

NSL - 8782

Revised March 23, 2017

ID NO 357548

RECEIVED: <b>06/25/24</b>	REVIEWER:	TYPE:	APP NO: <b>pLEL2419461217</b>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & 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

Applicant: Franklin Mountain Energy 3, LLCOGRID Number: 331595Well Name: Tag State Com 803HAPI: 30-025-52729Pool: Lea; Wolfcamp (Gas)Pool Code: 80060

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☒ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☒ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☒ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐

Notice Complete

☐Application  
Content  
Complete

3) **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.

Deana M. Bennett

Print or Type Name

/s/ Deana M. Bennett

Signature

06/25/2024

Date

505-848-1834

Phone Number

deana.bennett@modrall.com

e-mail Address



June 25, 2024

VIA E-FILING

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

Acting Director Dylan Fuge  
*And*  
OCD Engineering Bureau  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Application of Franklin Mountain Energy 3, LLC for administrative approval of unorthodox well location for its Tag State Com 803H well located in a horizontal spacing unit underlying Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent) and the E/2 of Section 11, Township 20 South, Range 35 East, Lea County, New Mexico ***and Request for Expedited Review***

Dear Director Fuge/OCD Engineering Bureau:

Pursuant to Division rules 19.15.16.15(C)(6) and 19.15.15.13 NMAC, Franklin Mountain Energy 3, LLC ("Franklin") (OGRID 331595) seeks administrative approval of an unorthodox well location ("NSL") for its Tag State Com 803H well (API No. 30-025-52729) (the "Well"). The Well will be located in a 641.27-acre,<sup>1</sup> more or less, standard spacing unit underlying Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent) and the E/2 of Section 11, Township 20 South, Range 35 East, Lea County, New Mexico. C-102s for the Well are attached as Exhibit A.

As the C-102s demonstrate, the Well will traverse both Sections 2 and 11, Township 20 South, Range 35 East. The pool and pool code for Section 2 is the Pearl, Wolfcamp, South Pool (Pool Code 49870), which is an oil pool. The Well is at an orthodox (standard) location in Section 2, and thus Franklin does not

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<sup>1</sup> The unit is 641.27-acres because Franklin will be drilling a proximity tract well, the Tag State Com 803H, which allows Franklin to include the adjacent acreage in standard unit.

Modrall Sperling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
New Mexico 87102

PO Box 2168  
Albuquerque,  
New Mexico 87103-2168

Tel: 505.848.1800  
www.modrall.com

need non-standard location approval for Section 2. The pool underlying Section 11 is, however, a gas pool—Lea; Wolfcamp (Gas) (Pool Code 80060). Because the pool underlying Section 11 is a gas pool, Franklin is requesting a non-standard location *only* for that portion of the Well that traverses Section 11.<sup>2</sup>

The Lea; Wolfcamp (Gas) Pool is a gas pool subject to the state-wide rules, which establish a 330' setback for last take points. The Well's last take point will be closer than 330' in Section 11, which requires an NSL approval. As shown on Exhibit A, this is a horizontal well that will be drilled as follows:

- Surface Hole Location: 266' FNL & 1,905' FEL of Section 2-T20S-R35E;
- First Take Point: 100' FNL & 1,490' FEL of Section 2- T20S-R35E (Standard Location);
- Last Take Point/Bottom Hole Location: 100' FSL & 1,490' FEL of Section 11- T20S-R35E (Non-Standard Location).

Franklin has included as Exhibit B a letter explaining why this application is needed.

Franklin also provides a map of the area, attached as Exhibit C, which shows the tracts upon which the unorthodox location will encroach. As discussed above, the Well's last take point is proposed to be closer than 330'. See Exhibit A (C-102). The unorthodox location will encroach towards the NE/4 of Section 14, Township 20 South, Range 35 East.

Pursuant to Rule 19.15.4.12(A)(2) and Rule 19.15.2.7(A)(3), Franklin, through its undersigned counsel, provided notice to the operators and/or working interest owners identified in the offset owner chart included in Exhibit D and is also providing notice to the Bureau of Land Management. Proof of mailing, along with a copy of the notice letter sent to affected parties, is attached hereto as Exhibit D.

***Franklin respectfully requests expedited review of this NSL application for several reasons.*** First, Franklin has approved permits and is hoping to receive its approved pooling orders in the near term. Second, the Tag State wells are on Franklin's rig schedule with an anticipated start date of October 1<sup>st</sup>, 2024. If the NSL is not approved, Franklin would need to move its bottom hole locations but that would result in waste and would not result in the most efficient recovery from the Well. If the pool underlying Section 11 was the same pool as under Section 2, Franklin would not need a non-standard location approval, and so approving the NSL in an expedited fashion so that Franklin does not need to

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<sup>2</sup> Franklin is submitting NSL applications for three other wells in conjunction with this request; namely for the Tag State Com 703H well, the Tag State Com 704H well, and the Tag State Com 804H well.

shorten its laterals or otherwise move its laterals in Section 11 is, in Franklin's opinion, prevents waste and protects correlative rights.

Your attention to this matter is appreciated.

Sincerely,



Deana M. Bennett

*Attorney for Franklin Mountain  
Energy 3, LLC*



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

<sup>1</sup> API Number 30-025-52729	<sup>2</sup> Pool Code 80060	<sup>3</sup> Pool Name LEA;WOLFCAMP (GAS)
<sup>4</sup> Property Code	<sup>5</sup> Property Name TAG STATE COM	<sup>6</sup> Well Number 803H
<sup>7</sup> OGRID No. 331595	<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	<sup>9</sup> Elevation 3673.9'

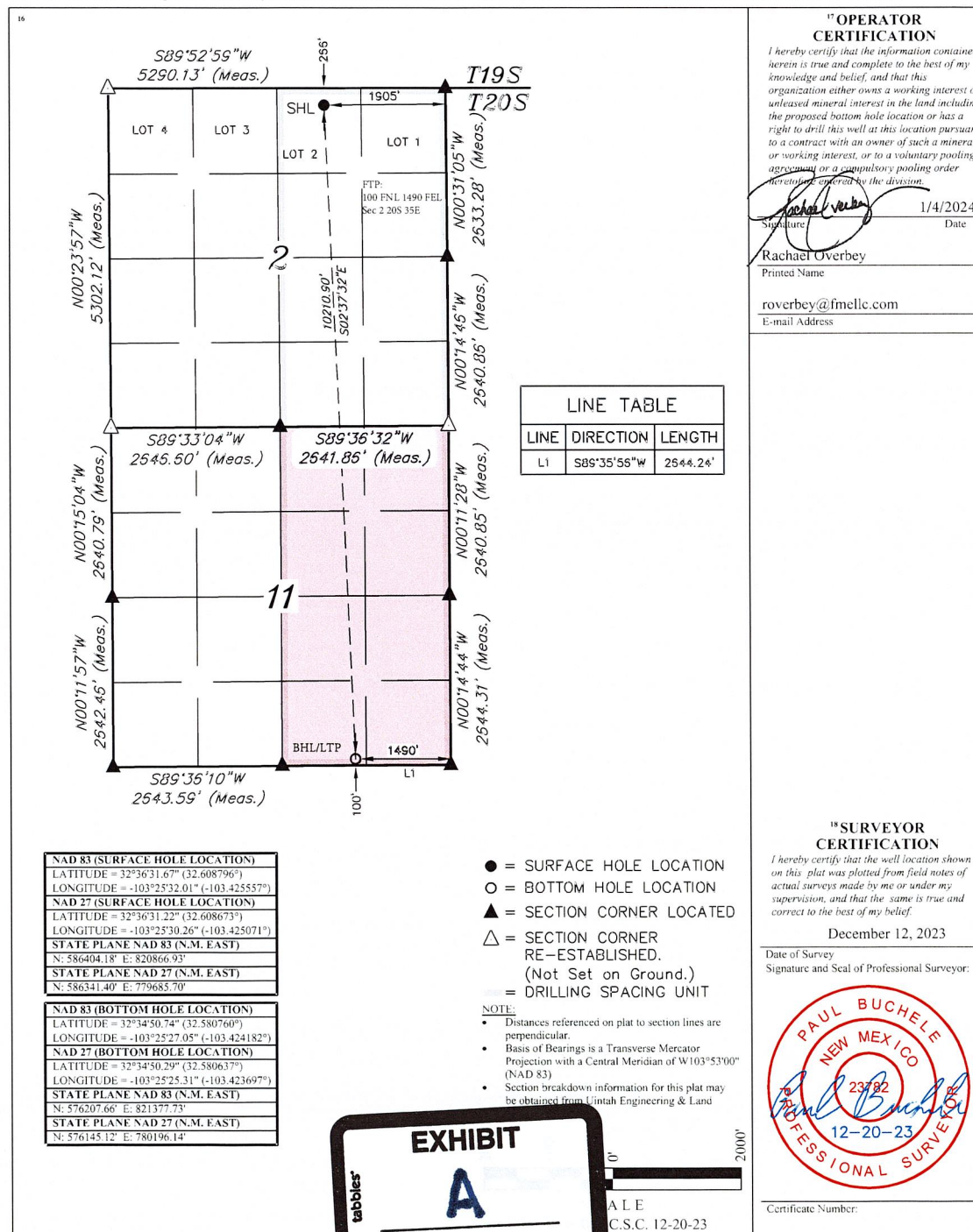
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	2	20S	35E		266	NORTH	1905	EAST	LEA

<sup>11</sup> 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
O	11	20S	35E		100	SOUTH	1490	EAST	LEA
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. ***Proximity Well***						

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.



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Phone: (575) 393-6161 Fax: (575) 393-0720  
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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

<sup>1</sup> API Number 30-025-52729	<sup>2</sup> Pool Code 49870	<sup>3</sup> Pool Name PEARL; WOLFCAMP, SOUTH
<sup>4</sup> Property Code	<sup>5</sup> Property Name TAG STATE COM	<sup>6</sup> Well Number 803H
<sup>7</sup> OGRID No. 331595	<sup>8</sup> Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	<sup>9</sup> Elevation 3673.9'

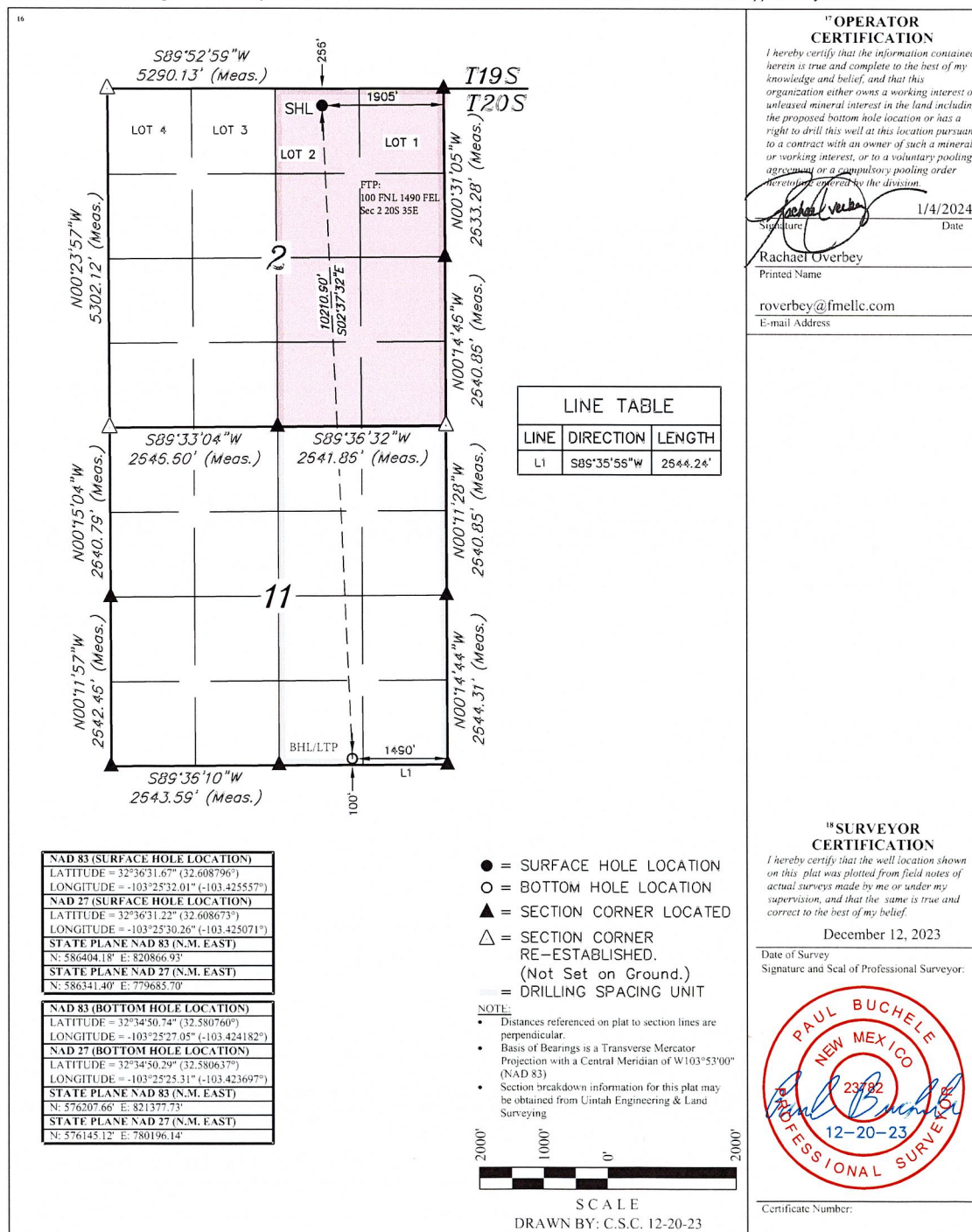
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	2	20S	35E		266	NORTH	1905	EAST	LEA

<sup>11</sup> 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
O	11	20S	35E		100	SOUTH	1490	EAST	LEA
<sup>12</sup> Dedicated Acres 321.27	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. ***Proximity Well***						

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.







June 25, 2024

**VIA E-FILING**

Director Dylan M. Fuge and OCD Engineering Bureau  
Oil Conservation Division  
Energy, Minerals and Natural Resources Department  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Re: Application of Franklin Mountain Energy 3 for administrative approval of non-standard location for Tag State Com 803H well, located within the E/2 of Sections 2 and 11, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico

Dear Director Fuge/OCD Engineering Bureau:


Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, respectfully requests administrative approval of non-standard location ("NSL") for the following well (the "Well"):

- Tag State Com 803H well (API No. 30-025-52729)

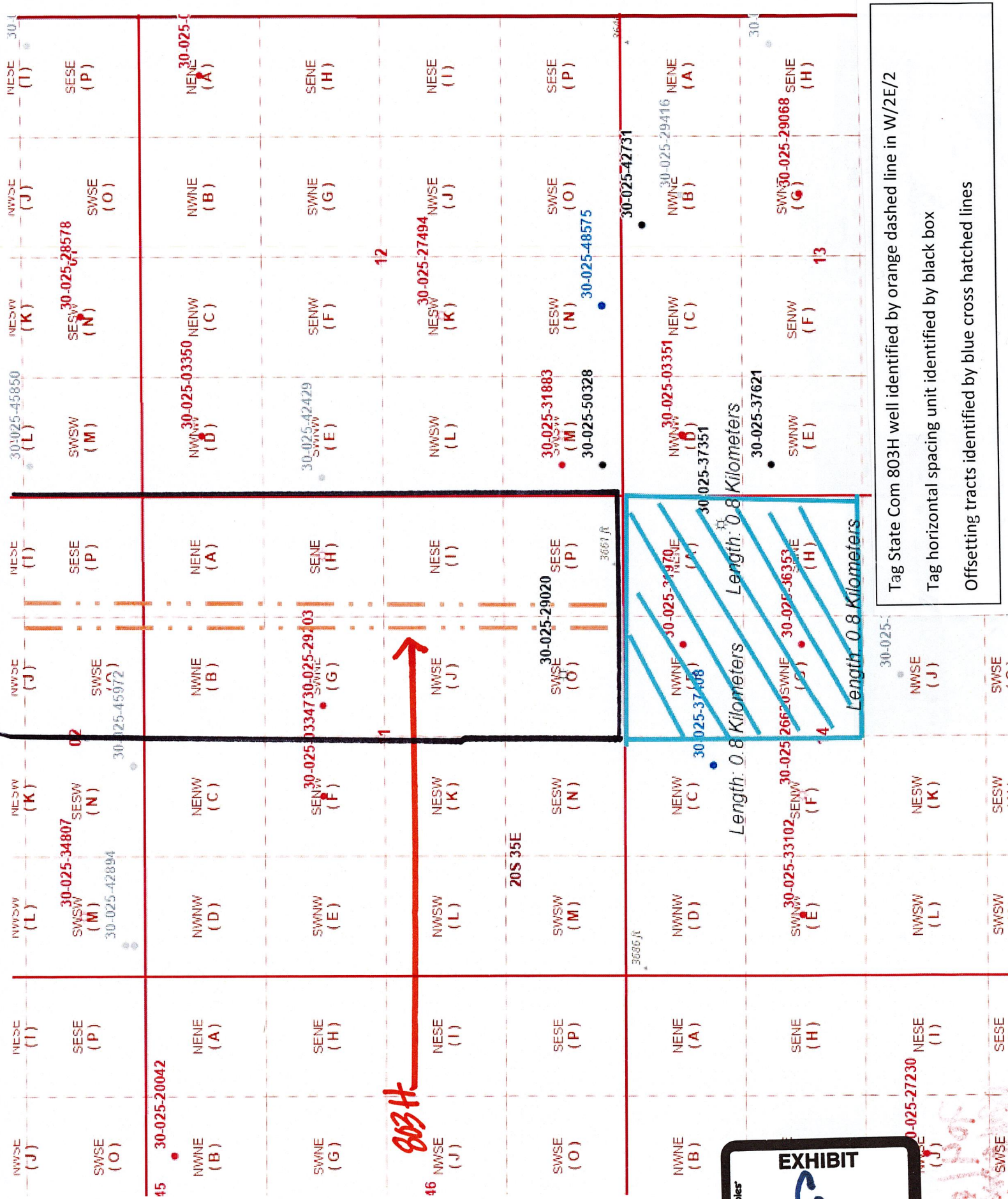
The Well will be located in the E/2 of Sections 2 and 11, Township 20 South, Range 35 East, Lea County, New Mexico. The Well will be completed in two pools: The first take point and first half of the completed lateral will be in Section 2, which is in the Pearl; Wolfcamp, South Pool (Pool Code: 49870), which is an oil pool. The second half of the completed lateral and the last take point will be in Section 11, which is the Lea; Wolfcamp (Gas) Pool (Pool Code: 80060), which is a gas pool. The Well's first take point in Section 2 and completed lateral in Sections 2 and 11 are standard under the Division's rules. The Well's last take point in Section 11 is non-standard under the Division's rules for gas pools (but would be standard if the pool were an oil pool). Franklin is requesting non-standard location approval for the last take point in Section 11 to allow the last take point to be closer than 330' from the outer boundary. Allowing Franklin to complete the well at this non-standard location will result in the greatest recovery of reserves from the unit and will reduce waste.

Thank you for your consideration. Should you have any questions please contact me at [cmccoy@fmellc.com](mailto:cmccoy@fmellc.com) or 720-414-7868.

Sincerely,

  
Cory McCoy  
Reservoir Engineer  
Franklin Mountain Energy 3, LLC





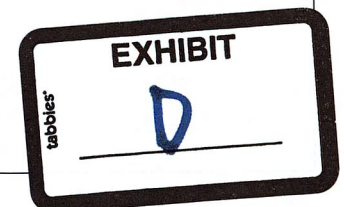
Tag State Com 803H well identified by orange dashed line in  $W/2E/2$

Tag horizontal spacing unit identified by black box

Offsetting tracts identified by blue cross hatched lines



FME3 Tag State Com 803H Well: Section 11, T20S, R35E (Lea; Wolfcamp (Gas) Pool)				
Tract Number on Offsetting Acreage Map	Offsetting Sections	Operator If Any	WIOs/Unleased Mineral Interest Owners/BLM or State	Date Notice Letter Sent
1	NE/4 Section 14, T20S-R 35E	N/A	<p>Hayes Land &amp; Production Company PO Box 51407 Midland, TX 79710</p> <p>Bursake LLC PO Box 51407 Midland, TX 79710</p> <p>James A. Boss 2200 Carolina Way Roswell, NM 88201</p> <p>Concho Oil &amp; Gas Corp. n/k/a ConocoPhillips PO Box 2197 Houston, TX 77252-2197</p> <p>Eako, LLC PO Box 1090 Roswell, NM 88202</p> <p>Valko, LLC PO Box 1090 Roswell, NM 88202</p> <p>Texakota Oil Company 2707 Kipling Houston, TX 77098</p> <p>Sisbro Oil and Gas, LLC 3600 S. Yosemite St, Ste 810 Denver, CO 80237</p>	June 25, 2024



Read & Stevens, Inc. PO Box 1518 Roswell, NM 88202	Bean Family Limited Company PO Box 1738 Roswell, NM 88202	Kimbrough Working Interests, LLC 3707 Camp Bowie Blvd, Ste 220 Fort Worth, TX 76107	Jalapeno Corporation PO Box 1608 Albuquerque, NM 87103	Chevron USA, Inc. 1400 Smith St Houston, TX 77002	Tierra Encantada, LLC PO Box 811 Roswell, NM 88202	BLM- United States of America 301 Dinosaur Trail Santa Fe, NM 87508
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June 25, 2024

Deana M. Bennett  
505.848.1834  
dmb@modrall.com

**VIA CERTIFIED MAIL**

**TO AFFECTED PARTIES**

**Re: Application of Franklin Mountain Energy 3, LLC for administrative approval of unorthodox well location for its Tag State Com 803H well located in a horizontal spacing unit underlying Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent) and the E/2 of Section 11, Township 20 South, Range 35 East, Lea County, New Mexico and Request for Expedited Review**

Dear Sir or Madam:

Enclosed is a copy of the above referenced application filed with the New Mexico Conservation Division on this date. Any objections that you have to these applications must be filed in writing with the New Mexico Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, within twenty (20) days from the date the Division receives the above-referenced applications. If no objection is received within this twenty-day period, the applications may be approved administratively by the Division.

If you have any questions concerning this application, please contact:

Cory McCoy  
Senior Reservoir Engineer  
Franklin Mountain Energy 3, LLC  
[cmccoy@fmelle.com](mailto:cmccoy@fmelle.com)

Sincerely,

A handwritten signature in blue ink that reads 'Deana M. Bennett'.

Deana M. Bennett  
*Attorney for Franklin Mountain  
Energy 3, LLC*

Modrall Sperling  
Roehl Harris & Sisk P.A.

500 Fourth Street NW  
Suite 1000  
Albuquerque,  
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[www.modrall.com](http://www.modrall.com)



PS Form 3877  
Type of Mailing: CERTIFIED MAIL  
06/25/2024

Firm Mailing Book ID: 268202

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

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0122 7641 05	Hayes Land and Production Company PO Box 51407 Midland TX 79710	\$2.35	\$4.40	\$2.32	\$0.00	10154.0003. Notice
2	9314 8699 0430 0122 7641 12	Bursake LLC PO Box 51407 Midland TX 79710	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
3	9314 8699 0430 0122 7641 29	James A. Boss 2200 Carolina Way Roswell NM 88201	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
4	9314 8699 0430 0122 7641 36	Concho Oil & Gas Corp. n/k/a ConocoPhillips PO Box 2197 Houston TX 77252	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
5	9314 8699 0430 0122 7641 43	Eako, LLC PO Box 1090 Roswell NM 88202	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
6	9314 8699 0430 0122 7641 50	Valko LLC PO Box 1090 Roswell NM 88202	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
7	9314 8699 0430 0122 7641 67	Texakota Oil Company 2707 Kipling Houston TX 77098	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
8	9314 8699 0430 0122 7641 74	Sisbro Oil & Gas, LLC 3600 S. Yosemite St., Ste 810 Denver CO 80237	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
9	9314 8699 0430 0122 7641 81	Read & Stevens, Inc. PO Box 1518 Roswell NM 88202	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
10	9314 8699 0430 0122 7641 98	Bean Family Limited Company PO Box 1738 Roswell NM 88202	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
11	9314 8699 0430 0122 7642 04	Kimbrough Working Interests, LLC 3707 Camp Bowie Blvd, Ste 220 Fort Worth TX 76107	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
12	9314 8699 0430 0122 7642 11	Jalapeno Corporation PO Box 1608 Albuquerque NM 87103	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
13	9314 8699 0430 0122 7642 28	Chevron USA, Inc. 1400 Smith St. Houston TX 77002	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
14	9314 8699 0430 0122 7642 35	Tierra Encantada, LLC PO Box 811 Roswell NM 88202	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice
15	9314 8699 0430 0122 7642 42	BLM - United States of America 301 Dinosaur Trail Santa Fe NM 87508	\$2.35	\$4.40	\$2.32	\$0.00	Tag 704, 803. Notice

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL  
06/25/2024

Firm Mailing Book ID: 268202

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
Totals:			\$35.25	\$66.00	\$34.80	\$0.00	
				Grand Total:		\$136.05	

Dated:

Postmaster:

List Number of Pieces  
Listed by Sender

Total Number of Pieces  
Received at Post Office

Name of receiving employee

15

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
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**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 357548

CONDITIONS

Operator:  Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206	OGRID:  331595
	Action Number:  357548
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	6/26/2024