A TOPOGRAPHIC MAP COMPILED AT A SCALE OF 1" = 100' WITH A CONTOUR INTERVAL OF 2'



FINISHED GRADE ELEVATION = 3065.6'

REV: 1 10-20-20 C.D. (PAD MOVE)

- NOTES:**
- Contours shown at 2' intervals.
 - Underground utilities shown on this sheet are for visualization purposes only, actual locations to be determined prior to construction.
 - Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
 - Cut/Fill slopes 1 1/2:1 (Typ.).

FRANKLIN MOUNTAIN ENERGY LLC

PAUL FOSTER CTB
 SE 1/4 SW 1/4, SECTION 36, T25S, R35E, N.M.P.M.
 LEA COUNTY, NEW MEXICO



UELS, LLC
 Corporate Office * 85 South 200 East
 Vernal, UT 84078 * (435) 789-1017

SURVEYED BY	J.H., S.C.	10-19-20	SCALE
DRAWN BY	D.P.	06-17-20	1" = 100'
LOCATION LAYOUT		FIGURE #1	

Owner Name	Interest Type	Address	Notes	Certified Mail Tracking No.	Date Mailed
New Mexico State Land Office	SURFACE	310 Old Santa Fe Trail, P.O. Box 1148, Santa Fe, NM 87504-1148		9414 7116 9900 0273 0972 07	5/28/2021
VPD New Mexico, LLC	WI	2100 McKinney Ave., Suite 1770, Dallas, TX 75201	Attn: Land Department	9414 7116 9900 0273 0674 77	5/28/2021
CRP XII, LLC	WI	6301 Waterford Blvd., Suite 215, Oklahoma City, OK 73118	Attn: Matthew Athey	9414 7116 9900 0273 5512 59	5/28/2021
COG Operating, LLC	WI	600 W. Illinois Ave, Midland, TX 79701		9414 7116 9900 0273 8424 63	5/28/2021
COG Production, LLC	WI	600 W. Illinois Ave, Midland, TX 79701		9414 7116 9900 0273 8404 21	5/28/2021
United States of America, BLM	RI	301 Dinosaur Trail, Santa Fe, NM 87508		9414 7116 9900 0273 8463 86	5/28/2021
Chevron USA, Inc.	ORRI	6301 Deauble Blvd., Midland, TX 79706	Attn: Land Department, Delaware Basin	9414 7116 9900 0273 8794 21	5/28/2021
Devon Energy Production Company, LP	ORRI	333 West Sheridan Ave., Oklahoma City, OK 73102		9414 7116 9900 0273 8747 47	5/28/2021
Green Ribbon, Inc.	ORRI	828 East Edgehill Rd., Salt Lake City, UT 84103		9414 7116 9900 0273 8759 11	5/28/2021
Bernard A. Winer and Grace S. Winer, Trustees of	ORRI	4758 SW Eddy St., Seattle, WA 98136-1361		9414 7116 9900 0273 8708 93	5/28/2021
Grimes 710, LLC	ORRI	P.O. Box 2006, Midland, TX 79702		9414 7116 9900 0273 8788 82	5/28/2021
Lacy Dinsmoor Roop 1999 Revocable Management	ORRI	3109 C.R. 264, Breckenridge, TX 76424		9414 7116 9900 0273 8779 15	5/28/2021
Doris Earline Freeman	ORRI	505 Apple Tree Court, Saginaw, TX 76179-6300		9414 7116 9900 0273 8769 25	5/28/2021
Young Minerals Company	ORRI	750 W. Fifth St., Fort Worth, TX 76102		9414 7116 9900 0273 8719 37	5/28/2021
VPD New Mexico Royalty, LLC	ORRI	2100 McKinney Ave., Suite 1770, Dallas, TX 75201	Attn: Land Department	9414 7116 9900 0273 8930 14	5/28/2021
Malaga Royalty, LLC	ORRI	P.O. Box 2064, Midland, TX 79702		9414 7116 9900 0273 8940 97	5/28/2021
Malaga EF7, LLC	ORRI	P.O. Box 2064, Midland, TX 79702		9414 7116 9900 0273 8955 75	5/28/2021
Crown Oil Partners, LP	ORRI	P.O. Box 50820, Midland, TX 79710		9414 7116 9900 0273 8907 16	5/28/2021
Post Oak Crowck IV-B, LLC	ORRI	34 S. Wynden Drive, Houston, TX 77056		9414 7116 9900 0273 8978 07	5/28/2021
Post Oak IV, LLC	ORRI	34 S. Wynden Drive, Houston, TX 77056		9414 7116 9900 0273 8966 57	5/28/2021
Collins & Jones Investments, LLC	ORRI	508 W. Wall Street, Suite 1200, Midland, TX 79701		9414 7116 9900 0273 8919 59	5/28/2021
Mavros Minerals, LLC	ORRI	P.O. Box 50820, Midland, Texas 79710		9414 7116 9900 0273 8298 22	5/28/2021
LMC Energy, LLC	ORRI	550 W Texas Ave., Ste 945, Midland, TX 79701		9414 7116 9900 0273 8237 52	5/28/2021
Gerard G. Vavrek	ORRI	1521 2nd Ave. #1604, Seattle, WA 98101		9414 7116 9900 0273 8242 23	5/28/2021
Jesse A. Faught, Jr.	ORRI	4307 Crestgate Ave., Midland, TX 79707		9414 7116 9900 0273 8258 17	5/28/2021
H. Jason Wacker	ORRI	5601 Hillcrest, Midland, TX 79707		9414 7116 9900 0273 8228 16	5/28/2021
Oak Valley Mineral and Land, LP	ORRI	4000 N. Big Spring, Suite 310, Midland, TX 79705		9414 7116 9900 0273 8206 90	5/28/2021
David W. Cromwell	ORRI	2008 Country Club Dr., Midland, TX 79701		9414 7116 9900 0273 8289 48	5/28/2021
Kaleb Smith	ORRI	P.O. Box 50820, Midland, TX 79710		9414 7116 9900 0273 8271 25	5/28/2021
Mike Moylett	ORRI	P.O. Box 50820, Midland, TX 79710		9414 7116 9900 0273 8269 51	5/28/2021
Deane Durham	ORRI	P.O. Box 50820, Midland, TX 79710		9414 7116 9900 0273 8212 77	5/28/2021
Eleanor Jeane Hopper	ORRI	3102 Sentinel Dr., Midland, TX 79701		9414 7116 9900 0273 8214 75	5/28/2021

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

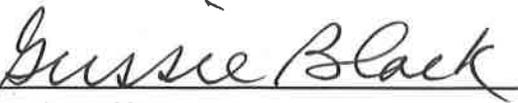
I, Todd Bailey, Editor of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
May 30, 2021
and ending with the issue dated
May 30, 2021.



Editor

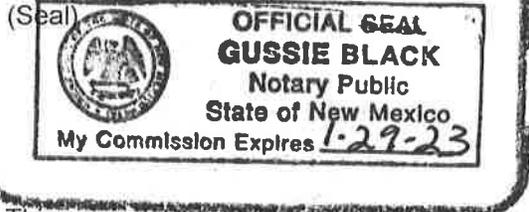
Sworn and subscribed to before me this
30th day of May 2021.



Business Manager

My commission expires

January 29, 2023



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

LEGAL LEGAL

LEGAL NOTICE
May 30, 2021

Application of Franklin Mountain Energy, LLC for approval of surface commingling, Lea County, New Mexico. Notice to all affected parties, as well as the heirs and devisees of: New Mexico State Land Office, VPD New Mexico, LLC, CRP XII, LLC, COG Operating, LLC, United States of America (BLM), Chevron USA, Inc., Devon Energy Production Company, LP, Green Ribbon, Inc., Bernard A. Winer and Grace S. Winer, Trustees of the Bernard and Grace Winer Living Trust, Grimes 710, LLC, Eleanor Jeane Hopper, Lacy Dinsmoor Roop 1999 Revocable Management Trust, Doris Earline Freeman, Young Minerals Company, VPD New Mexico, LLC, COG Production, LLC, Malaga Royalty, LLC, Malaga EF7, LLC, Crown Oil Partners, LP, Post Oak Crown IV-B, LLC, Post Oak IV, LLC, Collins 7 Jones Investments, LLC, Mavros Minerals, 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 surface commingling.** Franklin Mountain Energy, LLC, 44 Cook Street, Suite 1000, Denver, Colorado, 80206, has filed an application with the New Mexico Oil Conservation Division seeking administrative approval to surface lease commingle production according to the provisions of NMAC 19.15.12.10.C from the Judge Baylor Fed Com 601H well, the Bus Driver Fed Com 602H well, the Kaston Fed Com 603H well, and the LHS Wildcat Fed Com 604H well, all located in the WC-025 G-08 S253534Q; BONE SPRING [97088] with the Judge Baylor Fed Com 701H well, the Bus Driver Fed Com 702H well, the Kaston Fed Com 703H well, and the LHS Wildcat Fed Com 705H well, all located in the WC-025 G-09 S253536D; UPR WOLFCAMP [98228], located in Sections 1, 12 & a portion of Section 13, T26S-R35E, Lea County, New Mexico. Any objection or requests for a hearing regarding this application must be submitted to the Division's Santa Fe office, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505 in writing within 20 days of this publication. Any interested party with questions or comments may contact Rachel Overbey, 303-570-4057, roverbey@fmellc.com.
#36532

67116598

00254611

JESSICA GREY
FRANKLIN MOUNTAIN ENERGY
44 COOK STREET, SUITE 1000
DENVER , CO 80206

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48102		² Pool Code 97088		³ Pool Name WC-025 G-08 S2535340; BONE SPRING	
⁴ Property Code 329876		⁵ Property Name JUDGE BAYLOR FED COM			⁶ Well Number 601H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3070.0'

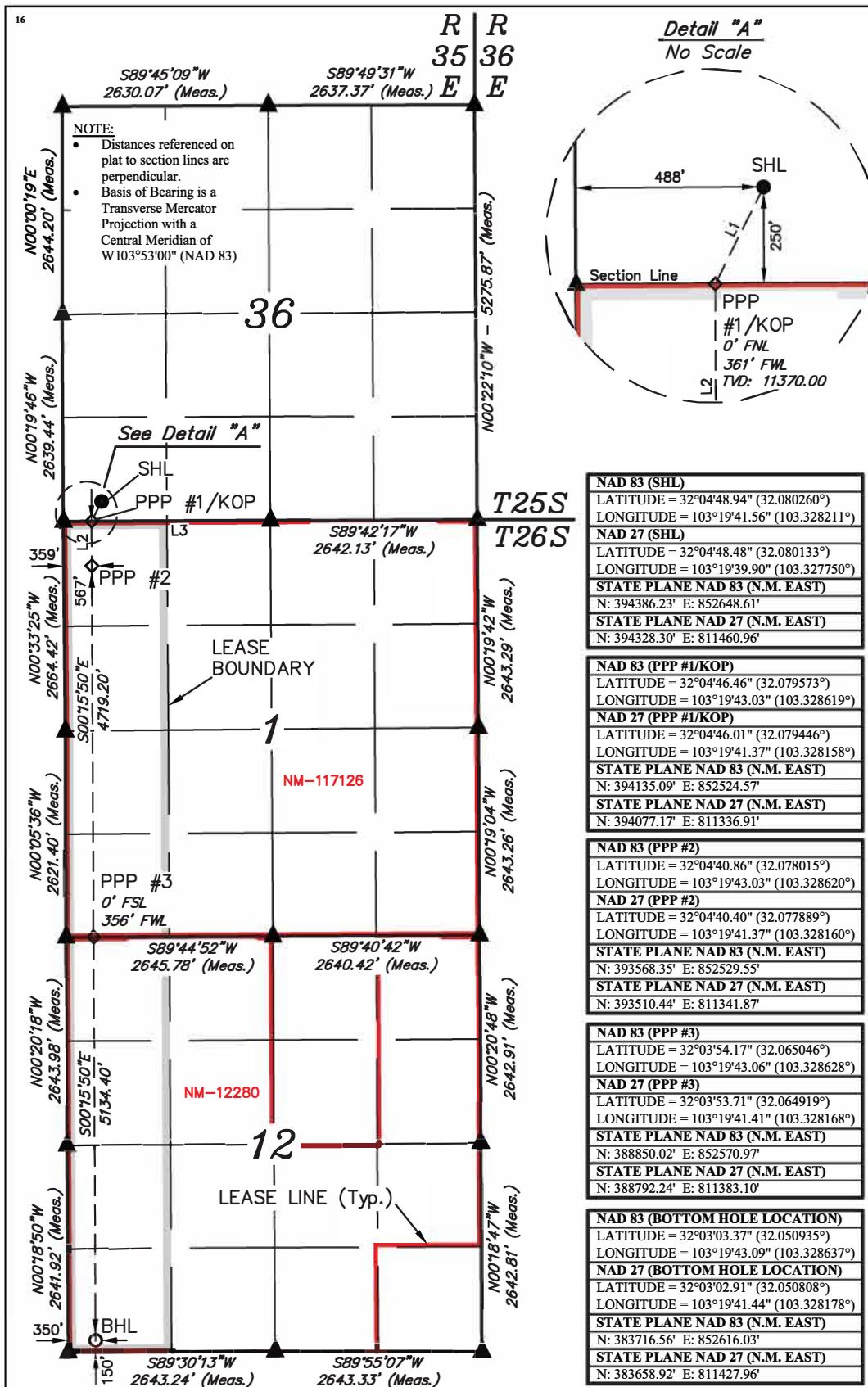
¹⁰ Surface Location

UL or lot no. M	Section 36	Township 25S	Range 35E	Lot Idn	Feet from the 250	North/South line SOUTH	Feet from the 488	East/West line WEST	County LEA
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	----------------------	------------------------	---------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. M	Section 12	Township 26S	Range 35E	Lot Idn	Feet from the 150	North/South line SOUTH	Feet from the 350	East/West line WEST	County LEA
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Shelly Albrecht* Date: 10/13/2020

Shelly Albrecht
Printed Name

salbrecht@fmlc.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

January 30, 2020

Date of Survey

Signature and Seal of Professional Surveyor:

PAUL BUCHELE
NEW MEXICO
23782
PROFESSIONAL SURVEYOR
10-08-20

Certificate Number:

LINE TABLE

LINE	DIRECTION	LENGTH
L1	S26°31'27"W	280.15'
L2	S00°15'52"E	566.84'
L3	S89°42'18"W	2644.44'

SCALE

DRAWN BY: R.J. 02-06-20
REV.: 2 C.IVIE 10-08-20
(KOP & PPP #2 MOVE)

- SURFACE HOLE LOCATION
- ◇ = PPP/KICK OFF POINT
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED

NAD 83 (SHL) LATITUDE = 32°04'48.94" (32.080260°) LONGITUDE = 103°19'41.56" (103.328211°)
NAD 27 (SHL) LATITUDE = 32°04'48.48" (32.080133°) LONGITUDE = 103°19'39.90" (103.327750°)
STATE PLANE NAD 83 (N.M. EAST) N: 394386.23' E: 852648.61'
STATE PLANE NAD 27 (N.M. EAST) N: 394328.30' E: 811460.96'
NAD 83 (PPP #1/KOP) LATITUDE = 32°04'46.46" (32.079573°) LONGITUDE = 103°19'43.03" (103.328619°)
NAD 27 (PPP #1/KOP) LATITUDE = 32°04'46.01" (32.079446°) LONGITUDE = 103°19'41.37" (103.328158°)
STATE PLANE NAD 83 (N.M. EAST) N: 394135.09' E: 852524.57'
STATE PLANE NAD 27 (N.M. EAST) N: 394077.17' E: 811336.91'
NAD 83 (PPP #2) LATITUDE = 32°04'40.86" (32.078015°) LONGITUDE = 103°19'43.03" (103.328620°)
NAD 27 (PPP #2) LATITUDE = 32°04'40.40" (32.077889°) LONGITUDE = 103°19'41.37" (103.328160°)
STATE PLANE NAD 83 (N.M. EAST) N: 393568.35' E: 852529.55'
STATE PLANE NAD 27 (N.M. EAST) N: 393510.44' E: 811341.87'
NAD 83 (PPP #3) LATITUDE = 32°03'54.17" (32.065046°) LONGITUDE = 103°19'43.06" (103.328628°)
NAD 27 (PPP #3) LATITUDE = 32°03'53.71" (32.064919°) LONGITUDE = 103°19'41.41" (103.328168°)
STATE PLANE NAD 83 (N.M. EAST) N: 388850.02' E: 852570.97'
STATE PLANE NAD 27 (N.M. EAST) N: 388792.24' E: 811383.10'
NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°03'03.37" (32.050935°) LONGITUDE = 103°19'43.09" (103.328637°)
NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°03'02.91" (32.050808°) LONGITUDE = 103°19'41.44" (103.328178°)
STATE PLANE NAD 83 (N.M. EAST) N: 383716.56' E: 852616.03'
STATE PLANE NAD 27 (N.M. EAST) N: 383658.92' E: 811427.96'

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⁴ Property Code 329876		⁵ Property Name JUDGE BAYLOR FED COM		⁶ Well Number 701H	
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC		⁹ Elevation 3069.7'	

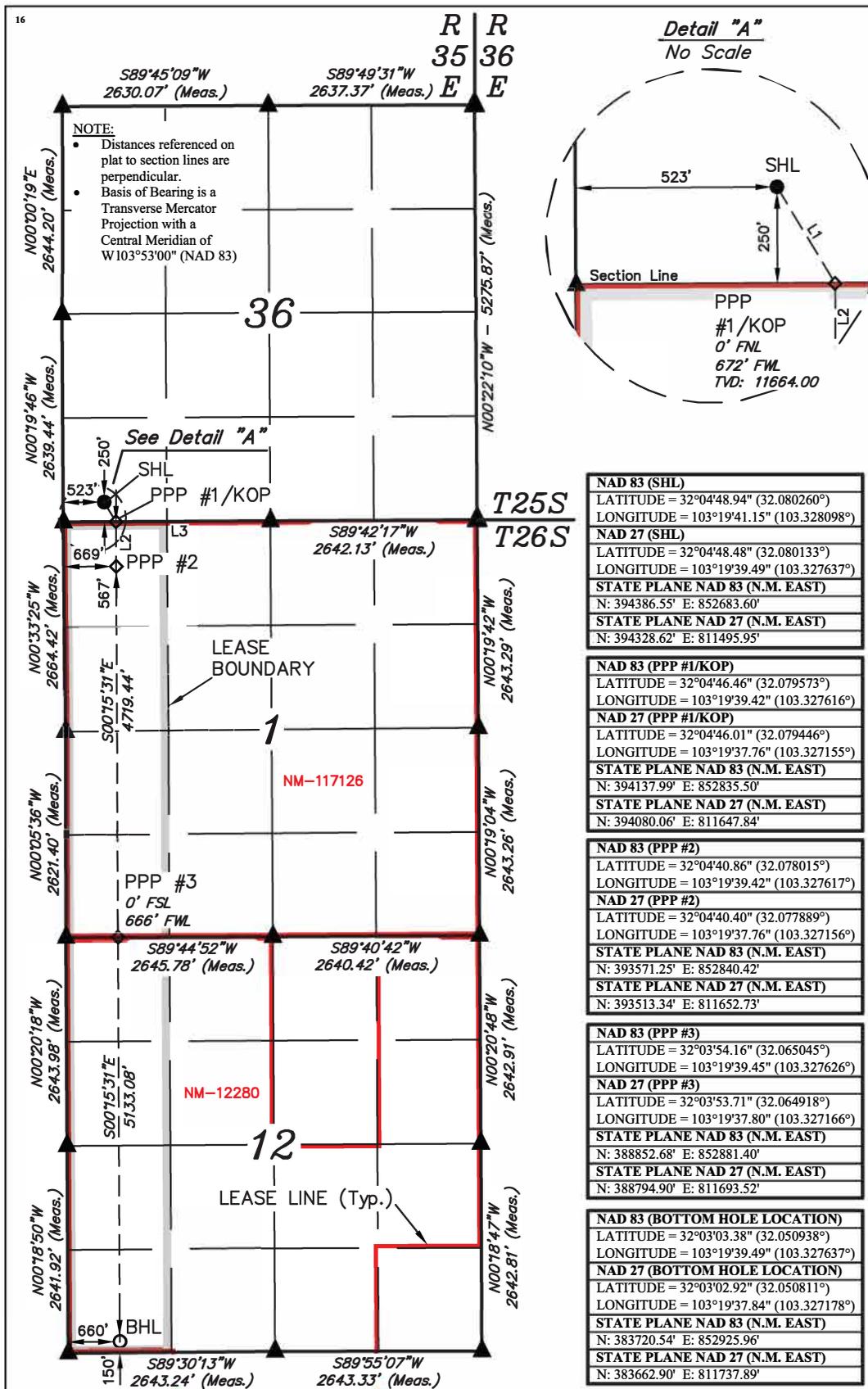
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	25S	35E		250	SOUTH	523	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	26S	35E		150	SOUTH	660	WEST	LEA
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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Signature: *Shelly Albrecht* Date: 10/13/2020

Shelly Albrecht
Printed Name

salbrecht@fmellc.com
E-mail Address

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January 30, 2020

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REV.: 2 C.IVIE 10-08-20
(KOP & PPP #2 MOVE)

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AMENDED REPORT

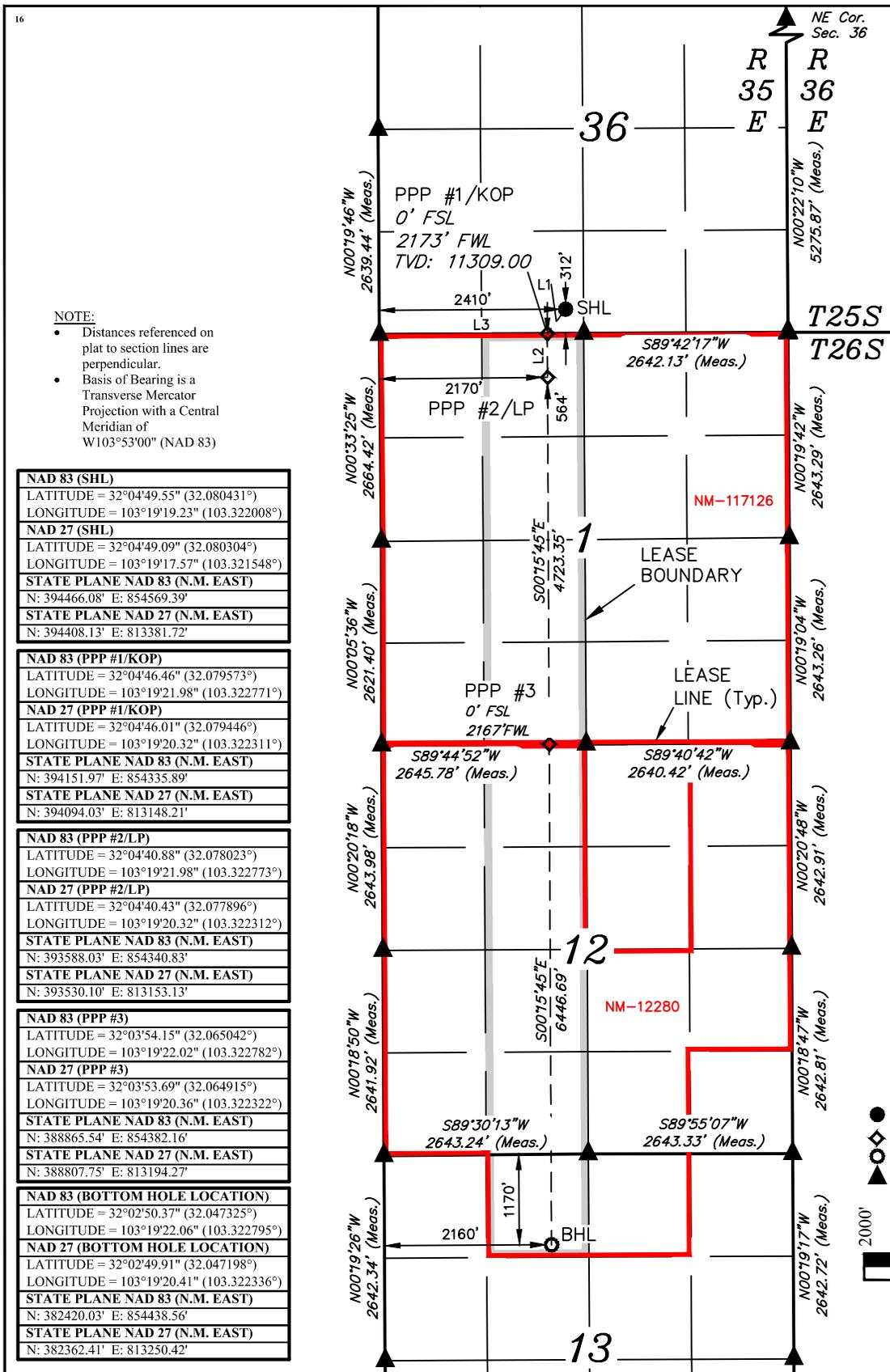
WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: 1 API Number (30-025-48100), 2 Pool Code (97088), 3 Pool Name (WC-025 G-08 S2535340; BONE SPRING), 4 Property Code (329875), 5 Property Name (BUS DRIVER FED COM), 6 Well Number (602H), 7 OGRID No. (373910), 8 Operator Name (FRANKLIN MOUNTAIN ENERGY LLC), 9 Elevation (3057.5')

10 Surface Location table with columns: UL or lot no. (N), Section (36), Township (25S), Range (35E), Lot Idn, Feet from the (312), North/South line (SOUTH), Feet from the (2410), East/West line (WEST), County (LEA)

11 Bottom Hole Location If Different From Surface table with columns: UL or lot no. (C), Section (13), Township (26S), Range (35E), Lot Idn, Feet from the (1170), North/South line (NORTH), Feet from the (2160), East/West line (WEST), County (LEA). Includes 12 Dedicated Acres (360), 13 Joint or Infill, 14 Consolidation Code, 15 Order No.

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17 OPERATOR CERTIFICATION
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Signature: Shelly Albrecht
Date: 10/12/2020

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Printed Name
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E-mail Address

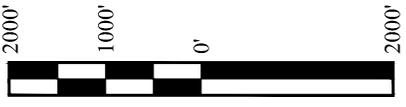
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Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

LINE TABLE with columns: LINE, DIRECTION, LENGTH. Rows include L1 (S36°51'54"W, 391.45'), L2 (S00°15'46"E, 564.05'), L3 (S89°42'18"W, 2644.44')

- = SURFACE HOLE LOCATION
- = PPP
- ◇ = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED



SCALE
DRAWN BY: T.A. 02-06-20
REV: 2 10-08-20 C.IVIE
(KOP & LP MOVE)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48101		² Pool Code 98228		³ Pool Name WC-025 G-09 S253536D; UPR WOLFCAMP	
⁴ Property Code 329875		⁵ Property Name BUS DRIVER FED COM			⁶ Well Number 702H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3057.7'

¹⁰ Surface Location

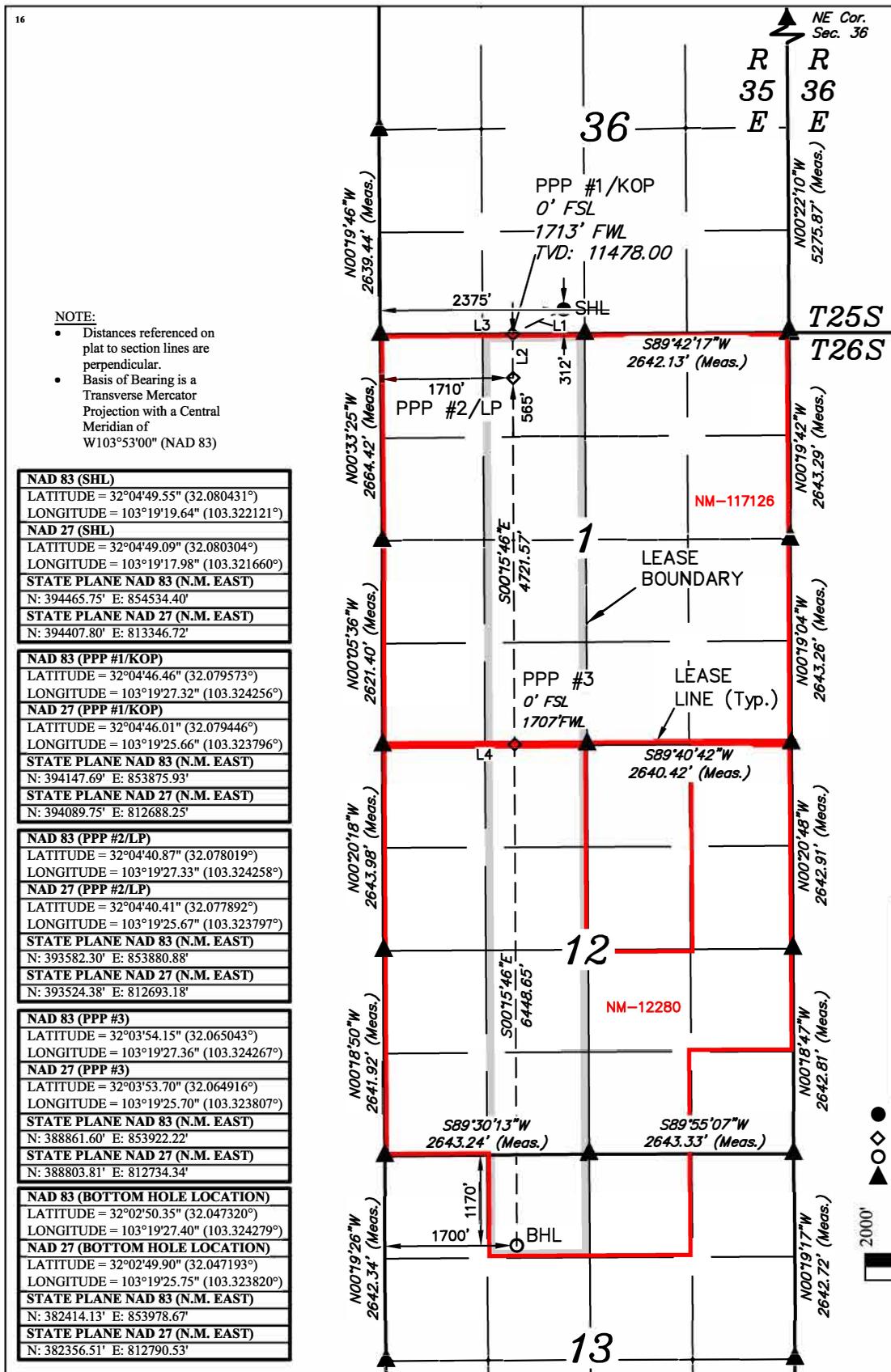
UL or lot no. N	Section 36	Township 25S	Range 35E	Lot Idn	Feet from the 312	North/South line SOUTH	Feet from the 2375	East/West line WEST	County LEA
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	---------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. C	Section 13	Township 26S	Range 35E	Lot Idn	Feet from the 1170	North/South line NORTH	Feet from the 1700	East/West line WEST	County LEA
--------------------	---------------	-----------------	--------------	---------	-----------------------	---------------------------	-----------------------	------------------------	---------------

¹² Dedicated Acres 720	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Shelly Albrecht 10/13/2020
Signature Date

Shelly Albrecht
Printed Name

salbrecht@fmellc.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

February 03, 2020
Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number:

LINE TABLE

LINE	DIRECTION	LENGTH
L1	S64°27'23"W	731.37'
L2	S00°15'45"E	565.49'
L3	S89°42'18"W	2644.44'
L4	S89°44'52"W	2645.78'

- = SURFACE HOLE LOCATION
- = PPP
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED



SCALE
DRAWN BY: T.A. 02-06-20
REV: 2 10-08-20 C.IVIE
(KOP & LP MOVE)

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District Office

AMENDED REPORT

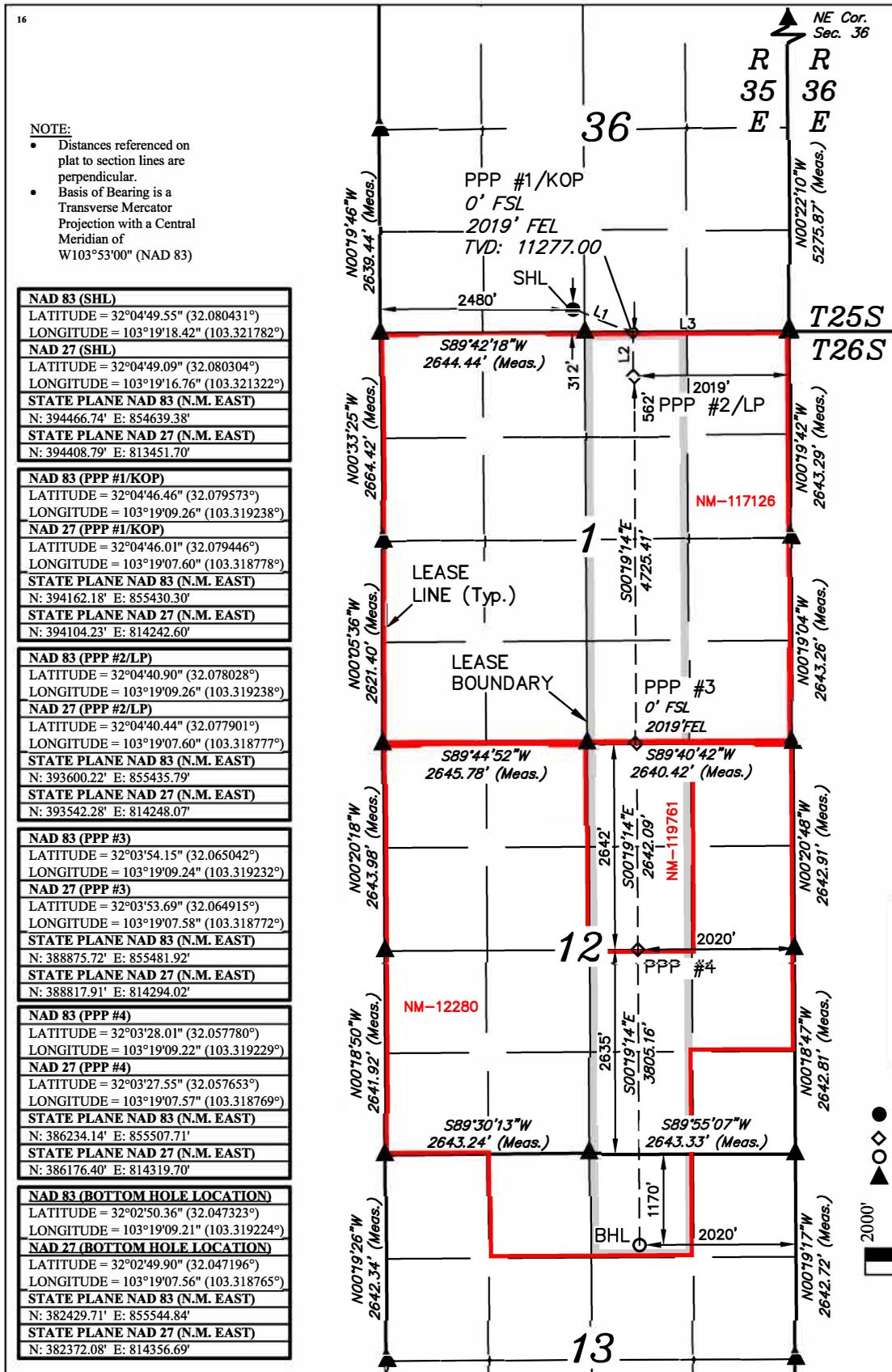
WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number, Pool Code, Pool Name, Property Code, Property Name, Well Number, OGRID No., Operator Name, Elevation.

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County. Includes fields for Dedicated Acres, Joint or Infill, Consolidation Code, Order No.

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief...
Signature: Shelly Albrecht
Date: 10/13/2020

Shelly Albrecht
Printed Name
salbrecht@fmellc.com
E-mail Address

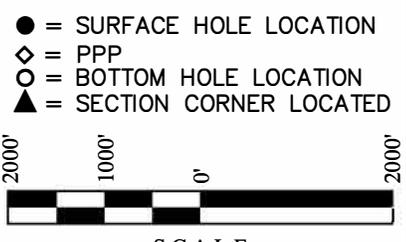
SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision...
Date of Survey: February 03, 2020

Signature and Seal of Professional Surveyor:



Certificate Number:

LINE TABLE
Table with 3 columns: LINE, DIRECTION, LENGTH. Lists lines L1, L2, L3 with their respective bearings and lengths.



SCALE
DRAWN BY: T.A. 02-06-20
REV: 2 10-08-20 C.IVIE
(KOP & LP MOVE)

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AMENDED REPORT

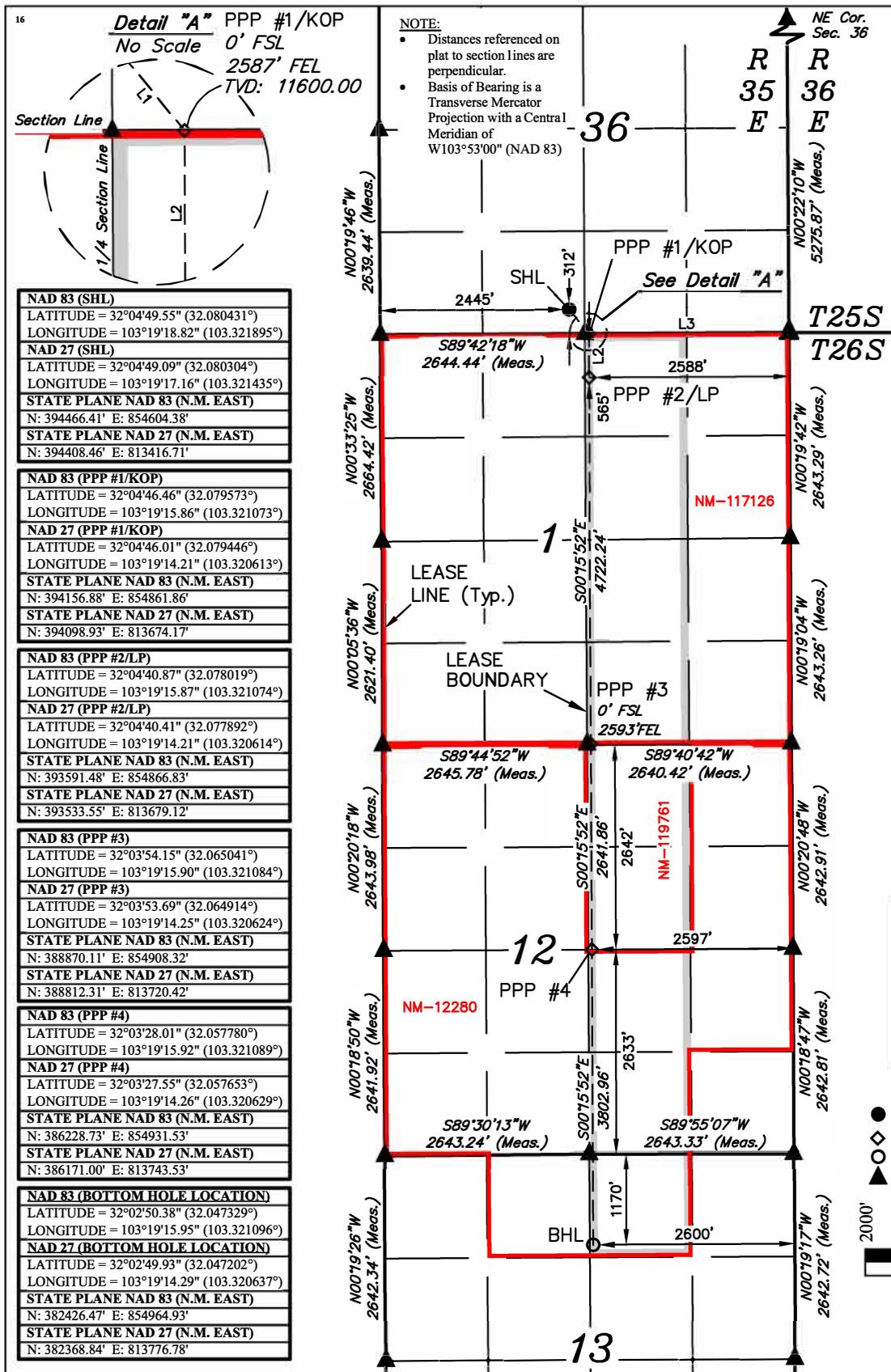
WELL LOCATION AND ACREAGE DEDICATION PLAT

Table with 3 columns: API Number, Pool Code, Pool Name, Property Code, Property Name, Well Number, OGRID No., Operator Name, Elevation.

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County.

Table with 10 columns: UL or lot no., Section, Township, Range, Lot Idn, Feet from the, North/South line, Feet from the, East/West line, County. Includes fields for Dedicated Acres, Joint or Infill, Consolidation Code, Order No.

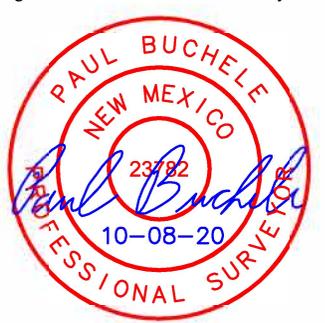
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
Signature: Shelly Albrecht
Date: 10/12/2020

Shelly Albrecht
Printed Name
salbrecht@fmellc.com
E-mail Address

SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
February 03, 2020
Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

LINE TABLE
Table with 3 columns: LINE, DIRECTION, LENGTH. Lists lines L1, L2, L3 with their respective bearings and lengths.

- = SURFACE HOLE LOCATION
○ = PPP
◇ = BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED



SCALE
DRAWN BY: T.A. 02-06-20
REV: 2 10-08-20 C.IVIE
(KOP & LP MOVE)

District I
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Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
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District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48106		² Pool Code 97088		³ Pool Name WC-025 G-08 S2535340; BONE SPRING	
⁴ Property Code 329878		⁵ Property Name LHS WILDCAT FED			⁶ Well Number 604H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3031.5'

¹⁰ Surface Location

UL or lot no. P	Section 36	Township 25S	Range 35E	Lot Idn	Feet from the 250	North/South line SOUTH	Feet from the 523	East/West line EAST	County LEA
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	----------------------	------------------------	---------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. P	Section 12	Township 26S	Range 35E	Lot Idn	Feet from the 150	North/South line SOUTH	Feet from the 680	East/West line EAST	County LEA
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶

SHL
523'
250'
Section Line
PPP #1 / KOP
679' FSL
TVD: 11287
Detail "A"
No Scale

NOTE:

- Distances referenced on plat to section lines are perpendicular.
- Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

SHL
S89°45'09"W 2630.07' (Meas.)
S89°49'31"W 2637.37' (Meas.)
N00°07'19"E 2644.20' (Meas.)
R 35 E
R 36 E
N00°22'10"W - 5275.87' (Meas.)
S89°42'18"W 2644.44' (Meas.)
S89°42'17"W 2642.13' (Meas.)
PPP #1/KOP
PPP #2/LP 679'
T25S
T26S
N00°19'46"W 2639.44' (Meas.)
N00°33'25"W 2664.42' (Meas.)
N00°19'42"W 2643.29' (Meas.)
N00°05'36"W 2621.40' (Meas.)
N00°05'36"W 2621.40' (Meas.)
N00°19'04"W 2643.26' (Meas.)
N00°19'04"W 2643.26' (Meas.)
N00°18'18"W 2643.98' (Meas.)
N00°18'18"W 2643.98' (Meas.)
N00°18'50"W 2641.92' (Meas.)
N00°18'50"W 2641.92' (Meas.)
N00°18'47"W 2642.81' (Meas.)
N00°18'47"W 2642.81' (Meas.)
S89°44'52"W 2645.78' (Meas.)
S89°40'42"W 2640.42' (Meas.)
S89°30'13"W 2643.24' (Meas.)
S89°55'07"W 2643.33' (Meas.)
S00°19'21"E 4794.32'
S00°19'21"E 3962.75'
S00°19'21"E 1170.11'
S00°19'21"E 680'
LEASE BOUNDARY
NM-117126
NM-12280
NM-130330
PPP #3
0' FSL
679' FEL
PPP #4
1320' FSL
680' FEL
BHL
680'

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Shelly Albrecht 10/13/2020
Signature Date

Shelly Albrecht
Printed Name

salbrecht@fmellc.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

January 30, 2020
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number:

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S31°39'23"W	294.67'
L2	S00°19'20"E	562.53'

SCALE
DRAWN BY: K.A. 02-07-20
REV. 2 D.J.S. 10-08-20
(UPDATE KOP & PPP'S)

- SURFACE HOLE LOCATION
- ◇ = PPP/KICK OFF POINT
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED

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Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-48107		² Pool Code 98228		³ Pool Name WC-025 G-09 S253536D; UPR WOLFCAMP	
⁴ Property Code 329878		⁵ Property Name LHS WILDCAT FED COM			⁶ Well Number 705H
⁷ OGRID No. 373910		⁸ Operator Name FRANKLIN MOUNTAIN ENERGY LLC			⁹ Elevation 3031.9'

¹⁰ Surface Location

UL or lot no. P	Section 36	Township 25S	Range 35E	Lot Idn	Feet from the 250	North/South line SOUTH	Feet from the 488	East/West line EAST	County LEA
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	----------------------	------------------------	---------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. P	Section 12	Township 26S	Range 35E	Lot Idn	Feet from the 150	North/South line SOUTH	Feet from the 350	East/West line EAST	County LEA
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶

PPP #1/KOP
0' FSL
349' FEL
TVD: 11495

Detail
No Scale

NOTE:

- Distances referenced on plat to section lines are perpendicular.
- Basis of Bearing is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

LEASE BOUNDARY
NM-117126
NM-12280
NM-130330

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Shelly Albrecht 10/13/2020
Signature Date

Shelly Albrecht
Printed Name

salbrecht@fmllc.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

January 30, 2020
Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number:

LINE TABLE

LINE	DIRECTION	LENGTH
L1	S29°23'03"E	286.09'
L2	S00°19'19"E	561.84'

SCALE
DRAWN BY: K.A. 02-07-20
REV. 2 D.J.S. 10-08-20
(UPDATE KOP & PPP'S)

- SURFACE HOLE LOCATION
- ◇ = PPP/KICK OFF POINT
- = BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED



Date: April 8, 2021

To: Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, NM 87508
Attn: Elizabeth (Lisa) M. Rivera

Re: Communitization Agreements
W/2W/2 of Sections 1 & 12, T26S-R35E, N.M.P.M.
Lea county, NM
Well Name – Judge Baylor Fed Com 601H
API# 30-025-48102

Dear Ms. Rivera:

Please find enclosed the above mentioned communitization agreement, in triplicate originals.

This agreement has been drafted to cover the **Bone Springs** formation. The Bone Springs pool for this area is [98185] WC-025 G-09 S253502B;LWR BONE SPRING.

Should you have any questions please contact me at (303) 960-7332 or by email at jrose@fmell.com.

Respectfully,

Franklin Mountain Energy, LLC

Jeff Rose
Contract Land Analyst

Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of September, 2020** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 South, Range 35 East, N.M.P.M.
Section 1: W/2W/2
Section 12: W/2W/2
Lea County, New Mexico

Containing 320.00 acres, more or less, and this agreement shall include only the **Bone Spring** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

Judge Baylor Fed Com 601H
Bone Spring Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

Judge Baylor Fed Com 601H
Bone Spring Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **September 1, 2020** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

Judge Baylor Fed Com 601H
Bone Spring Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

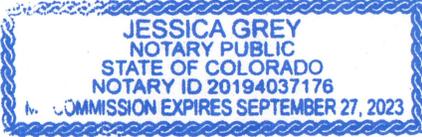
Title: Chief Operating Officer

Date: Jan. 15. 2021

Judge Baylor Fed Com 601H
 Bone Spring Formation
 W/2W/2 Sections 1 & 12-26S-35E
 Lea County, New Mexico

THE STATE OF COLORADO §
§
COUNTY OF DENVER §

This instrument was acknowledged before me on this 15th day of January, 2021, by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware corporation.



[Signature]

Notary Public in and for the State of Colorado
my commission expires 09/27/23



Working Interest Owner:
COG Operating LLC

By: _____
Name: _____
Title: _____
Date: _____

THE STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2021, by _____, as _____ of _____, a _____ corporation.

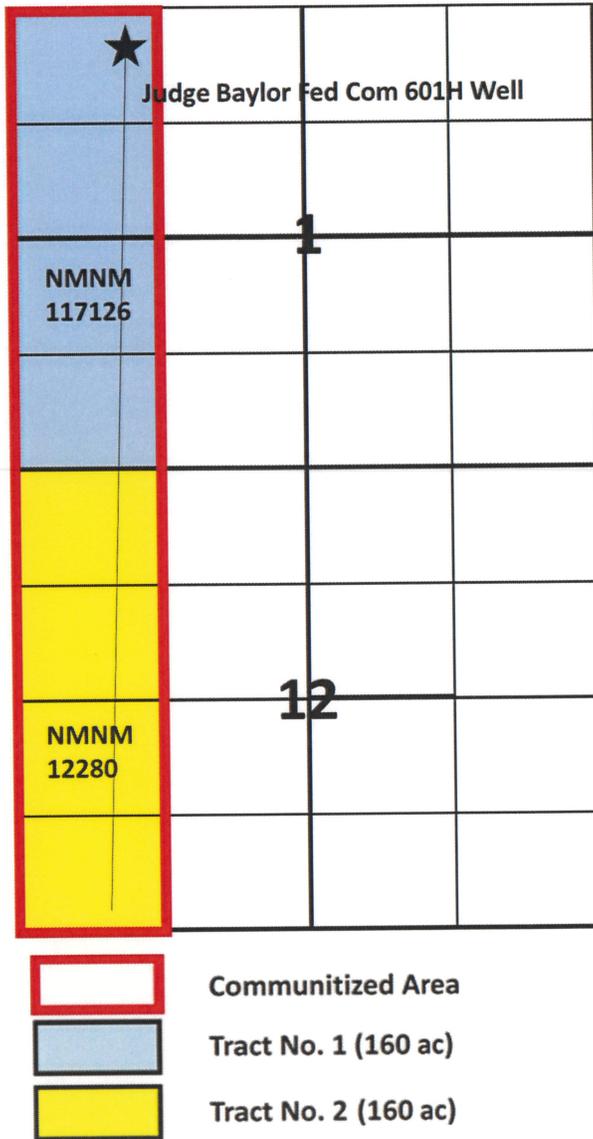
Notary Public in and for the State of Colorado

Judge Baylor Fed Com 601H
Bone Spring Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320** acres, more or less, in the
W/2W/2 of Sections 1 & 12, Township 26 South, Range 35 East,
Lea County, New Mexico.

Well Name/No.
Judge Baylor Fed Com #601H



Judge Baylor Fed Com 601H
Bone Spring Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated September 1, 2020, embracing the following described land in the W/2W/2 of Sections 1 & 12, Township 26 South, Range 35 East, Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number	NMNM 117126
Lease Date:	December 1, 2006
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	Chesapeake Exploration, LP
Current Lessee:	Devon Energy Production Co., L.P. – 50.00% Chevron U.S.A. Inc. - 50.00%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 26 South, Range 35 East</u> Section 1: W/2W/2 Lea County, New Mexico
Number of Acres:	160.00
Royalty Rate:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy, LLC – 15.00% COG Operating, LLC - 70.00% **Chevron U.S.A. Inc. - 15.00%
ORRI Owners:	Devon Energy Production Co., L.P. Chevron U.S.A., Inc. Franklin Mountain Royalty Investments, LLC Mongoose Minerals LLC

**** Compulsory pooled by New Mexico Oil Conservation Division Order R-21513.**

Judge Baylor Fed Com 601H
Bone Spring Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number NMNM 12280
 Lease Date: September 1, 1970
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Bernard A. Winer, M.D.
 Current Lessee: Franklin Mountain Energy, LLC - 90.00%
 VPD New Mexico, LLC - 10.00%

Description of Land Committed: Insofar and only insofar as said lease covers:
Township 26 South, Range 35 East
 Section 12: W/2W/2
 Lea County, New Mexico

Number of Acres: 160.00
 Royalty Rate: 12.5%

WI Owners Names and Interests: Franklin Mountain Energy, LLC – 90.00%
 VPD New Mexico, LLC - 10.00%

ORRI Owners: Green Ribbon, Inc.
 Bernard A. Winer and Grace S. Winer, Trustees of the
 Bernard and Grace Winer Living Trust dated 10/3/2007
 David N. Grimes
 Sandia Minerals, LLC
 Eleanor Jeane Hopper
 Lacy Dinsmoor Roop 1999 Revocable Management Trust
 R.B. Freeman
 Young Minerals Company
 Franklin Mountain Royalty Investments, LLC
 VPD New Mexico Royalty LLC

Judge Baylor Fed Com 601H
 Bone Spring Formation
 W/2W/2 Sections 1 & 12-26S-35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.00	50.00%
2	160.00	50.00%
Total	320.00	100.000000%

Judge Baylor Fed Com 601H
Bone Spring Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
FRANKLIN MOUNTAIN ENERGY, LLC**

**CASE NO. 21441
ORDER NO. R-21513**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on October 22, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”), submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

- Page 45 of 168
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Date: 11/02/2020

ADRIENNE SANDOVAL
DIRECTOR
AES/kms

CASE NO. 21441
ORDER NO. R-21513

Exhibit "A"

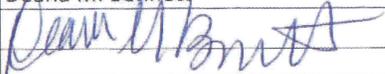
COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21441	APPLICANT'S RESPONSE
Date: 10/08/2020 (Hearing date)	
Applicant:	Franklin Mountain Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, 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:	COG Operating 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	W/2 W/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPPM, 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



Well(s)	
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: Judge Baylor Fed Com 601H (API Pending)	SHL: 250' FSL 488' FWL (Unit M) Section 36, T-25-S R-35-E FTP: 116' FNL 361' FWL Section 1, T-26-S R-35-E BHL: 150' FSL 350' FWL (Unit P) Section 12, T-26-S R-35-E Orientation: North to South Completion Target: Third Bone Spring Completion Status: Standard TVD: 11,920', MVD: 21,420'
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
AFE Capex and Operating Costs	
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
Notice of Hearing	
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 24-32
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit B-8, page 33
Ownership Determination	
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
Joinder	
Sample Copy of Proposal Letter	See Exhibit B-6, pages 20-22
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

CASE NO. 21441
ORDER NO. R-21513

Page 7 of 8

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
Geology	
Summary (including special considerations)	See Exhibit C, pages 34-37
Spacing Unit Schematic	See Exhibit C-9, page 38; Exhibit B-1, page 9
Gunbarrel/Lateral Trajectory Schematic	See Exhibit C-10, page 39
Well Orientation (with rationale)	See Exhibit C-12, page 45; Exhibit C, ¶ 14
Target Formation	See Exhibit C-11-C, page 43
HSU Cross Section	See Exhibit C-11-C, page 43
Depth Severance Discussion	N/A
Forms, Figures and Tables	
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 38
Well Bore Location Map	See Exhibit C-11-A, page 41
Structure Contour Map - Subsea Depth	See Exhibit C-11-A, page 41
Cross Section Location Map (including wells)	See Exhibit C-11-B, page 42
Cross Section (including Landing Zone)	See Exhibit C-11-C, page 43
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date: 10/6/2020	

3



Date: April 8, 2021

To: Bureau of Land Management
 New Mexico State Office
 301 Dinosaur Trail
 Santa Fe, NM 87508
 Attn: Elizabeth (Lisa) M. Rivera

Re: Communitization Agreements
 E/2W/2 of Sections 1 & 12, T26S-R35E, N.M.P.M.
 NE/4NW/4 of Section 13, T26S-R35E, N.M.P.M.
 Lea county, NM
 Well Name – Bus Driver Fed Com 602H
 API# 30-025-48100

Dear Ms. Rivera:

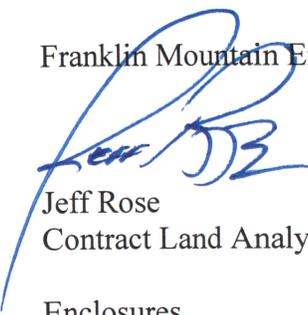
Please find enclosed the above mentioned communitization agreement, in triplicate originals.

This agreement has been drafted to cover the **Bone Springs** formation. The Bone Springs pool for this area is [98185] WC-025 G-09 S253502B;LWR BONE SPRING.

Should you have any questions please contact me at (303) 960-7332 or by email at jrose@fmell.com.

Respectfully,

Franklin Mountain Energy, LLC



Jeff Rose
 Contract Land Analyst

Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of September, 2020** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 South, Range 35 East, N.M.P.M.
Section 1: E/2W/2
Section 12: E/2W/2
Section 13: NE/4NW/4
Lea County, New Mexico

Containing 360.00 acres, more or less, and this agreement shall include only the **Bone Spring** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

Bus Driver Fed Com 602H
Bone Spring Formation
E/2W/2 Sections 1 & 12 and
NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

Bus Driver Fed Com 602H
Bone Spring Formation
E/2W/2 Sections 1 & 12 and
NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **September 1, 2020** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

Bus Driver Fed Com 602H
Bone Spring Formation
E/2W/2 Sections 1 & 12 and
NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:
Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Operating Officer

Date: Jan. 15. 2021

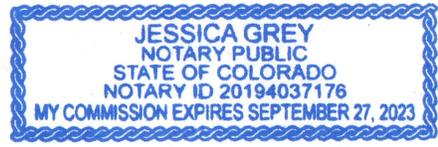
Bus Driver Fed Com 602H
Bone Spring Formation
E/2W/2 Sections 1 & 12 and
NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

THE STATE OF COLORADO §
 §
COUNTY OF DENVER §

This instrument was acknowledged before me on this 15th day of January, 2021, by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware corporation.

[Handwritten Signature]

Notary Public in and for the State of Colorado
My commission expires 09/27/23



Working Interest Owner:
COG Operating LLC

By: _____
Name: _____
Title: _____
Date: _____

THE STATE OF _____ §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2021, by _____, as _____ of _____, a _____ corporation.

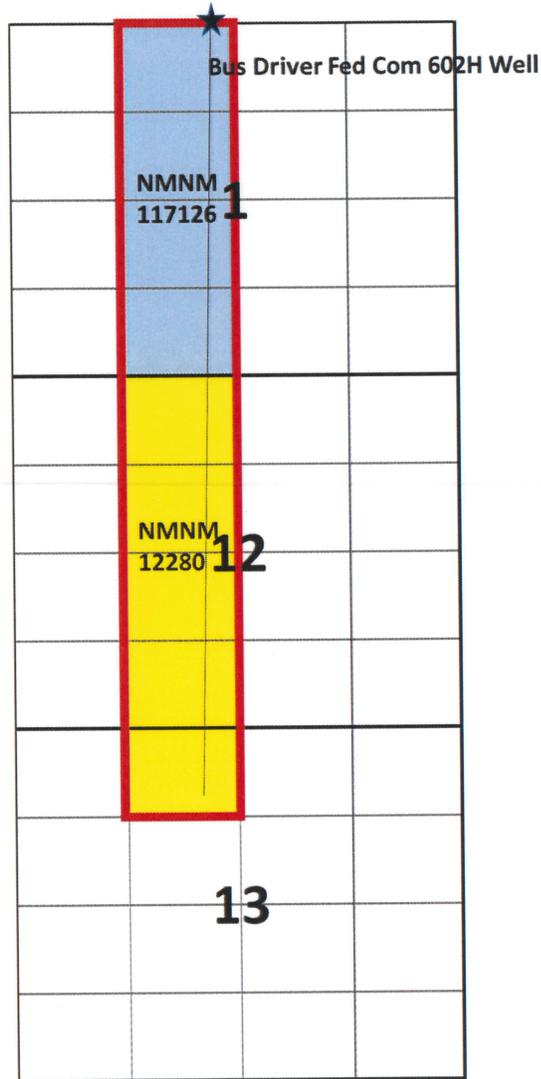
Notary Public in and for the State of Colorado

Bus Driver Fed Com 602H
Bone Spring Formation
E/2W/2 Sections 1 & 12 and
NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **360** acres, more or less, in the
E/2W/2 of Section 1, the E/2W/2 of Section 12, and the NW/4NE/4 of Section 13,
Township 26 South, Range 35 East,
Lea County, New Mexico.

Well Name/No.
Bus Driver Fed Com #602H



-  **Communitized Area**
-  **Tract No. 1 (160 ac)**
-  **Tract No. 2 (200 ac)**

Bus Driver Fed Com 602H
Bone Spring Formation
E/2W/2 Sections 1 & 12 and
NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated September 1, 2020, embracing the following described land in the E/2W/2 of Section 1, the E/2W/2 of Section 12, and the NW/4NE/4 of Section 13, – Township 26 South, Range 35 East, Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number:	NMNM 117126
Lease Date:	December 1, 2006
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	Chesapeake Exploration, LP
Current Lessee:	Devon Energy Production Co., L.P. – 50.00% Chevron U.S.A. Inc. - 50.00%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 26 South, Range 35 East</u> Section 1: E/2W/2 Lea County, New Mexico
Number of Acres:	160.00
Royalty Rate:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy, LLC – 15.00% COG Operating, LLC - 70.00% **Chevron U.S.A. Inc. - 15.00%
ORRI Owners:	Devon Energy Production Co., L.P. Chevron U.S.A., Inc. Franklin Mountain Royalty Investments, LLC Mongoose Minerals LLC

**** Compulsory pooled by New Mexico Oil Conservation Division Order R-21511.**

Bus Driver Fed Com 602H
Bone Spring Formation
E/2W/2 Sections 1 & 12 and
NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: NMNM 12280
 Lease Date: September 1, 1970
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Bernard A. Winer, M.D.
 Current Lessee: Franklin Mountain Energy, LLC - 90.00%
 VPD New Mexico, LLC - 10.00%

Description of Land Committed: Insofar and only insofar as said lease covers:
Township 26 South, Range 35 East
 Section 12: E/2W/2
 Section 13: NE/4NW/4
 Lea County, New Mexico

Number of Acres: 200.00
 Royalty Rate: 12.5%

WI Owners Names and Interests: Franklin Mountain Energy, LLC – 90.00%
 VPD New Mexico, LLC - 10.00%

ORRI Owners:
 Green Ribbon, Inc.
 Bernard A. Winer and Grace S. Winer, Trustees of the
 Bernard and Grace Winer Living Trust dated 10/3/2007
 David N. Grimes
 Sandia Minerals, LLC
 Eleanor Jeane Hopper
 Lacy Dinsmoor Roop 1999 Revocable Management Trust
 R.B. Freeman
 Young Minerals Company
 Franklin Mountain Royalty Investments, LLC
 VPD New Mexico Royalty LLC

Bus Driver Fed Com 602H
 Bone Spring Formation
 E/2W/2 Sections 1 & 12 and
 NE/4NW/4 Section 13-26S-35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.00	44.44%
2	200.00	55.56%
Total	360.00	100.000000%

Bus Driver Fed Com 602H
Bone Spring Formation
E/2W/2 Sections 1 & 12 and
NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
FRANKLIN MOUNTAIN ENERGY, LLC**

**CASE NO. 21438
ORDER NO. R-21511**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on October 22, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”), submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



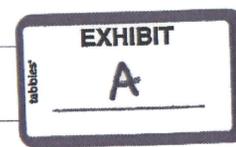
ADRIENNE SANDOVAL
DIRECTOR
AES/kms

Date: 11/02/2020

CASE NO. 21438
ORDER NO. R-21512

Exhibit "A"

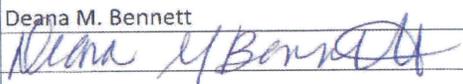
COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21438	APPLICANT'S RESPONSE
Date: 10/08/2020 (Hearing date)	
Applicant:	Franklin Mountain Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, 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:	COG Operating 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:	360 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	360 acres
Building Blocks:	40 acres
Orientation:	N/S
Description: TRS/County	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
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	N
Proximity Defining Well: if yes, description	NA
Applicant's Ownership in Each Tract	See Exhibit B-4, page 16
Well(s)	



CASE NO. 21438
ORDER NO. R-21512

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: Bus Driver Fed Com 602H (API Pending)	SHL: 312' FSL 2410' FWL (Unit N) Section 36, T-25-S R-35-E FTP: 121' FNL 2713' FWL Section 1, T-26-S R-35-E BHL: 1170' FNL 2160' FWL (Unit C) Section 13, T-26-S R-35-E Orientation: North to South Completion Target: Third Bone Spring Completion Status: Standard TVD: 11,850' MVD: 23,350'
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 19
AFE Capex and Operating Costs	
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
Notice of Hearing	
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 23-31
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit B-8, page 33
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibit B-4, page 15.
Tract List (including lease numbers and owners)	See Exhibit B-4, pages 15-17
Pooled Parties (including ownership type)	See Exhibit B-8, page 33
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	See Exhibit B-6, pages 19-20
List of Interest Owners (ie Exhibit A of JOA)	See Exhibit B-4, page 16,17
Chronology of Contact with Non-Joined Working Interests	See Exhibit B-5, page 18
Overhead Rates In Proposal Letter	N/A; see also Exhibit B, ¶ 23
Cost Estimate to Drill and Complete	See Exhibit B-7, page 22
Cost Estimate to Equip Well	See Exhibit B-7, page 22

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Cost Estimate for Production Facilities	See Exhibit B-7, page 22
Geology	
Summary (including special considerations)	See Exhibit C, pages 34-37
Spacing Unit Schematic	See Exhibit C-9, page 38; Exhibit B-1, page 9
Gunbarrel/Lateral Trajectory Schematic	See Exhibit C-10, page 39
Well Orientation (with rationale)	See Exhibit C-12, page 45; Exhibit C, ¶ 14
Target Formation	See Exhibit C-11-C, page 43
HSU Cross Section	See Exhibit C-11-C, page 43
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	See Exhibit B-3, pages 14
Tracts	See Exhibit B-4, page 15
Summary of Interests, Unit Recapitulation (Tracts)	See Exhibit B-4, pages 15-17
General Location Map (including basin)	See Exhibit C-9, page 38
Well Bore Location Map	See Exhibit C-11-A, page 41
Structure Contour Map - Subsea Depth	See Exhibit C-11-A, page 41
Cross Section Location Map (including wells)	See Exhibit C-11-B, page 42
Cross Section (including Landing Zone)	See Exhibit C-11-C, page 43
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date: 10/5/2020	

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Date: April 8, 2021

To: Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, NM 87508
Attn: Elizabeth (Lisa) M. Rivera

Re: Communitization Agreements
W/2E/2 of Sections 1 & 12, T26S-R35E, N.M.P.M.
NW/4NE/4 of Sectin 13, T26S-R35E, N.M.P.M.
Lea county, NM
Well Name – Kaston Fed Com 603H
API# 30-025-48104

Dear Ms. Rivera:

Please find enclosed the above mentioned communitization agreement, in triplicate originals.

This agreement has been drafted to cover the **Bone Springs** formation. The Bone Spings pool for this area is [98185] WC-025 G-09 S253502B;LWR BONE SPRING.

Should you have any questions please contact me at (303) 960-7332 or by email at jrose@fmell.com.

Respectfully,

Franklin Mountain Energy, LLC

Jeff Rose
Contract Land Analyst

Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the 1st of September, 2020 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 South, Range 35 East, N.M.P.M.

Section 1: W/2E/2

Section 12: W/2E/2

Section 13: NW/4NE/4

Lea County, New Mexico

Containing 360.00 acres, more or less, and this agreement shall include only the **Bone Spring** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

Kaston Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 1 & 12 and
NW/4NE/4 Section 13-26S-35E
Lea County, New Mexico

- 3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

Kaston Fed Com 603H
 Bone Spring Formation
 W/2E/2 Sections 1 & 12 and
 NW/4NE/4 Section 13-26S-35E
 Lea County, New Mexico

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **September 1, 2020** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

Kaston Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 1 & 12 and
NW/4NE/4 Section 13-26S-35E
Lea County, New Mexico

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:
Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

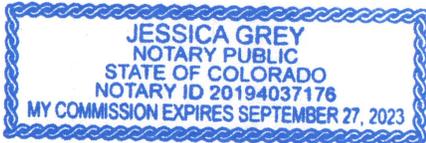
Title: Chief Operating Officer

Date: Jan. 15, 2021

Kaston Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 1 & 12 and
NW/4NE/4 Section 13-26S-35E
Lea County, New Mexico

THE STATE OF COLORADO §
§
COUNTY OF DENVER §

This instrument was acknowledged before me on this 15th day of January, 2021, by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware corporation.



[Signature]
Notary Public in and for the State of Colorado
My Commission Expires 09/27/23

Working Interest Owner:
COG Operating LLC

By: _____

Name: _____

Title: _____

Date: _____

THE STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2021, by _____, as _____ of _____, a _____ corporation.

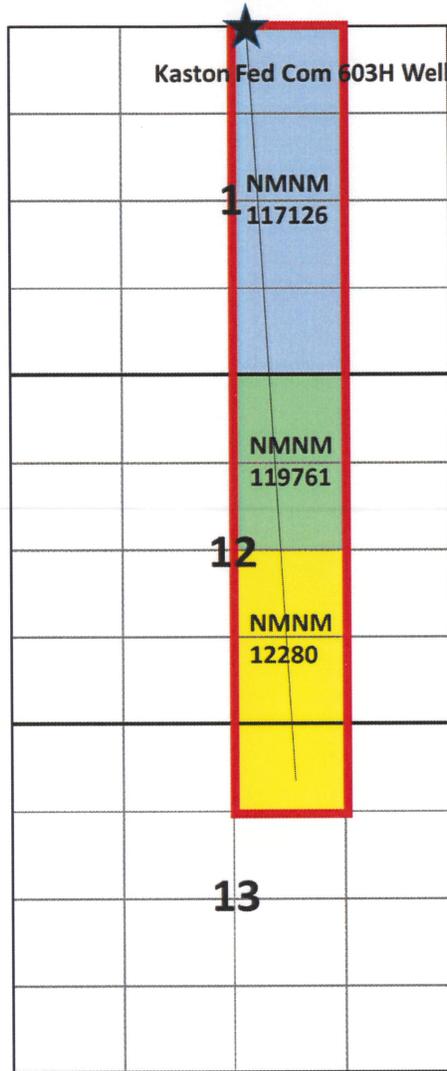
Notary Public in and for the State of Colorado

Kaston Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 1 & 12 and
NW/4NE/4 Section 13-26S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **360** acres, more or less, in the
W/2E/2 of Sections 1 & 12 and NW/4NE/4 of Section 13,
Township 26 South, Range 35 East,
Lea County, New Mexico.

Well Name/No.
Kaston Fed Com 603H



-  Communitized Area
-  Tract No. 1 (160 ac)
-  Tract No. 2 (80 ac)
-  Tract No. 3 (120 ac)

Kaston Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 1 & 12 and
NW/4NE/4 Section 13-26S-35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: NMNM 119761
 Lease Date: May 1, 2008
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Ronald Miles
 Current Lessee: COG Production, LLC. - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 26 South, Range 35 East
 Section 12: W/2NE/4
 Lea County, New Mexico

Number of Acres: 80.00
 Royalty Rate: 12.5%
 WI Owners Names and Interests: COG Production, LLC - 100%

ORRI Owners: Malaga Royalty, LLC
 Malaga EF7, LLC
 Mongoose Minerals LLC

Kaston Fed Com 603H
 Bone Spring Formation
 W/2E/2 Sections 1 & 12 and
 NW/4NE/4 Section 13-26S-35E
 Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 12280
 Lease Date: September 1, 1970
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Bernard A. Winer, M.D.
 Current Lessee: Franklin Mountain Energy, LLC - 90.00%
 VPD New Mexico, LLC - 10.00%

Description of Land Committed: Insofar and only insofar as said lease covers:
Township 26 South, Range 35 East
 Section 12: W/2SE/4
 Section 13: NW/4NE/4
 Lea County, New Mexico

Number of Acres: 120.00
 Royalty Rate: 12.5%
 WI Owners Names and Interests: Franklin Mountain Energy, LLC – 90.00%
 VPD New Mexico, LLC - 10.00%

ORRI Owners: Green Ribbon, Inc.
 Bernard A. Winer and Grace S. Winer, Trustees of the
 Bernard and Grace Winer Living Trust dated 10/3/2007
 David N. Grimes
 Sandia Minerals, LLC
 Eleanor Jeane Hopper
 Lacy Dinsmoor Roop 1999 Revocable Management Trust
 R.B. Freeman
 Young Minerals Company
 Franklin Mountain Royalty Investments, LLC
 VPD New Mexico Royalty LLC

Kaston Fed Com 603H
 Bone Spring Formation
 W/2E/2 Sections 1 & 12 and
 NW/4NE/4 Section 13-26S-35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.00	44.44%
2	80.00	22.22%
3	120.00	33.34%
Total	360.00	100.000000%

Kaston Fed Com 603H
Bone Spring Formation
W/2E/2 Sections 1 & 12 and
NW/4NE/4 Section 13-26S-35E
Lea County, New Mexico

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
FRANKLIN MOUNTAIN ENERGY, LLC**

**CASE NO. 21442
ORDER NO. R-21498**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on October 8, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



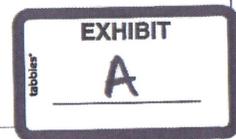
ADRIENNE SANDOVAL
DIRECTOR
 AES/jag

Date: 10/14/2020

CASE NO. 21442
 ORDER NO. R-21498

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21442	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:	None
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:	360 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	360 acres
Building Blocks:	40 acres
Orientation:	N/S
Description: TRS/County	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
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



Well(s)	
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: Kaston Fed Com 603H (API Pending)	SHL: 312' FSL 2480' FWL (Unit N) Section 36, T-25-S R-35-E FTP: 120' FNL 2019' FEL Section 1, T-26-S R-35-E BHL: 1170' FNL 2020' FEL (Unit B) Section 13, T-26-S R-35-E Orientation: North to South Completion Target: Third Bone SPring Completion Status: Standard TVD: 11,807', MVD: 23,307'
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
AFE Capex and Operating Costs	
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
Notice of Hearing	
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
Ownership Determination	
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
Joinder	
Sample Copy of Proposal Letter	See Exhibit B-6, pages 20-22
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
Geology	
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
Forms, Figures and Tables	
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
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date: 10/6/2020	

3



Date: April 8, 2021

To: Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, NM 87508
Attn: Elizabeth (Lisa) M. Rivera

Re: Communitization Agreements
E/2E/2 of Sections 1 & 12, T26S-R35E, N.M.P.M.
Lea county, NM
Well Name – LHS Wildcat Fed Com 604H
API# 30-025-48106

Dear Ms. Rivera:

Please find enclosed the above mentioned communitization agreement, in triplicate originals.

This agreement has been drafted to cover the **Bone Springs** formation. The Bone Spings pool for this area is [98185] WC-025 G-09 S253502B;LWR BONE SPRING.

Should you have any questions please contact me at (303) 960-7332 or by email at jrose@fmell.com.

Respectfully,

Franklin Mountain Energy, LLC

Jeff Rose
Contract Land Analyst

Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of September, 2020** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 South, Range 35 East, N.M.P.M.
Section 1: E/2E/2
Section 12: E/2E/2
Lea County, New Mexico

Containing 320.00 acres, more or less, and this agreement shall include only the **Bone Spring** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

LHS Wildcat Fed Com 604H
Bone Spring Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

LHS Wildcat Fed Com 604H
Bone Spring Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **September 1, 2020** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

LHS Wildcat Fed Com 604H
Bone Spring Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:
Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Operating Officer

Date: Jan. 15. 2021

LHS Wildcat Fed Com 604H
Bone Spring Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

THE STATE OF COLORADO §
 §
COUNTY OF DENVER §

This instrument was acknowledged before me on this 15th day of January, 2021, by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware corporation.



[Signature]
Notary Public in and for the State of Colorado
my commission expires 09/27/23

Working Interest Owner:
COG Operating LLC

By: _____
Name: _____
Title: _____
Date: _____

THE STATE OF _____ §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2021, by _____, as _____ of _____, a _____ corporation.

Notary Public in and for the State of Colorado

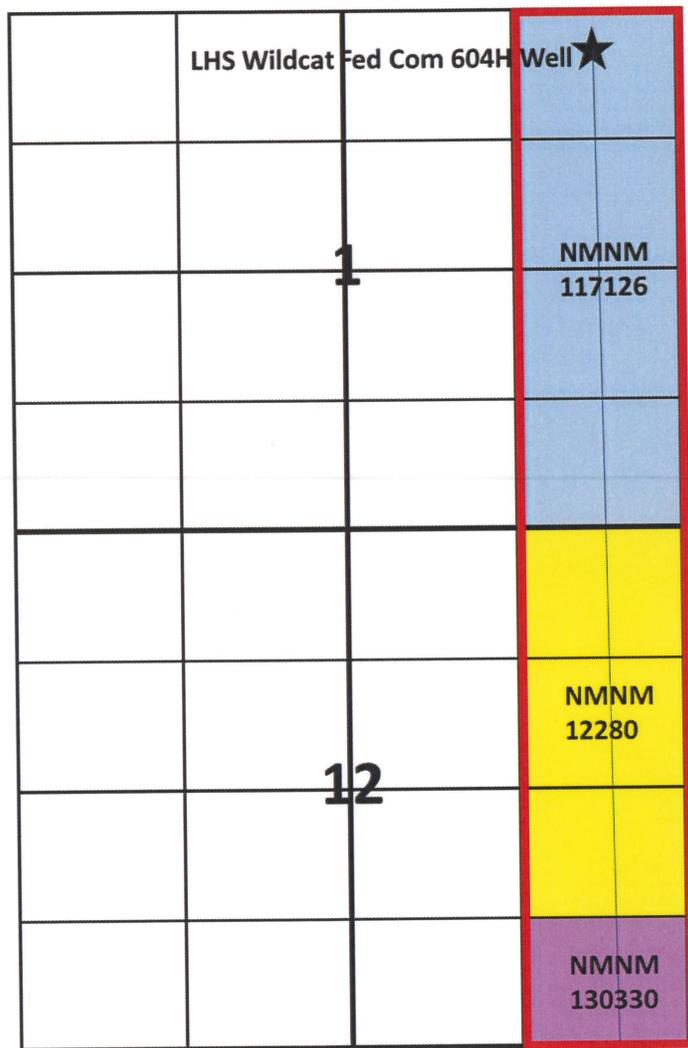
LHS Wildcat Fed Com 604H
Bone Spring Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering 320 acres, more or less, in the E/2E/2 of Sections 1 & 12, Township 26 South, Range 35 East, Lea County, New Mexico.

Well Name/No.

LHS Wildcat Fed Com #604H



-  Communitized Area
-  Tract No. 1 (160 ac)
-  Tract No. 2 (120 ac)
-  Tract No. 3 (40 ac)

LHS Wildcat Fed Com 604H
Bone Spring Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated September 1, 2020, embracing the following described land in the E/2E/2 of Sections 1 & 12, Township 26 South, Range 35 East, Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number:	NMNM 117126
Lease Date:	December 1, 2006
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	Chesapeake Exploration, LP
Current Lessee:	Devon Energy Production Co., L.P. – 50.00% Chevron U.S.A. Inc. - 50.00%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 26 South, Range 35 East</u> Section 1: E/2E/2 Lea County, New Mexico
Number of Acres:	160.00
Royalty Rate:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy, LLC – 15.00% COG Operating, LLC - 70.00% **Chevron U.S.A. Inc. - 15.00%
ORRI Owners:	Devon Energy Production Co., L.P. Chevron U.S.A., Inc. Franklin Mountain Royalty Investments, LLC Mongoose Minerals LLC

**** Compulsory pooled by New Mexico Oil Conservation Division Order R-21496.**

LHS Wildcat Fed Com 604H
Bone Spring Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: NMNM 12280
 Lease Date: September 1, 1970
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Bernard A. Winer, M.D.
 Current Lessee: Franklin Mountain Energy, LLC - 90.00%
 VPD New Mexico, LLC - 10.00%

Description of Land Committed: Insofar and only insofar as said lease covers:
Township 26 South, Range 35 East
 Section 12: E/2NE/4, NE/4SE/4
 Lea County, New Mexico

Number of Acres: 120.00
 Royalty Rate: 12.5%

WI Owners Names and Interests: Franklin Mountain Energy, LLC – 90.00%
 VPD New Mexico, LLC - 10.00%

ORRI Owners: Green Ribbon, Inc.
 Bernard A. Winer and Grace S. Winer, Trustees of the
 Bernard and Grace Winer Living Trust dated 10/3/2007
 David N. Grimes
 Sandia Minerals, LLC
 Eleanor Jeane Hopper
 Lacy Dinsmoor Roop 1999 Revocable Management Trust
 R.B. Freeman
 Young Minerals Company
 Franklin Mountain Royalty Investments, LLC
 VPD New Mexico Royalty LLC

LHS Wildcat Fed Com 604H
 Bone Spring Formation
 E/2E/2 Sections 1 & 12-26S-35E
 Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 130330
 Lease Date: August 1, 2013
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Crown Oil Partners IV LP
 Current Lessee: Marathon Oil Permian LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 26 South, Range 35 East
 Section 12: SE/4SE/4
 Lea County, New Mexico

Number of Acres: 40.00
 Royalty Rate: 12.5%
 WI Owners Names and Interests: CRP XII, LLC - 100%

ORRI Owners:
 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
 Geragd G. Vavrek
 Jesse A. Fought, Jr.
 H. Jason Wacker
 Oak Valley Mineral and Land, LP
 David W. Cromwell
 Kaleb Smith
 Mike Moylett
 Deane Durham

LHS Wildcat Fed Com 604H
 Bone Spring Formation
 E/2E/2 Sections 1 & 12-26S-35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.00	50.00%
2	120.00	37.50%
3	40.00	12.50%
Total	320.00	100.000000%

LHS Wildcat Fed Com 604H
Bone Spring Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

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

IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
FRANKLIN MOUNTAIN ENERGY, LLC

CASE NO. 21439
ORDER NO. R-21496

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on October 8, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

well (“Actual Well Costs”) out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest.”

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD’s order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well (“Supervision Charges”) shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled “Accounting Procedure-Joint Operations.”
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



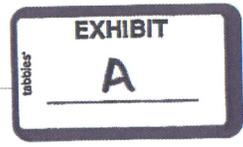
**ADRIENNE SANDOVAL
DIRECTOR**
AES/jag

Date: 10/14/2020

CASE NO. 21439
ORDER NO. R-21496

Exhibit A

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 Spering
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

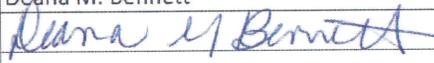


CASE NO. 21439
 ORDER NO. R-21496

Well(s)	
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
AFE Capex and Operating Costs	
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
Notice of Hearing	
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
Ownership Determination	
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
Joinder	
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

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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
Geology	
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
Forms, Figures and Tables	
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
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date: 10/6/2020	

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CASE NO. 21439
ORDER NO. R-21496

Page 7 of 7



Date: April 8, 2021

To: Bureau of Land Management
 New Mexico State Office
 301 Dinosaur Trail
 Santa Fe, NM 87508
 Attn: Elizabeth (Lisa) M. Rivera

Re: Communitization Agreements
 W/2W/2 of Sections 1 & 12, T26S-R35E, N.M.P.M.
 Lea county, NM
 Well Name – Judge Baylor Fed Com 701H
 API# 30-025-48103

Dear Ms. Rivera:

Please find enclosed the above mentioned communitization agreement, in triplicate originals.

This agreement has been drafted to cover the **Wolfcamp** formation. The Wolfcamp pool for this area is [98187] WC-025 G-09 S253502D;UPR WOLFCAMP

Should you have any questions please contact me at (303) 960-7332 or by email at jrose@fmell.com.

Respectfully,

Franklin Mountain Energy, LLC

Jeff Rose
 Contract Land Analyst

Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of September, 2020** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

- 1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 South, Range 35 East, N.M.P.M.
Section 1: W/2W/2
Section 12: W/2W/2
Lea County, New Mexico

Containing 320.00 acres, more or less, and this agreement shall include only the **Wolfcamp** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

- 2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

Judge Baylor Fed Com 701H
Wolfcamp Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

Judge Baylor Fed Com 701H
Wolfcamp Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is **September 1, 2020** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

Judge Baylor Fed Com 701H
Wolfcamp Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

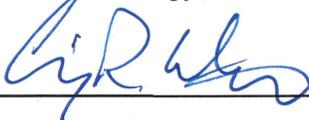
IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:

Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Operating Officer

Date: Jan. 15. 2021

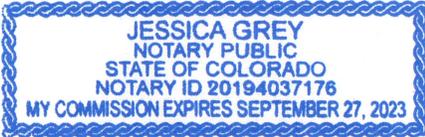
Judge Baylor Fed Com 701H
 Wolfcamp Formation
 W/2W/2 Sections 1 & 12-26S-35E
 Lea County, New Mexico

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 15th day of January, 2021, by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware corporation.



[Signature]
Notary Public in and for the State of Colorado
my commission expires 09/27/23

Working Interest Owner:
COG Operating LLC

By: _____

Name: _____

Title: _____

Date: _____

THE STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2021, by _____, as _____ of _____, a _____ corporation.

Notary Public in and for the State of Colorado

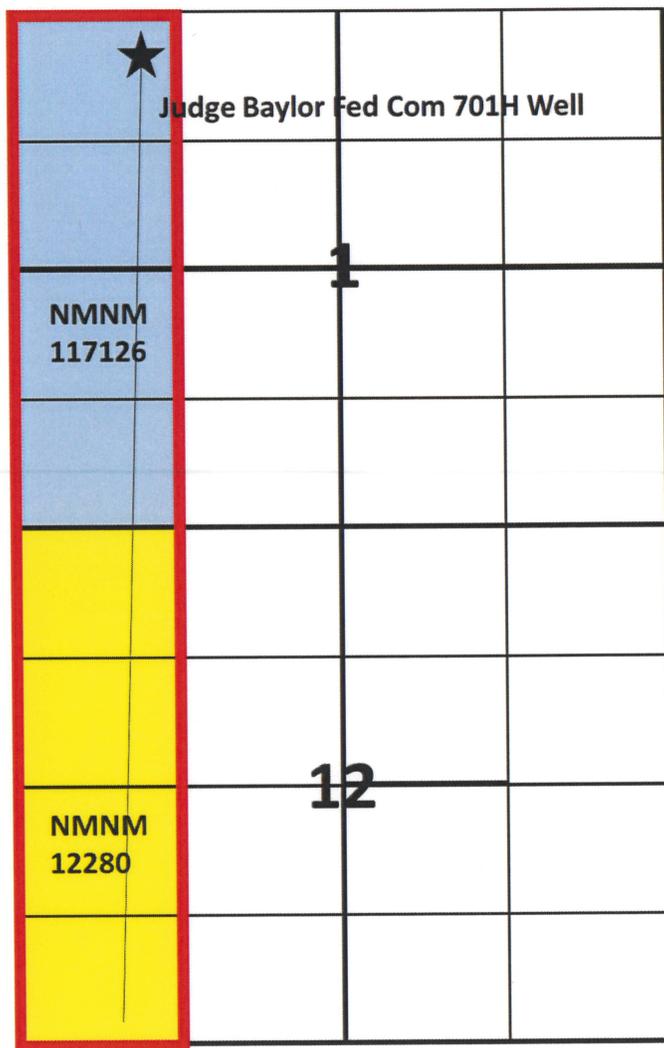
Judge Baylor Fed Com 701H
Wolfcamp Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320** acres, more or less, in the
W/2W/2 of Sections 1 & 12, Township 26 South, Range 35 East,
Lea County, New Mexico.

Well Name/No.

Judge Baylor Fed Com #701H



-  Communitized Area
-  Tract No. 1 (160 ac)
-  Tract No. 2 (160 ac)

Judge Baylor Fed Com 701H
Wolfcamp Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated September 1, 2020, embracing the following described land in the W/2W/2 of Sections 1 & 12, Township 26 South, Range 35 East, Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number	NMNM 117126
Lease Date:	December 1, 2006
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	Chesapeake Exploration, LP
Current Lessee:	Devon Energy Production Co., L.P. – 50.00% Chevron U.S.A. Inc. - 50.00%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 26 South, Range 35 East</u> Section 1: W/2W/2 Lea County, New Mexico
Number of Acres:	160.00
Royalty Rate:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy, LLC – 15.00% COG Operating, LLC - 70.00% **Chevron U.S.A. Inc. - 15.00%
ORRI Owners:	Devon Energy Production Co., L.P. Chevron U.S.A., Inc. Franklin Mountain Royalty Investments, LLC Mongoose Minerals LLC

**** Compulsory pooled by New Mexico Oil Conservation Division Order R-21514.**

Judge Baylor Fed Com 701H
Wolfcamp Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number NMNM 12280
 Lease Date: September 1, 1970
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Bernard A. Winer, M.D.
 Current Lessee: Franklin Mountain Energy, LLC - 90.00%
 VPD New Mexico, LLC - 10.00%

Description of Land Committed: Insofar and only insofar as said lease covers:
Township 26 South, Range 35 East
 Section 12: W/2W/2
 Lea County, New Mexico

Number of Acres: 160.00
 Royalty Rate: 12.5%

WI Owners Names and Interests: Franklin Mountain Energy, LLC – 90.00%
 VPD New Mexico, LLC - 10.00%

ORRI Owners: Green Ribbon, Inc.
 Bernard A. Winer and Grace S. Winer, Trustees of the
 Bernard and Grace Winer Living Trust dated 10/3/2007
 David N. Grimes
 Sandia Minerals, LLC
 Eleanor Jeane Hopper
 Lacy Dinsmoor Roop 1999 Revocable Management Trust
 R.B. Freeman
 Young Minerals Company
 Franklin Mountain Royalty Investments, LLC
 VPD New Mexico Royalty LLC

Judge Baylor Fed Com 701H
 Wolfcamp Formation
 W/2W/2 Sections 1 & 12-26S-35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.00	50.00%
2	160.00	50.00%
Total	320.00	100.000000%

Judge Baylor Fed Com 701H
Wolfcamp Formation
W/2W/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
FRANKLIN MOUNTAIN ENERGY, LLC**

**CASE NO. 21443
ORDER NO. R-21514**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on October 22, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”), submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



Date: 11/02/2020

ADRIENNE SANDOVAL
DIRECTOR
AES/kms

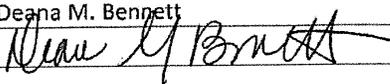
CASE NO. 21443
ORDER NO. R-21514

Exhibit "A"

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21443	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 Sperleng
Case Title:	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	COG Operating LLC
Well Family	Paul Foster
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	WC-025-G-09-S253502D; Pool Code 98187
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	W/2 W/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



Well(s)	
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: Juidge Baylor Fed Com 701H (API Pending)	SHL: 250' FSL 523' FWL (Unit M) Section 36, T-25-S R-35-E FTP: 118' FNL 672' FWL Section 1, T-26-S R-35-E BHL: 150' FSL 660' FWL (Unit P) Section 12, T-26-S R-35-E Orientation: North to South Completion Target: Upper Wolfcamp Completion Status: Standard TVD: 12,208', MVD: 21,708'
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
AFE Capex and Operating Costs	
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
Notice of Hearing	
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 24-32
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit B-8, page 33
Ownership Determination	
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, page 18
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
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
Geology	
Summary (including special considerations)	See Exhibit C, pages 34-37
Spacing Unit Schematic	See Exhibit C-9, page 38; Exhibit B-1, page 9
Gunbarrel/Lateral Trajectory Schematic	See Exhibit C-10, page 39
Well Orientation (with rationale)	See Exhibit C-12, page 45; Exhibit C, ¶ 14
Target Formation	See Exhibit C-11-C, page 43
HSU Cross Section	See Exhibit C-11-C, page 43
Depth Severance Discussion	N/A
Forms, Figures and Tables	
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 38
Well Bore Location Map	See Exhibit C-11-A, page 41
Structure Contour Map - Subsea Depth	See Exhibit C-11-A, page 41
Cross Section Location Map (including wells)	See Exhibit C-11-B, page 42
Cross Section (including Landing Zone)	See Exhibit C-11-C, page 43
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date: 10/6/2020	

3



Date: April 8, 2021

To: Bureau of Land Management
 New Mexico State Office
 301 Dinosaur Trail
 Santa Fe, NM 87508
 Attn: Elizabeth (Lisa) M. Rivera

Re: Communitization Agreements
 W/2E/2, E/2W/2 of Sections 1 & 12, T26S-R35E, N.M.P.M.
 NW/4NE/4, NE/4NW/4 of Section 13, T26S-R35E, N.M.P.M.
 Lea county, NM
 Well Name – Bus Driver Fed Com 702H
 Well Name – Kaston Fed Com 703H
 API# 30-025-48101 (Bus Driver Fed Com 702H)
 API# 30-025-48105 (Kaston Fed Com 703H)

Dear Ms. Rivera:

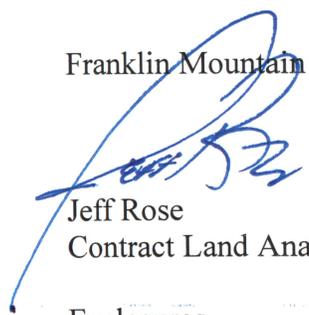
Please find enclosed the above mentioned communitization agreement, in triplicate originals.

This agreement has been drafted to cover the Wolfcamp formation. The Wolfcamp pool for this area is [98187] WC-025 G-09 S253502D;UPR WOLFCAMP

Should you have any questions please contact me at (303) 960-7332 or by email at jrose@fmell.com.

Respectfully,

Franklin Mountain Energy, LLC



Jeff Rose
 Contract Land Analyst

Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the 1st of September, 2020 by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 South, Range 35 East, N.M.P.M.

Section 1: W/2E/2, E/2W/2

Section 12: W/2E/2, E/2W/2

Section 13: NW/4NE/4, NE/4NW/4

Lea County, New Mexico

Containing 720.00 acres, more or less, and this agreement shall include only the **Wolfcamp** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

Bus Driver Fed Com 702H & Kaston Fed Com 703H
Wolfcamp Formation
W/2E/2, E/2W/2 Sections 1 & 12 and
NW/4NE/4, NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

Bus Driver Fed Com 702H & Kaston Fed Com 703H
Wolfcamp Formation
W/2E/2, E/2W/2 Sections 1 & 12 and
NW/4NE/4, NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is **September 1, 2020** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

Bus Driver Fed Com 702H & Kaston Fed Com 703H
Wolfcamp Formation
W/2E/2, E/2W/2 Sections 1 & 12 and
NW/4NE/4, NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:
Franklin Mountain Energy, LLC

By: 
 Name: Craig R. Walters
 Title: Chief Operating Officer
 Date: Jan. 15. 2021

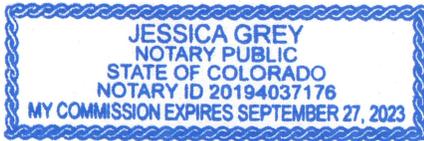
Bus Driver Fed Com 702H & Kaston Fed Com 703H
 Wolfcamp Formation
 W/2E/2, E/2W/2 Sections 1 & 12 and
 NW/4NE/4, NE/4NW/4 Section 13-26S-35E
 Lea County, New Mexico

THE STATE OF COLORADO

§
§
§

COUNTY OF DENVER

This instrument was acknowledged before me on this 15th day of January, 2021, by Craig R. Walters, as Chief Operating Officer of Franklin Mountain Energy, LLC, a Delaware corporation.



[Handwritten Signature]

Notary Public in and for the State of Colorado

my commission expires 09/27/23

Working Interest Owner:
COG Operating LLC

By: _____

Name: _____

Title: _____

Date: _____

THE STATE OF _____ §

§
§
§

COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2021, by _____, as _____ of _____, a _____ corporation.

Notary Public in and for the State of Colorado

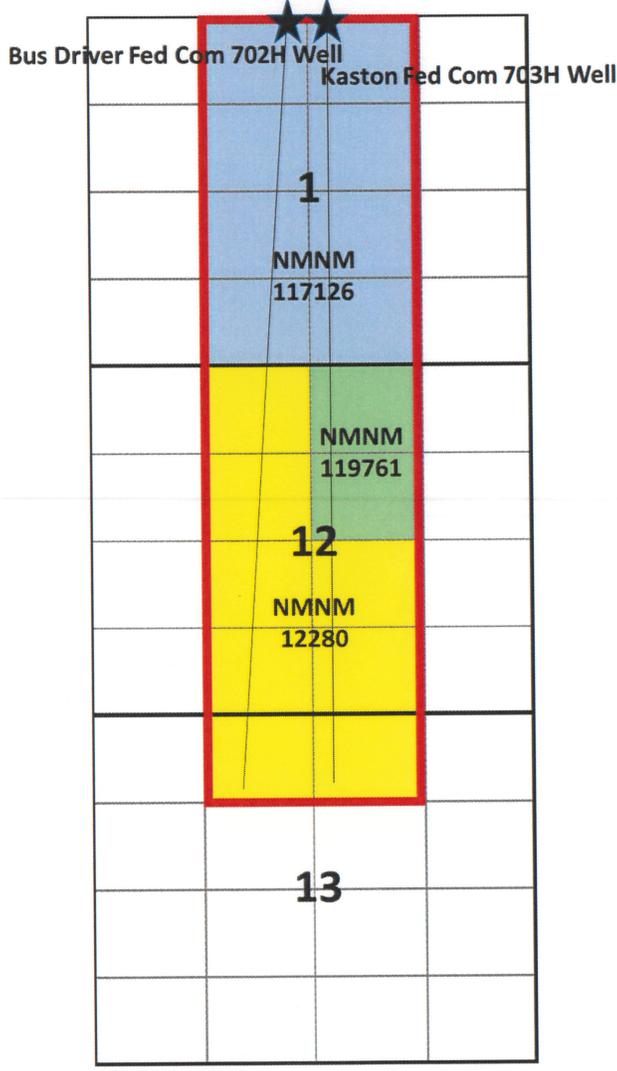
Bus Driver Fed Com 702H & Kaston Fed Com 703H
Wolfcamp Formation
W/2E/2, E/2W/2 Sections 1 & 12 and
NW/4NE/4, NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering 720 acres, more or less, in the
W/2E/2, E/2W/2 of Sections 1 & 12 and NW/4NE/4, NE/4NW/4 of Section 13,
Township 26 South, Range 35 East,
Lea County, New Mexico.

Well Name/No.

Bus Driver Fed Com 702H and Kaston Fed Com 703H



-  Communitized Area
-  Tract No. 1 (320 ac)
-  Tract No. 2 (80 ac)
-  Tract No. 3 (320 ac)

Bus Driver Fed Com 702H & Kaston Fed Com 703H
Wolfcamp Formation
W/2E/2, E/2W/2 Sections 1 & 12 and
NW/4NE/4, NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: NMNM 119761
 Lease Date: May 1, 2008
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Ronald Miles
 Current Lessee: COG Production, LLC. - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 26 South, Range 35 East
 Section 12: W/2NE/4
 Lea County, New Mexico
 Number of Acres: 80.00
 Royalty Rate: 12.5%
 WI Owners Names and Interests: COG Production, LLC - 100%

ORRI Owners: Malaga Royalty, LLC
 Malaga EF7, LLC
 Mongoose Minerals LLC

Bus Driver Fed Com 702H & Kaston Fed Com 703H
 Wolfcamp Formation
 W/2E/2, E/2W/2 Sections 1 & 12 and
 NW/4NE/4, NE/4NW/4 Section 13-26S-35E
 Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 12280
 Lease Date: September 1, 1970
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Bernard A. Winer, M.D.
 Current Lessee: Franklin Mountain Energy, LLC - 90.00%
 VPD New Mexico, LLC - 10.00%

Description of Land Committed: Insofar and only insofar as said lease covers:
Township 26 South, Range 35 East
 Section 12: E/2W/2, W/2SE/4
 Section 13: NW/4NE/4, NE/4NW/4
 Lea County, New Mexico

Number of Acres: 320.00
 Royalty Rate: 12.5%

WI Owners Names and Interests: Franklin Mountain Energy, LLC – 90.00%
 VPD New Mexico, LLC - 10.00%

ORRI Owners:
 Green Ribbon, Inc.
 Bernard A. Winer and Grace S. Winer, Trustees of the
 Bernard and Grace Winer Living Trust dated 10/3/2007
 David N. Grimes
 Sandia Minerals, LLC
 Eleanor Jeane Hopper
 Lacy Dinsmoor Roop 1999 Revocable Management Trust
 R.B. Freeman
 Young Minerals Company
 Franklin Mountain Royalty Investments, LLC
 VPD New Mexico Royalty LLC

Bus Driver Fed Com 702H & Kaston Fed Com 703H
 Wolfcamp Formation
 W/2E/2, E/2W/2 Sections 1 & 12 and
 NW/4NE/4, NE/4NW/4 Section 13-26S-35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	320.00	44.44%
2	80.00	11.11%
3	320.00	44.45%
Total	720.00	100.000000%

Bus Driver Fed Com 702H & Kaston Fed Com 703H
Wolfcamp Formation
W/2E/2, E/2W/2 Sections 1 & 12 and
NW/4NE/4, NE/4NW/4 Section 13-26S-35E
Lea County, New Mexico

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
FRANKLIN MOUNTAIN ENERGY, LLC**

**CASE NO. 21444
ORDER NO. R-21505**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on October 8, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

- Page 134 of 168
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



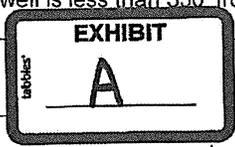
ADRIENNE SANDOVAL
DIRECTOR
 AES/jag

Date: 10/14/2020

CASE NO. 21444
 ORDER NO. R-21505

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21444	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:	None
Well Family	Paul Foster
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	WC-025-G-09-S253502D; Pool Code 98187
Well Location Setback Rules:	Statewide Rules
Spacing Unit Size:	720 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	720 acres
Building Blocks:	40 acres
Orientation:	N/S
Description: TRS/County	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
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	Kaston Fed Com 703H well is less than 330' from the adjoining tracts
Applicant's Ownership in Each Tract	See Exhibit B-4, page 18



Well(s)	
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: Bus Driver Fed Com 702H (API Pending)	SHL: 312' FSL 2375' FWL (Unit N) Section 36, T-25-S R-35-E FTP: 123' FNL 1713' FWL Section 1, T-26-S R-35-E BHL: 1170' FNL 1700' FWL (Unit C) Section 13, T-26-S R-35-E Orientation: North to South Completion Target: Upper Wolfcamp Completion Status: Standard TVD: 12,012', MVD: 23,512'
Well #2: Kaston Fed Com 703H (API Pending)	SHL: 312' FSL 2445' FWL (Unit N) Section 36, T-25-S R-35-E FTP: 123' FNL 2587' FEL Section 1, T-26-S R-35-E BHL: 1170' FNL 2600' FEL (Unit C) Section 13, T-26-S R-35-E Orientation: North to South Completion Target: Upper Wolfcamp Completion Status: Standard TVD: 12,130', MVD: 23,630'
Horizontal Well First and Last Take Points	See above; see also Exhibit B-3, page 15-16
Completion Target (Formation, TVD and MD)	See above; see also Exhibit B-3; B-6, page 21
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000.00
Production Supervision/Month \$	\$700.00
Justification for Supervision Costs	See Exhibit B, ¶ 27
Requested Risk Charge	See Exhibit B, ¶ 28
Notice of Hearing	
Proposed Notice of Hearing	See Exhibit B-2, page 14.
Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit B-8, pages 26-35
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit B-8, page 36.
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	See Exhibit B-4, page 17
Tract List (including lease numbers and owners)	See Exhibit B-4, pages 17-18
Pooled Parties (including ownership type)	See Exhibit B-8, page 37
Unlocatable Parties to be Pooled	None

Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	See Exhibit B-6, pages 21-23
List of Interest Owners (ie Exhibit A of JOA)	See Exhibit B-4, page 17-18
Chronology of Contact with Non-Joined Working Interests	See Exhibit B-5, page 20
Overhead Rates In Proposal Letter	N/A: See Exhibit B, ¶ 27
Cost Estimate to Drill and Complete	See Exhibit B-7, pages 24-25
Cost Estimate to Equip Well	See Exhibit B-7, pages 24-25
Cost Estimate for Production Facilities	See Exhibit B-7, pages 24-25
Geology	
Summary (including special considerations)	See Exhibit C, pages 38-41
Spacing Unit Schematic	See Exhibit C-9, page 42; Exhibit B-1, page 10.
Gunbarrel/Lateral Trajectory Schematic	See Exhibit C-10, page 43
Well Orientation (with rationale)	See Exhibit C-12, page 49; Exhibit C, ¶ 14
Target Formation	See Exhibit C-11-C, page 47
HSU Cross Section	See Exhibit C-11-C, page 47
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	See Exhibit B-3, pages 15-16
Tracts	See Exhibit B-4, pages 17-18
Summary of Interests, Unit Recapitulation (Tracts)	See Exhibit B-4, pages 18-19
General Location Map (including basin)	See Exhibit C-9, page 42; Exhibit B-1, page 10.
Well Bore Location Map	See Exhibit C-11-A, page 45
Structure Contour Map - Subsea Depth	See Exhibit C-11-A, page 45
Cross Section Location Map (including wells)	See Exhibit C-11-B, page 46
Cross Section (including Landing Zone)	See Exhibit C-11-C, page 47
Additional Information	
Special Provisions/Stipulations	Notice provided to COG Operating LLC and working interest owners in Ushanka Federal Com Well No. 23H unit as required by Rule 19.15.16.15.B(9). See Exhibit B, ¶ 17; Exhibit B-8.
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date: 10/2/2020	

3



Date: April 8, 2021

To: Bureau of Land Management
 New Mexico State Office
 301 Dinosaur Trail
 Santa Fe, NM 87508
 Attn: Elizabeth (Lisa) M. Rivera

Re: Communitization Agreements
 E/2E/2 of Sections 1 & 12, T26S-R35E, N.M.P.M.
 Lea county, NM
 Well Name – LHS Wildcat Fed Com 705H
 API# 30-025-48107

Dear Ms. Rivera:

Please find enclosed the above mentioned communitization agreement, in triplicate originals.

This agreement has been drafted to cover the Wolfcamp formation. The Wolfcamp pool for this area is [98187] WC-025 G-09 S253502D;UPR WOLFCAMP

Should you have any questions please contact me at (303) 960-7332 or by email at jrose@fmell.com.

Respectfully,

Franklin Mountain Energy, LLC

Jeff Rose
 Contract Land Analyst

Enclosures

Federal Communitization Agreement

Contract No. _____

THIS AGREEMENT, entered into as of the **1st of September, 2020** by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 26 South, Range 35 East, N.M.P.M.
Section 1: E/2E/2
Section 12: E/2E/2
Lea County, New Mexico

Containing 320.00 acres, more or less, and this agreement shall include only the **Wolfcamp** Formation(s) underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation(s).

2. Attached hereto and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

LHS Wildcat Fed Com 705H
Wolfcamp Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

3. The operator of the communitized area shall be **Franklin Mountain Energy, LLC**, 44 Cook Street, Suite 1000, Denver, CO 80206. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal or Indian lands included within the CA area are to be paid into the appropriate Unleased Lands Account or Indian Trust Account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and

LHS Wildcat Fed Com 705H
Wolfcamp Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is **September 1, 2020** and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representatives, and shall remain in force and effect for a period of two (2) years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interest of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.

12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and to assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

LHS Wildcat Fed Com 705H
Wolfcamp Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Statement of Written Consent by All Named Owners:

I, the undersigned, hereby certify, on behalf of Franklin Mountain Energy, LLC, the Operator of the proposed Communitization Agreement, that all working interest owners (i.e. the lessees of record and operating right owners) shown on Exhibit "B" attached to the Communitization Agreement are, to the best of my knowledge, the working interest owners of Federal or Indian leases subject to the Communitization Agreement, and that the written consents of all the named owners have been obtained and will be made available to the BLM immediately upon request.

Operator & Working Interest Owner:
Franklin Mountain Energy, LLC

By: 

Name: Craig R. Walters

Title: Chief Operating Officer

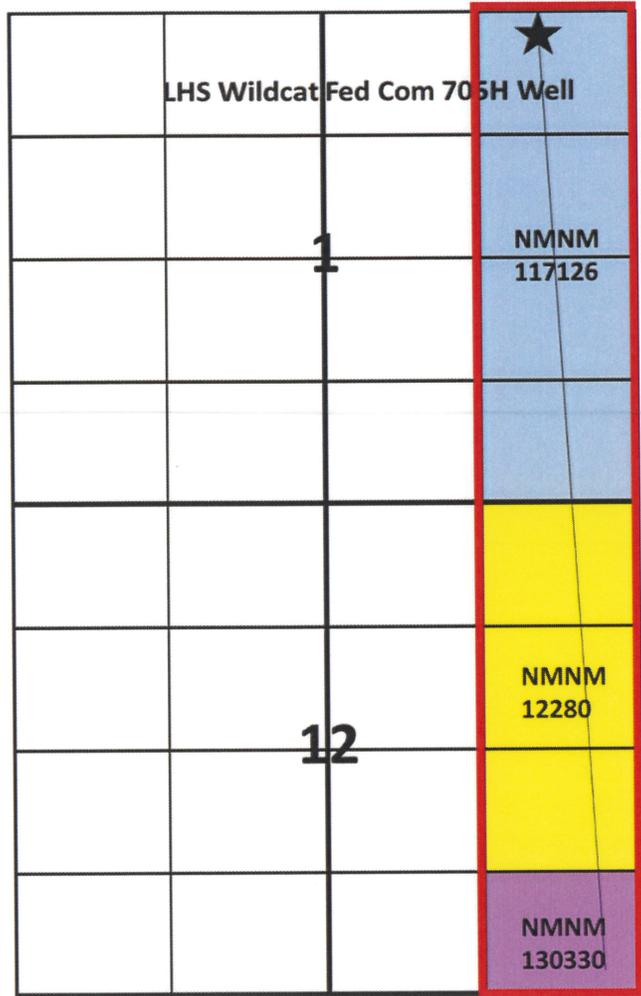
Date: Jan. 15. 2021

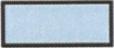
LHS Wildcat Fed Com 705H
Wolfcamp Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

EXHIBIT "A"

Plat of communitized area covering **320** acres, more or less, in the
E/2E/2 of Sections 1 & 12, Township 26 South, Range 35 East,
Lea County, New Mexico.

Well Name/No.
LHS Wildcat Fed Com #705H



-  Communitized Area
-  Tract No. 1 (160 ac)
-  Tract No. 2 (120 ac)
-  Tract No. 3 (40 ac)

LHS Wildcat Fed Com 705H
Wolfcamp Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

EXHIBIT "B"

To Communitization Agreement Dated September 1, 2020, embracing the following described land in the E/2E/2 of Sections 1 & 12, Township 26 South, Range 35 East, Lea County, New Mexico.

Operator of Communitized Area: Franklin Mountain Energy, LLC

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1:

Lease Serial Number:	NMNM 117126
Lease Date:	December 1, 2006
Lease Primary Term:	Ten (10) years
Recordation:	Not Recorded
Lessor:	United States of America
Original Lessee:	Chesapeake Exploration, LP
Current Lessee:	Devon Energy Production Co., L.P. – 50.00%
	Chevron U.S.A. Inc. - 50.00%
Description of Land Committed:	Insofar and only insofar as said lease covers: <u>Township 26 South, Range 35 East</u> Section 1: E/2E/2 Lea County, New Mexico
Number of Acres:	160.00
Royalty Rate:	12.50%
WI Owners Names and Interests:	Franklin Mountain Energy, LLC – 15.00%
	COG Operating, LLC - 70.00%
	**Chevron U.S.A. Inc. - 15.00%
ORRI Owners:	Devon Energy Production Co., L.P. Chevron U.S.A., Inc. Franklin Mountain Royalty Investments, LLC Mongoose Minerals LLC

**** Compulsory pooled by New Mexico Oil Conservation Division Order R-21497.**

LHS Wildcat Fed Com 705H
Wolfcamp Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

TRACT NO. 2:

Lease Serial Number: NMNM 12280
 Lease Date: September 1, 1970
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Bernard A. Winer, M.D.
 Current Lessee: Franklin Mountain Energy, LLC - 90.00%
 VPD New Mexico, LLC - 10.00%

Description of Land Committed: Insofar and only insofar as said lease covers:
Township 26 South, Range 35 East
 Section 12: E/2NE/4, NE/4SE/4
 Lea County, New Mexico

Number of Acres: 120.00
 Royalty Rate: 12.5%

WI Owners Names and Interests: Franklin Mountain Energy, LLC – 90.00%
 VPD New Mexico, LLC - 10.00%

ORRI Owners: Green Ribbon, Inc.
 Bernard A. Winer and Grace S. Winer, Trustees of the
 Bernard and Grace Winer Living Trust dated 10/3/2007
 David N. Grimes
 Sandia Minerals, LLC
 Eleanor Jeane Hopper
 Lacy Dinsmoor Roop 1999 Revocable Management Trust
 R.B. Freeman
 Young Minerals Company
 Franklin Mountain Royalty Investments, LLC
 VPD New Mexico Royalty LLC

LHS Wildcat Fed Com 705H
 Wolfcamp Formation
 E/2E/2 Sections 1 & 12-26S-35E
 Lea County, New Mexico

TRACT NO. 3:

Lease Serial Number: NMNM 130330
 Lease Date: August 1, 2013
 Lease Primary Term: Ten (10) years
 Recordation: Not Recorded
 Lessor: **United States of America**
 Original Lessee: Crown Oil Partners IV LP
 Current Lessee: Marathon Oil Permian LLC - 100%
 Description of Land Committed: Insofar and only insofar as said lease covers:
Township 26 South, Range 35 East
 Section 12: SE/4SE/4
 Lea County, New Mexico

Number of Acres: 40.00
 Royalty Rate: 12.5%
 WI Owners Names and Interests: CRP XII, LLC - 100%

ORRI Owners:
 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
 Geragd G. Vavrek
 Jesse A. Fought, Jr.
 H. Jason Wacker
 Oak Valley Mineral and Land, LP
 David W. Cromwell
 Kaleb Smith
 Mike Moylett
 Deane Durham

LHS Wildcat Fed Com 705H
 Wolfcamp Formation
 E/2E/2 Sections 1 & 12-26S-35E
 Lea County, New Mexico

RECAPITULATION

Tract No.	No. of Acres Committed	Percentage of Interest in the Communitized Area
1	160.00	50.00%
2	120.00	37.50%
3	40.00	12.50%
Total	320.00	100.000000%

LHS Wildcat Fed Com 705H
Wolfcamp Formation
E/2E/2 Sections 1 & 12-26S-35E
Lea County, New Mexico

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
FRANKLIN MOUNTAIN ENERGY, LLC**

**CASE NO. 21440
ORDER NO. R-21497**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on October 8, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



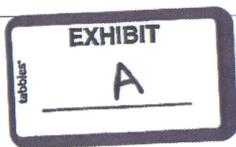
**ADRIENNE SANDOVAL
DIRECTOR**
AES/jag

Date: 10/14/2020

CASE NO. 21440
ORDER NO. R-21497

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21440	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:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	WC-025-G-09-5253502D; Pool Code 98187
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, NMPPM, 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

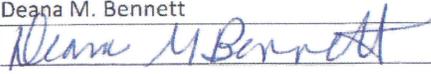


CASE NO. 21440
ORDER NO. R-21497

Well(s)	
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 705H (API Pending)	SHL: 250' FSL 488' FEL (Unit P) Section 36, T-25-S R-35-E FTP: 113' FNL 349' FEL Section 1, T-26-S R-35-E BHL: 150' FSL 350' FEL (Unit P) Section 12, T-26-S R-35-E Orientation: North to South Completion Target: Upper Wolfcamp Completion Status: Standard TVD: 12,043', MVD: 21,543'
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
AFE Capex and Operating Costs	
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
Notice of Hearing	
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
Ownership Determination	
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, page 18
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
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

CASE NO. 21440
ORDER NO. R-21497

Page 6 of 7

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
Geology	
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
Forms, Figures and Tables	
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
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	
Date: 10/6/2020	

3

CASE NO. 21440
ORDER NO. R-21497

Page 7 of 7

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
 - Check One Only for [B] or [C]
 - [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 - [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
 - [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
 - [B] Offset Operators, Leaseholders or Surface Owner
 - [C] Application is One Which Requires Published Legal Notice
 - [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 - [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 - [F] Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Rachael Overbey

Print or Type Name

Signature

Director Ops Planning and Regulatory 5/17/2021

Title

roverbey@fmellc.com

Date

e-mail Address

From: [Engineer, OCD, EMNRD](#)
To: [Rachael Overbey](#)
Cc: [McClure, Dean, EMNRD](#); [Simmons, Kurt, EMNRD](#); [Bratcher, Mike, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order PLC-775
Date: Wednesday, August 18, 2021 1:21:26 PM
Attachments: [PLC775 Order.pdf](#)

NMOCD has issued Administrative Order PLC-775 which authorizes Franklin Mountain Energy, LLC (373910) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-025-48102	Judge Baylor Federal Com #601H	W/2 W/2	1-26S-35E	97088
		W/2 W/2	12-26S-35E	
30-025-48103	Judge Baylor Federal Com #701H	W/2 W/2	1-26S-35E	98228
		W/2 W/2	12-26S-35E	
30-025-48100	Bus Driver Federal Com #602H	E/2 W/2	1-26S-35E	97088
		E/2 W/2	12-26S-35E	
		NE/4 NW/4	13-26S-35E	
30-025-48101	Bus Driver Federal Com #702H	E/2 W/2, W/2 E/2	1-26S-35E	98228
		E/2 W/2, W/2 E/2	12-26S-35E	
		B C	13-26S-35E	
30-025-48105	Kaston Federal Com #703H	E/2 W/2, W/2 E/2	1-26S-35E	98228
		E/2 W/2, W/2 E/2	12-26S-35E	
		B C	13-26S-35E	
30-025-48104	Kaston Federal Com #603H	W/2 E/2	1-26S-35E	97088
		W/2 E/2	12-26S-35E	
		NW/4 NE/4	13-26S-35E	
30-025-48106	LHS Wildcat Federal Com #604H	E/2 E/2	1-26S-35E	97088
		E/2 E/2	12-26S-35E	
30-025-48107	LHS Wildcat Federal Com #705H	E/2 E/2	1-26S-35E	98228
		E/2 E/2	12-26S-35E	

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

State of New Mexico
Energy, Minerals and Natural Resources Department

Notice

Order: PLC-775

Operator: Franklin Mountain Energy, LLC (373910)

Publication Date: 5/30/2021

Submittal Date: 6/6/2021

Noticed Persons

Date	Person	Certified Tracking Number	Status
6/1/2021	New Mexico State Land Office	9414 7116 9900 0273 0972 07	Delivered
6/17/2021	VPD New Mexico, LLC	9414 7116 9900 0273 0674 77	Delivered
6/1/2021	CRP XII, LLC	9414 7116 9900 0273 5512 59	Delivered
6/1/2021	COG Operating, LLC	9414 7116 9900 0273 8424 63	Delivered
6/1/2021	COG Production, LLC	9414 7116 9900 0273 8404 21	Delivered
6/3/2021	United States of America, BLM	9414 7116 9900 0273 8463 86	In-Transit
6/3/2021	Chevron USA, Inc.	9414 7116 9900 0273 8794 21	In-Transit
6/1/2021	Devon Energy Production Company, LP	9414 7116 9900 0273 8747 47	Delivered
6/1/2021	Green Ribbon, Inc.	9414 7116 9900 0273 8759 11	Delivered
6/4/2021	Bernard A. Winer and Grace S. Winer, Trustees	9414 7116 9900 0273 8708 93	Delivered
6/3/2021	Grimes 710, LLC	9414 7116 9900 0273 8788 82	Delivered
6/1/2021	Lacy Dinsmoor Roop 1999 Revocable Manager	9414 7116 9900 0273 8779 15	Delivered
6/1/2021	Doris Earline Freeman	9414 7116 9900 0273 8769 25	Delivered
6/1/2021	Young Minerals Company	9414 7116 9900 0273 8719 37	Delivered
6/17/2021	VPD New Mexico Royalty, LLC	9414 7116 9900 0273 8930 14	Delivered
6/3/2021	Malaga Royalty, LLC	9414 7116 9900 0273 8940 97	Delivered
6/3/2021	Malaga EF7, LLC	9414 7116 9900 0273 8955 75	Delivered
6/2/2021	Crown Oil Partners, LP	9414 7116 9900 0273 8907 16	Delivered
6/1/2021	Post Oak Crowck IV-B, LLC	9414 7116 9900 0273 8978 07	Delivered
6/1/2021	Post Oak IV, LLC	9414 7116 9900 0273 8966 57	Delivered
6/3/2021	Collins & Jones Investments, LLC	9414 7116 9900 0273 8919 59	In-Transit
6/2/2021	Mavros Minerals, LLC	9414 7116 9900 0273 8298 22	Delivered
6/3/2021	LMC Energy, LLC	9414 7116 9900 0273 8237 52	In-Transit
6/5/2021	Gerard G. Vavrek	9414 7116 9900 0273 8242 23	Alert
6/2/2021	Jesse A. Faught, Jr.	9414 7116 9900 0273 8258 17	Delivered
6/3/2021	H. Jason Wacker	9414 7116 9900 0273 8228 16	Delivered
6/2/2021	Oak Valley Mineral and Land, LP	9414 7116 9900 0273 8206 90	Delivered
6/1/2021	David W. Cromwell	9414 7116 9900 0273 8289 48	Delivered
6/2/2021	Kaleb Smith	9414 7116 9900 0273 8271 25	Delivered
6/2/2021	Mike Moylett	9414 7116 9900 0273 8269 51	Delivered
6/2/2021	Deane Durham	9414 7116 9900 0273 8212 77	Delivered
6/1/2021	Eleanor Jeane Hopper	9414 7116 9900 0273 8214 75	Delivered

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

APPLICATION FOR SURFACE COMMINGLING

SUBMITTED BY FRANKLIN MOUNTAIN ENERGY, LLC

ORDER NO. PLC-775

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Franklin Mountain Energy, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7(B) NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.
7. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

9. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12 NMAC, and 19.15.23 NMAC.
10. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2), (C)(4)(c), and (C)(4)(e) NMAC, as applicable.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) and (6) NMAC, as applicable.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) or (C)(1) NMAC, as applicable.
13. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) and (C)(4)(h) NMAC.
14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10(C)(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
15. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the

approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.
5. Applicant shall measure and market the commingled gas at a central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10(C)(4)(g) NMAC.
9. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
10. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
11. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR

DATE: 8/12/2021

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PLC-775
Operator: Franklin Mountain Energy, LLC (373910)
Central Tank Battery: Paul Foster Central Tank Battery
Central Tank Battery Location: Unit N, Section 36, Township 25 South, Range 35 East
Gas Title Transfer Meter Location: Unit N, Section 36, Township 25 South, Range 35 East

Pools

Pool Name	Pool Code
WC-025 G-08 S2535340; BONE SPRING	97088
WC-025 G-09 S253536D; UPR WOLFCAMP	98228

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 117126	All	1-26S-35E
NMNM 012280	A C D E F H I J K L M N O B C	12-26S-35E 13-26S-35E
NMNM 119764	W/2 NE/4	12-26S-35E
NMNM 130330	SE/4 SE/4	12-26S-35E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-48102	Judge Baylor Federal Com #601H	W/2 W/2	1-26S-35E	97088
		W/2 W/2	12-26S-35E	
30-025-48103	Judge Baylor Federal Com #701H	W/2 W/2	1-26S-35E	98228
		W/2 W/2	12-26S-35E	
30-025-48100	Bus Driver Federal Com #602H	E/2 W/2	1-26S-35E	97088
		E/2 W/2	12-26S-35E	
		NE/4 NW/4	13-26S-35E	
30-025-48101	Bus Driver Federal Com #702H	E/2 W/2, W/2 E/2	1-26S-35E	98228
		E/2 W/2, W/2 E/2	12-26S-35E	
		B C	13-26S-35E	
30-025-48105	Kaston Federal Com #703H	E/2 W/2, W/2 E/2	1-26S-35E	98228
		E/2 W/2, W/2 E/2	12-26S-35E	
		B C	13-26S-35E	
30-025-48104	Kaston Federal Com #603H	W/2 E/2	1-26S-35E	97088
		W/2 E/2	12-26S-35E	
		NW/4 NE/4	13-26S-35E	
30-025-48106	LHS Wildcat Federal Com #604H	E/2 E/2	1-26S-35E	97088
		E/2 E/2	12-26S-35E	
30-025-48107	LHS Wildcat Federal Com #705H	E/2 E/2	1-26S-35E	98228
		E/2 E/2	12-26S-35E	

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: PLC-775
Operator: Franklin Mountain Energy, LLC (373910)

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Bone Spring NMNM 143226	W/2 W/2	1-26S-35E	320	A
	W/2 W/2	12-26S-35E		
CA Wolfcamp NMNM 143224	W/2 W/2	1-26S-35E	320	B
	W/2 W/2	12-26S-35E		
CA Bone Spring NMNM 143227	E/2 W/2	1-26S-35E	360	C
	E/2 W/2	12-26S-35E		
	NE/4 NW/4	13-26S-35E		
CA Wolfcamp NMNM 143228	E/2 W/2, W/2 E/2	1-26S-35E	720	D
	E/2 W/2, W/2 E/2	12-26S-35E		
	B C	13-26S-35E		
CA Bone Spring NMNM 143222	W/2 E/2	1-26S-35E	360	E
	W/2 E/2	12-26S-35E		
	NW/4 NE/4	13-26S-35E		
CA Bone Spring NMNM 143225	E/2 E/2	1-26S-35E	320	F
	E/2 E/2	12-26S-35E		
CA Wolfcamp NMNM 143223	E/2 E/2	1-26S-35E	320	G
	E/2 E/2	12-26S-35E		

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 117126	W/2 W/2	1-26S-35E	160	A
NMNM 012280	W/2 W/2	12-26S-35E	160	A
NMNM 117126	W/2 W/2	1-26S-35E	160	B
NMNM 012280	W/2 W/2	12-26S-35E	160	B
NMNM 117126	E/2 W/2	1-26S-35E	160	C
NMNM 012280	E/2 W/2	12-26S-35E	200	C
	NE/4 NW/4	13-26S-35E		
NMNM 117126	E/2 W/2, W/2 E/2	1-26S-35E	320	D
NMNM 012280	C F J K N O	12-26S-35E	320	D
	B C	13-26S-35E		
NMNM 119761	W/2 NE/4	12-26S-35E	80	D
NMNM 117126	W/2 E/2	1-26S-35E	160	E
NMNM 012280	W/2 SE/4	12-26S-35E	120	E
	NW/4 NE/4	13-26S-35E		
NMNM 119761	W/2 NE/4	12-26S-35E	80	E
NMNM 117126	E/2 E/2	1-26S-35E	160	F
NMNM 012280	A H I	12-26S-35E	120	F

NMNM 130330	SE/4 SE/4	12-26S-35E	40	F
NMNM 117126	E/2 E/2	1-26S-35E	160	G
NMNM 012280	A H I	12-26S-35E	120	G
NMNM 130330	SE/4 SE/4	12-26S-35E	40	G

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 29651

CONDITIONS

Operator: Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206	OGRID: 373910
	Action Number: 29651
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclosure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	8/18/2021