

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
[98185] WC-025 G-09 S253502B; LWR BONE SPRING	43.2° / 1347 BTU/CF	43.2° / 1234 BTU/CF		\$50/bbl oil \$1.00/MCF	330 BOPD 400 MCFD
[98187] WC-025 G-09 S253502D; UPR WOLFCAMP	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: 2/24/2022  
TYPE OR PRINT NAME: Rachael Overbey TELEPHONE NO.: 720-414-6878  
E-MAIL ADDRESS: roverbey@fmc.llc.com



February 24, 2022

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 amend Order No. PLC-729 to commingle future oil and gas production from additional wells. Production would come from multiple leases and zones (pool numbers 98185 and 98187). 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.

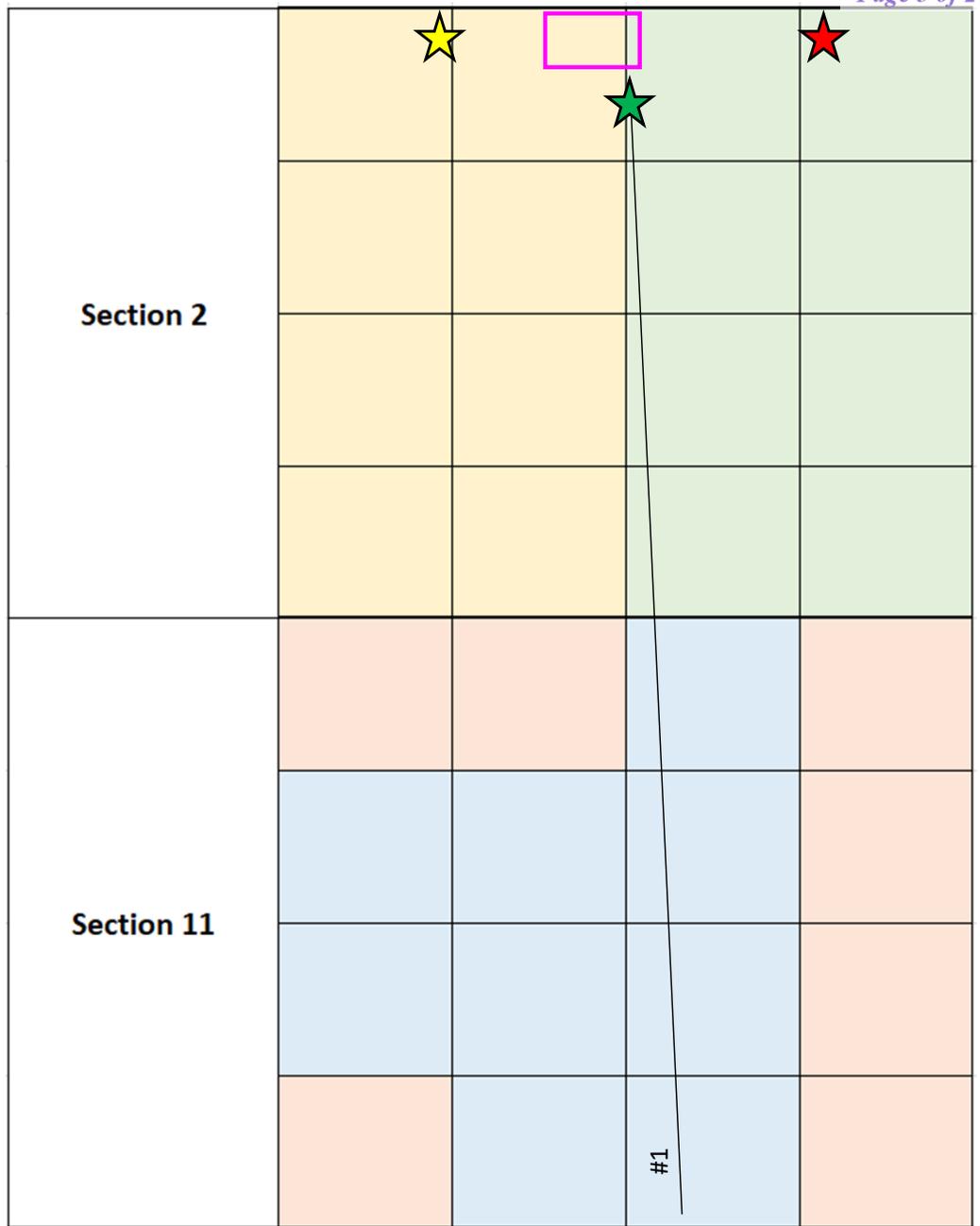
Operator wishes to be able to add infill wells producing from the approved leases and pools to the commingling project via sundry without further notice to the interest owners.

Sincerely,



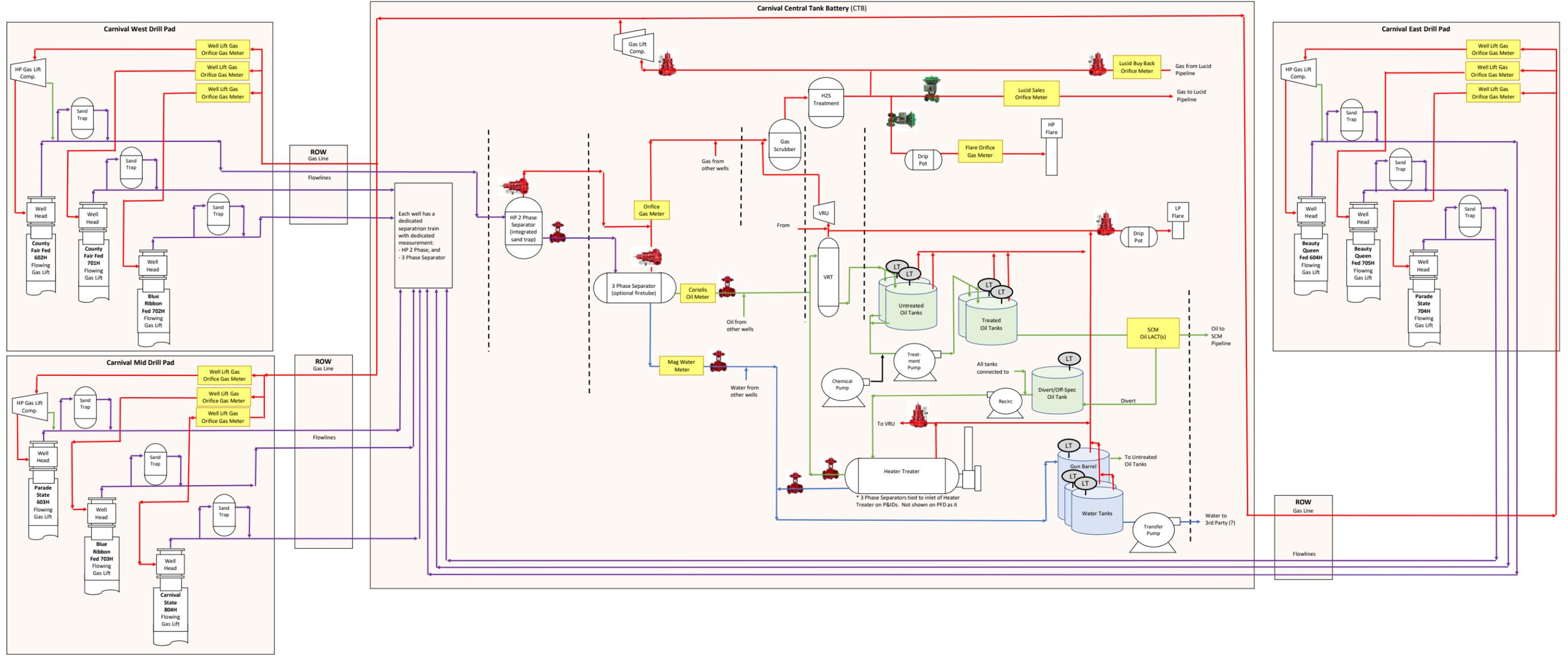
Rachael Overbey  
Director Operations Planning and Regulatory  
roverbey@fmellc.com  
Main: 720-414-7868  
Mobile: 303-570-4057

-  Carnival West Pad
-  Carnival Mid Pad  
- Carnival State Com 804H
-  Carnival East Pad
-  Carnival CTB



Section 2	NMSLO - VB 2121
Section 2	NMSLO - VB 2117
Section 11	Fed NM-101608
Section 11	Fee

Plat No.	Well Names	Formation	Unit Description	Unit Acres	NMOCD Pooling Order
1	Carnival State Com 804H	Wolfcamp	W/2 E/2 Sec 2 & 11 T25S R35E	320	R-21171-A



Owner Name	Interest Type	Address	Notes	Certified Mail Tracking No.	Date Mailed
New Mexico State Land Office	RI	310 Old Santa Fe Trail, Santa Fe, NM 87501		7020 0090 0001 0128 4060	2/25/2022
Monticello Minerals, LLC	ORRI	5528 Vickery Blvd., Dallas, Texas 75206		7020 0090 0000 3264 3462	2/25/2022
Prevail Energy, LLC	ORRI	521 Dexter St., Denver, Colorado 80220		7020 0090 0000 3264 3479	2/25/2022
Rheiner Holdings, LLC	ORRI	P.O. Box 980552, Houston, Texas 77098		7020 0090 0000 3264 3486	2/25/2022
Cayuga Royalties, LLC	ORRI	P.O. Box 540711, Houston, Texas 77254		7020 0090 0000 3264 3493	2/25/2022
Lista Catherine Ammirati McDonald	UMI	3950 E. Midas Ave., Rocklin, California 95677		7020 0090 0000 3264 3509	2/25/2022
BC Operating, Inc	ORRI	4000 N. Big Spring, Suite 310, Midland, Texas 79705		7020 0090 0000 3264 3516	2/25/2022
Constitution Resources II, LP	ORRI	5707 Southwest Parkway, Building 1, Suite 275, Austin, Texas 78735		7020 0090 0000 3264 3523	2/25/2022
Tap Rock Resources, LLC	WI	523 Park Point Drive Suite #200 Golden Colorado 80401		7020 0090 0000 3264 3530	2/25/2022
The heirs or devisees of Dock C. Coates, deceased c/o D.B. Coates	Unleased MI	P.O. Box 1443, Lakeside, Utah, 85929		7020 0090 0000 3264 3547	2/25/2022
The heirs or devisees of Dock C. Coates, deceased, c/o James Ronald Stanley	Unleased MI	3608 North County Road 1130, Midland, Texas 79705		7020 0090 0000 3264 3554	2/25/2022
The heirs or devisees of Dock C. Coates, deceased, c/o Kimberly Franzoy Becker	Unleased MI	3147 Adobe Dam Rd., Phoenix, Arizona, 85027		7020 0090 0000 3264 3561	2/25/2022
The heirs or devisees of Dock C. Coates, deceased, c/o Mary O. Coates	Unleased MI	3719 S. Eunice Hwy, Hobbs, New Mexico, 88240		7020 0090 0000 3264 3578	2/25/2022
The heirs or devisees of Dock C. Coates, deceased, c/o Sharon Lyde Miller	Unleased MI	780 E. Lee Ave., Overton, Nevada, 89040		7020 0090 0000 3264 3585	2/25/2022
The heirs or devisees of Dock C. Coates, deceased, c/o Timothy G. Coates	Unleased MI	PO Box 23, Red Rock, New Mexico, 88055		7020 0090 0000 3264 3592	2/25/2022

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

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

Beginning with the issue dated  
March 02, 2022  
and ending with the issue dated  
March 02, 2022.



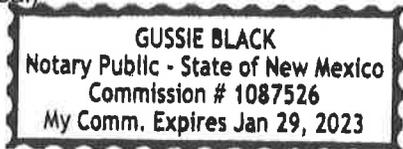
Publisher

Sworn and subscribed to before me this  
2nd day of March 2022.



Business Manager

My commission expires  
January 29, 2023  
(Seal)



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
<b>LEGAL NOTICE</b> March 2, 2022	
<p>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: Monticello Minerals, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Cayuga Royalties, LLC; Lista Catherine Ammirati McDonald; BC Operating, Inc; Constitution Resources II, LP; Tap Rock Resources, LLC; The heirs or devisees of Dock C. Coates, deceased c/o D.B. Coates, c/o James Ronald Stanley, c/o Kimberly Franzoy Becker, c/o Mary O. Coates, c/o Sharon Lyde Miller, c/o Timothy G. Coates; New Mexico State Land Office 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 COUNTY FAIR FED COM 692H well, PARADE STATE COM 603H well, BEAUTY QUEEN FED COM 604H well, all located in the [98185] WC-025 G-09 S253502B; LWR BONE SPRING pool with the COUNTY FAIR FED COM 701H well, BLUE RIBBON FED COM 702H well, BLUE RIBBON FED COM 703H well, PARADE STATE COM 704H well, BEAUTY QUEEN FED COM 705H and CARNIVAL STATE COM 804H well, all located in the [98187] WC-025 G-09 S253502D; UPR WOLF CAMP pool, all located in Sections 2 &amp; 11, T25S-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 Rachael Overbey, 720-414-7868, roverbey@fmelc.com. #37375</p>	

67116598

00264174

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

<b>Well Name:</b> COUNTY FAIR FED COM	<b>Well Location:</b> 32.166132 / -103.342582	<b>County or Parish/State:</b> LEA / NM
<b>Well Number:</b> 602H	<b>Type of Well:</b> OIL WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM101608	<b>Unit or CA Name:</b> NMNM143015	<b>Unit or CA Number:</b> NMNM143015
<b>US Well Number:</b> 3002549395	<b>Well Status:</b> Approved Application for Permit to Drill	<b>Operator:</b> FRANKLIN MOUNTAIN ENERGY LLC

**Subsequent Report**

**Sundry ID:** 2660226

**Type of Submission:** Subsequent Report

**Type of Action:** Other

**Date Sundry Submitted:** 03/04/2022

**Time Sundry Submitted:** 01:49

**Date Operation Actually Began:** 03/04/2022

**Actual Procedure:** Franklin Mountain Energy, LLC (FME), Operator of the above captioned well, respectfully submits the attached, updated, C-102 for BLM record.

**SR Attachments**

**Actual Procedure**

Revised\_C\_102\_CF\_602H\_Re\_Drill\_640\_20220304134931.pdf

<b>Well Name:</b> COUNTY FAIR FED COM	<b>Well Location:</b> 32.166132 / -103.342582	<b>County or Parish/State:</b> LEA / NM
<b>Well Number:</b> 602H	<b>Type of Well:</b> OIL WELL	<b>Allottee or Tribe Name:</b>
<b>Lease Number:</b> NMNM101608	<b>Unit or CA Name:</b> NMNM143015	<b>Unit or CA Number:</b> NMNM143015
<b>US Well Number:</b> 3002549395	<b>Well Status:</b> Approved Application for Permit to Drill	<b>Operator:</b> FRANKLIN MOUNTAIN ENERGY LLC

**Operator Certification**

*I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.*

**Operator Electronic Signature:** RACHAEL OVERBEY **Signed on:** MAR 04, 2022 01:49 PM

**Name:** FRANKLIN MOUNTAIN ENERGY LLC

**Title:** Director – Operations Planning and Regulatory

**Street Address:** 2401 E 2nd Avenue, Suite 300

**City:** Denver **State:** CO

**Phone:** (720) 414-7868

**Email address:** roverbey@fmellc.com

**Field Representative**

**Representative Name:**

**Street Address:**

**City:** **State:** **Zip:**

**Phone:**

**Email address:**



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

**IN THE MATTER OF APPLICATION TO  
AMEND ORDER NO. R-21171 BY  
FRANKLIN MOUNTAIN ENERGY, LLC**

**CASE NO. 21511  
ORDER NO. R-21171-A**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on November 5, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order (“Order”):

**FINDINGS OF FACT**

1. Franklin Mountain Energy, LLC (“Operator”) applied to conform Order R-21171 (“Existing Order”) issued in Case No. 20983 with the Division’s recently amended order template (“Amended Template”), and to extend the time to drill the initial well.
2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
3. Operator is in good standing under OCD’s rules.
4. 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**

5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
6. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
7. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
8. This Order affirms the Findings of Fact and Conclusions of Law and amends the remaining paragraphs in the Existing Order as stated below.

**ORDER**

9. The period to drill the well is extended until February 26, 2022.

10. This Order shall terminate automatically if Operator fails to comply with Paragraph 9 unless prior to termination Operator applies, and OCD grants, to amend Order R-21171 for good cause shown.
11. The uncommitted interests in the Unit are pooled as set forth in Exhibit A as appended to the original order and incorporated by reference herein.
12. The Unit shall be dedicated to the Well(s) set forth in aforesaid Exhibit A.
13. Operator is designated as operator of the Unit and the Well(s).
14. 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.
15. 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.
16. This Order shall terminate automatically if Operator fails to comply with Paragraph 15 unless Operator obtains an extension by an amendment of this Order for good cause shown.
17. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
18. Operator shall submit to 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").
19. 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."
20. 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

CASE NO. 21511  
ORDER NO. R-21171-A

Page 2 of 4

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.

21. 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.
22. 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."
23. 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.
24. 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.
25. 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.
26. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 23 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
27. 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.

- 28. 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.
- 29. 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.*
- 30. 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.
- 31. 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:** 11/13/2020

CASE NO. 21511  
ORDER NO. R-21171-A

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 & Regulatory

Title

roverbey@fmellc.com

e-mail Address

2/24/2022

Date

**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Rachael Overbey](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Hawkins, James, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#); [Dawson, Scott](#)  
**Subject:** Approved Administrative Order PLC-729-A  
**Date:** Tuesday, March 22, 2022 5:49:28 PM  
**Attachments:** [PLC729A Order.pdf](#)

NMOCD has issued Administrative Order PLC-729-A 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
30-025-49395	County Fair Fed Com #602H	W/2	2-25S-35E	98185
		W/2	11-25S-35E	
30-025-49396	County Fair Fed Com #701H	W/2 W/2	2-25S-35E	98187
		W/2 W/2	11-25S-35E	
30-025-49394	Blue Ribbon Fed Com #702H	E/2 W/2	2-25S-35E	98187
		E/2 W/2	11-25S-35E	
30-025-47663	Blue Ribbon Fed Com #703H	E/2 W/2	2-25S-35E	98187
		E/2 W/2	11-25S-35E	
30-025-46505	Parade State Com #603H	W/2 E/2	2-25S-35E	98185
		W/2 E/2	11-25S-35E	
30-025-46506	Parade State Com #704H	W/2 E/2	2-25S-35E	98187
		W/2 E/2	11-25S-35E	
30-025-47889	Beauty Queen Fed Com #604H	E/2	2-25S-35E	98185
		E/2	11-25S-35E	
30-025-47890	Beauty Queen Fed Com #705H	E/2 E/2	2-25S-35E	98187
		E/2 E/2	11-25S-35E	
30-025-49659	Carnival State Com #804H	W/2 E/2	2-25S-35E	98187
		W/2 E/2	11-25S-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

**From:** [Rachael Overbey](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** RE: [External] surface commingling application PLC-729-A  
**Date:** Friday, March 4, 2022 1:56:43 PM  
**Attachments:** [County Fair Fed Com 602H C-102 Update Submitted For BLM Record.pdf](#)

Mr. McClure,

Thank you so much for your time on the phone this afternoon, so appreciated!  
 Yes, confirmed, the list you provided below are the wells that should be included in the project currently.  
 Per your request, I have also revised the C-102 for the County Fair Fed Com 602H. It has been submitted to the BLM for record and a copy of that submission is attached here. Once approved, I will submit a copy of the approved BLM sundry to the OCD.

Thank you for your time and assistance.

## Rachael

**From:** McClure, Dean, EMNRD <Dean.McClure@state.nm.us>  
**Sent:** Friday, March 4, 2022 10:45 AM  
**To:** Rachael Overbey <roverbey@fmellc.com>  
**Subject:** [External] surface commingling application PLC-729-A

Ms. Overbey,

I am reviewing surface commingling application PLC-729-A which involves a commingling project that includes the Carnival Central Tank Battery and is operated by Franklin Mountain Energy, LLC (373910).

Please confirm that the following wells should be included in this project:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-49395	County Fair Fed Com #602H	W/2 W/2	2-25S-35E	98185
		W/2 W/2	11-25S-35E	
30-025-49396	County Fair Fed Com #701H	W/2 W/2	2-25S-35E	98187
		W/2 W/2	11-25S-35E	
30-025-49394	Blue Ribbon Fed Com #702H	E/2 W/2	2-25S-35E	98187
		E/2 W/2	11-25S-35E	
30-025-47663	Blue Ribbon Fed Com #703H	E/2 W/2	2-25S-35E	98187
		E/2 W/2	11-25S-35E	
30-025-46505	Parade State Com #603H	W/2 E/2	2-25S-35E	98185
		W/2 E/2	11-25S-35E	
30-025-46506	Parade State Com #704H	W/2 E/2	2-25S-35E	98187
		W/2 E/2	11-25S-35E	
30-025-47889	Beauty Queen Fed Com #604H	E/2	2-25S-35E	98185
		E/2	11-25S-35E	
30-025-47890	Beauty Queen Fed Com #705H	E/2 E/2	2-25S-35E	98187
		E/2 E/2	11-25S-35E	
30-025-49659	Carnival State Com #804H	W/2 E/2	2-25S-35E	98187
		W/2 E/2	11-25S-35E	

Additionally, it seems that the spacing unit for the County Fair Federal Com #602H (30-025-49395) was

not corrected to the W/2 of sections 2 and 11 of township 25 south and range 35 east as was done for the well prior to it being skidded. Please submit a change of spacing unit to the BLM for this well. Due to the time constraints, email me a copy of the BLM sundry once it has been submitted. Once it has been approved by the BLM and submitted to the OCD, please email me the action ID.

The notice period for this application will not be up until March 24<sup>th</sup>. In addition to responses to my above requests, email me again on this date regarding this application.

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

[External Email]

Please be aware this email has originated from an outside source.

**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-729-A**

**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 stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil and gas production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.

### **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) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.
11. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
12. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.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) NMAC and 19.15.12.10.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.

Applicant is authorized to surface commingle oil and gas production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described in Exhibit A.

2. This Order supersedes Order PLC-729.
3. The allocation of oil and gas production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil and gas production to each well not

included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.

4. The oil and gas production for each well identified in Exhibit A shall be separated and metered prior to commingling.
5. 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.
6. Applicant shall measure and market the commingled gas at a well pad, 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.
7. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
8. 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.
9. 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.
10. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well and proposed method to determine the allocation of oil and gas production to it.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. 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).
13. 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: 3/22/2022

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: PLC-729-A

Operator: Franklin Mountain Energy, LLC (373910)

Central Tank Battery: Carnival Central Tank Battery

Central Tank Battery Location: Lots 2 & 3, Section 2, Township 25 South, Range 35 East

Gas Title Transfer Meter Location: Lots 2 & 3, Section 2, Township 25 South, Range 35 East

### Pools

Pool Name	Pool Code
WC-025 G-09 S253502B; LWR BONE SPRIN	98185
WC-025 G-09 S253502D; UPR WOLFCAMP	98187

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA Wolfcamp NMNM 143016	W/2 W/2	2-25S-35E
	W/2 W/2	11-25S-35E
CA Wolfcamp NMNM 143017	E/2 W/2	2-25S-35E
	E/2 W/2	11-25S-35E
CA Wolfcamp NMNM 143014	E/2 E/2	2-25S-35E
	E/2 E/2	11-25S-35E
CA Bone Spring NMNM 143015	W/2	2-25S-35E
	W/2	11-25S-35E
CA Bone Spring NMNM 143018	E/2	2-25S-35E
	E/2	11-25S-35E
CA Bone Spring NMSLO PUN 1390949	W/2 E/2	2-25S-35E
	W/2 E/2	11-25S-35E
CA Wolfcamp NMSLO PUN 1390935	W/2 E/2	2-25S-35E
	W/2 E/2	11-25S-35E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-49395	County Fair Fed Com #602H	W/2	2-25S-35E	98185
		W/2	11-25S-35E	
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		W/2 E/2	11-25S-35E	
30-025-47889	Beauty Queen Fed Com #604H	E/2	2-25S-35E	98185
		E/2	11-25S-35E	

<b>30-025-47890</b>	<b>Beauty Queen Fed Com #705H</b>	<b>E/2 E/2</b>	<b>2-25S-35E</b>	<b>98187</b>
		<b>E/2 E/2</b>	<b>11-25S-35E</b>	
<b>30-025-49659</b>	<b>Carnival State Com #804H</b>	<b>W/2 E/2</b>	<b>2-25S-35E</b>	<b>98187</b>
		<b>W/2 E/2</b>	<b>11-25S-35E</b>	

**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 86191

**CONDITIONS**

Operator: Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206	OGRID: 373910
	Action Number: 86191
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	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.	3/22/2022