

Before the Oil Conservation Division Examiner Hearing April 8, 2021

Compulsory Pooling

Case No. 21808: Clincher Fed Com 601H



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

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

CASE NO. 21808

TABLE OF CONTENTS

Tab A: Compulsory Pooling Checklist

Tab B: Affidavit of Shelly Albrecht, Land Professional

- Exhibit 1: Development Overview
- Exhibit 2: Application
- Exhibit 3: C-102
- Exhibit 4: Lease Tract Map and Interests
- Exhibit 5: Summary of Contacts
- Exhibit 6: Sample Proposal Letters
- Exhibit 7: AFE
- Exhibit 8: Notice Affidavit

Tab C: Affidavit of Ben Kessel, Geologist

- Exhibit 9: Locator Map
- Exhibit 10: Wellbore Schematic
- Exhibit 11-A: Structure Map
- Exhibit 11-B: Cross-Section Reference Map
- Exhibit 11-C: Stratigraphic Cross-Section
- Exhibit 11-D: Gross Interval Isochore
- Exhibit 12: Regional Stress Orientation Justification

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

Case: 21808	T BE SUPPORTED BY SIGNED AFFIDAVITS APPLICANT'S RESPONSE		
Date April 8, 2021	THE PART OF REST ONSE		
Applicant	Franklin Mountain Energy, LLC		
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, LLC (373910)		
Applicant's Counsel:			
Case Title:	Modrall Sperling (Deana Bennett, Lance Hough) Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico		
Entries of Appearance/Intervenors:	None		
Well Family	Clincher		
Formation/Pool			
Formation Name(s) or Vertical Extent:	Bone Spring		
Primary Product (Oil or Gas):	Oil		
Pooling this vertical extent:	Bone Spring		
Pool Name and Pool Code:			
Well Location Setback Rules:	WC-025 G-09 S253502B, Lower Bone Spring, Pool Code 98185 Statewide rules		
Spacing Unit Size:	320 acres		
Spacing Unit			
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	320 acres		
Building Blocks:	40 acres		
Orientation:	North-South		
Description: TRS/County	W/2 W/2 of Sections 1 and 12, Township 25 South, Range 35 East, NMPM, Lea County, No.		
standard Horizontal Well Spacing Unit (Y/N), If No, describe	Y Mexico		
Other Situations			
Depth Severance: Y/N. If yes, description	N		
Proximity Tracts: If yes, description	N		
roximity Defining Well: if yes, description	FVIIIDE		
pplicant's Ownership in Each Tract	Exhibit 4.		

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Recaired by Paper (#6359gheid), Surface and bottom hole location,	Page 4 of 4
footages, completion target, orientation, completion status	Exhibits B, 3, 6
(standard or non-standard)	
Well #1	Clincher Fed Com 601H
	SHL: 250 feet from the North line and 430 feet from the West line, Section 1, Township 25 South, Range 35 East, NMPM. BHL: 150 feet from the South line and 420 feet from the West line, Section 12, Township 25 South, Range 35 East, NMPM. Completion
	Target: Third Bone Spring Sand at approximate 11,854 TVD. Well Orientation:
	North/South Completion location: Expected to be standard. See also Exhibit 3 for C-102
Horizontal Well First and Last Take Points	Proposed first take point: 150' FNL and 420' FWL
	Proposed last take point: 150' FSL and 420' FWL See also Exhibit 3 for C-102
Completion Target (Formation, TVD and MD)	See Proposal Letter Exhibit 6.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7000: See also Proposal Letter Exhibit C
Production Supervision/Month \$	\$700: See also Proposal Letter Exhibit C
Justification for Supervision Costs	See AFE Exhibit 7.
Requested Risk Charge	200%: See also Proposal Letter Exhibit 6

Notice of Hearing	Page 5 of 49
Proposed Notice of Hearing	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit 8
	Exhibit 8
Proof of Published Notice of Hearing (10 days before hearing) Ownership Determination	Exhibit 8
Land Ownership Schematic of the Spacing Unit	
	Exhibit 4
Tract List (including lease numbers and owners) Pooled Parties (including ownership type)	Exhibit 4
Unlocatable Parties to be Pooled	Exhibit 4
	Exhibit 4
Ownership Depth Severance (including percentage above & be Joinder	lov N/A
Sample Copy of Proposal Letter	
	Exhibit 6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit 4
Chronology of Contact with Non-Joined Working Interests	See Exhibit 5 for Summary of Contacts
Overhead Rates In Proposal Letter	Proposal Letter Exhibit 6
Cost Estimate to Drill and Complete	Proposal Letter Exhibit 6; AFE Exhibit 7.
Cost Estimate to Equip Well	Proposal Letter Exhibit 6; AFE Exhibit 7.
Cost Estimate for Production Facilities	Proposal Letter Exhibit 6; AFE Exhibit 7.
Seology	
ummary (including special considerations)	Exhibit C
pacing Unit Schematic	Exhibit 10, Exhibit 11-A
unbarrel/Lateral Trajectory Schematic	Exhibit 10, Exhibit 11-A
/ell Orientation (with rationale)	Exhibit C, Exhibit 12
arget Formation	Exhibit 10, Exhibit 11-A through 11-D
SU Cross Section	Exhibit 11-B and 11-C.
epth Severance Discussion	N/A
orms, Figures and Tables	
102	Exhibit 3
acts	Exhibit 4
mmary of Interests, Unit Recapitulation (Tracts)	Exhibit 4
apparal Location Man /in al., it	Exhibit 9

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Well Bore Location Map	Exhibit 9
Structure Contour Map - Subsea Depth	Exhibit 11-A
Cross Section Location Map (including wells)	Exhibit 11-B
Cross Section (including Landing Zone)	Exhibit 11-C
Additional Information	
CERTIFICATION: I hereby certify that the information	provided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Lance D. Hough
Signed Name (Attorney or Party Representative):	6- Jak
Date:	April 6, 2021

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

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

CASE NO. 21808

AFFIDAVIT OF SHELLY ALBRECHT

STATE OF COLORADO)
) ss
COUNTY OF DENVER)

Shelly Albrecht, being duly sworn, deposes and states:

- 1. I am over the age of 18, I am the Director of Land for Franklin Mountain Energy, LLC ("Franklin"), and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and I have been qualified by the Division as an expert petroleum landman.
- 2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.
 - 3. I am familiar with the application filed by Franklin in this case.
 - 4. I am familiar with the status of the lands that are subject to the application.
- 5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.
- 6. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the well to be drilled in the unit.



- 7. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well.
- 8. The spacing unit and well that Franklin proposes in this case is part of a comprehensive development plan, covering the entirety of Sections 1 and 12, and the E/2 E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. Franklin's development plan includes a total of six units, including both Wolfcamp and Bone Spring units. The Development Overview is attached as **Exhibit 1.**
- 9. In this case, Franklin seeks an order from the Division pooling all uncommitted working interests and overriding royalty interests within a Wolfcamp horizontal spacing unit underlying the equivalent of the W/2 W/2 of Sections 1 and 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico.
- 10. This spacing unit will be dedicated to the **Clincher Fed Com 601H** well, to be horizontally drilled. The Application is attached hereto as **Exhibit 2**.
 - 11. Attached as **Exhibit 3** is the proposed C-102 for the well.
- 12. The C-102 identifies the proposed surface hole location, the first take point, and the bottom hole location. The C-102 also identifies the pool and pool code.
- 13. The well will develop the WC-025 G-09 S253502B, Lwr Bone Spring, Pool Code 98185.
 - 14. This pool is an oil pool with 40-acre building blocks.
- 15. This pool is governed by the state-wide horizontal well rules. The producing interval for the well will be orthodox and will comply with the Division's set back requirements.
 - 16. There are no depth severances within the proposed spacing unit.

- 17. **Exhibit 4** includes a lease tract map outlining the unit being pooled. Exhibit 4 also includes the parties being pooled, the nature, and the percent of their interests. Franklin owns over 90% of the working interest in this unit.
- 18. I have conducted a diligent search of the public records in the county where the well is located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.
- 19. The only working interest owner Franklin seeks to pool in this case is Occidental Permian, Ltd ("OXY").
- 20. In my opinion, Franklin has made a good faith effort to obtain OXY's voluntary joinder in the proposed well.
 - 21. **Exhibit 5** is a summary of my contacts with OXY.
- 22. **Exhibit 6** is a sample of the well proposal letter that was sent to OXY. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the well.
- 23. **Exhibit 7** contains the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.
- 24. Franklin requests overhead and administrative rates of \$7000.00/month for drilling a well and \$700.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Franklin requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

- 25. Franklin requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
 - 26. Franklin requests that it be designated operator of the well.
 - 27. The parties Franklin is seeking to pool were notified of this hearing.
- 28. Franklin seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.
- 29. **Exhibit 8** is an affidavit of notice prepared by counsel for Franklin that shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Hobbs News-Sun newspaper, showing that notice of this hearing was published on March 23, 2021.
- 30. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.
- 31. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.
- 32. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

Shelly Albrecht

SUBSCRIBED AND SWORN to before me this day of April, 2021 by Shelly Albrecht on behalf of Franklin Mountain Energy, LLC.

Notary Public

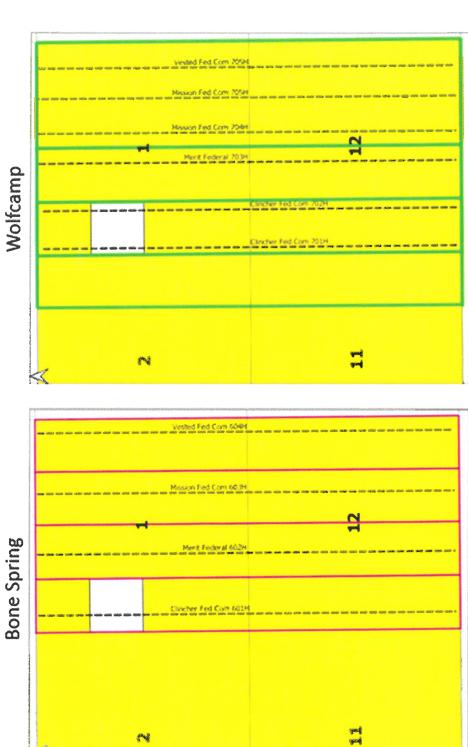
My commission expires: 02-27-25

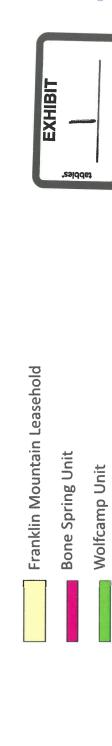
OFFICIAL SEAL
Karlene Schuman
NOTARY PUBLIC
STATE OF NEW MEXICO

Development Overview

Case Nos. 21803, 21804, 21805, 21806, 21807 and 21808







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

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

CASE NO. 21808

APPLICATION

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral and leasehold interests within a Bone Spring horizontal spacing unit underlying Lot 4, the SW/4NW/4 and W/2SW/4 of Section 1, and the W/2W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, FME states:

- 1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. FME seeks to dedicate Lot 4, the SW/4NW/4 and the W/2SW/4 of Section 1, and the W/2W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
- 3. FME plans to drill the **Clincher Fed Com 601H** well to a depth sufficient to test the Bone Spring formation.
- 4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

EXHIBIT 2

5. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate

in the drilling of the well or to otherwise commit their interests to the well.

6. The pooling of all interests in the Bone Spring formation underlying the proposed

unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, FME requests this application be set for hearing before an Examiner of

the Oil Conservation Division on April 8, 2021, and after notice and hearing as required by law,

the Division enter its order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a

horizontal spacing unit within Lot 4, the SW/4NW/4 and the W/2SW/4 of Section 1, and the

W/2W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico;

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

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

well;

D. Approving actual operating charges and costs charged for supervision while

drilling and after completion, together with a provision adjusting the rates pursuant to the

COPAS accounting procedure;

E. Imposing a 200% charge for the risk involved in drilling, completing, and

equipping the well in the event a working interest owner elects not to participate in the well.

MODRALL, SPERLING, ROEHL, HARRIS

& SISK, P.A.

By: Mena M. Bennett

Deana M. Bennett

Lance D. Hough

Post Office Box 2168

500 Fourth Street NW, Suite 1000 Albuquerque, New Mexico 87103-2168 Telephone: 505.848.1800 Attorneys for Applicant CASE NO. 21808 Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying Lot 4, the SW/4NW/4 and the W/2SW/4 of Section 1, and the W/2W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 601H well to be horizontally drilled. The producing area for the Clincher Fed Com 601H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesin, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Azize, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IVI</u> 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	² Pool Code 98185	- 1.001 Maint	
4 Property Code		⁵ Property Name CLINCHER FED COM	
7 OGRID No. 373910		Operator Name FRANKLIN MOUNTAIN ENERGY LLC	

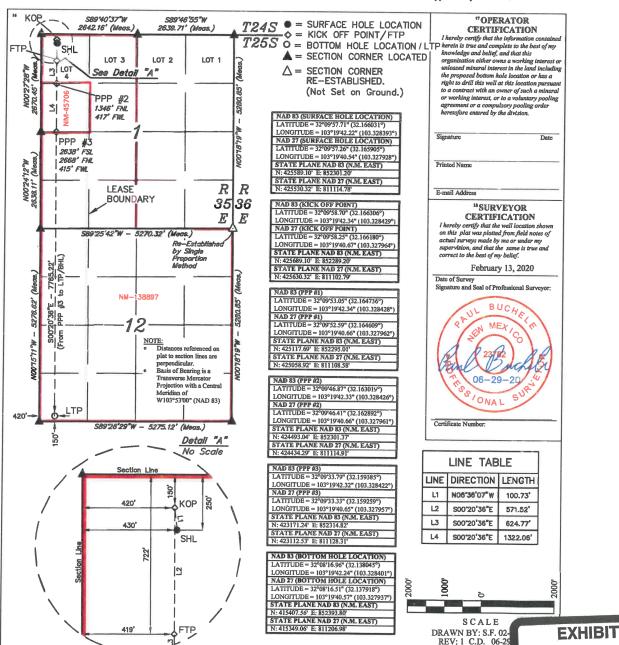
Surface Location

UL or lot no.	Section 1	Township 25S	Range 35E	Lot Idn	Feet from the 250	North/South line NORTH	Feet from the 430	East/West line WEST	County LEA
				D					

"Bottom Hole Location If Different From Surface

UL or lot no.	Section 12	Township 25S	Range 35E	Lot Idu	Feet from the 150	North/South line SOUTH	Feet from the 420	East/West line WEST	County LEA
¹² Dodleated Acre 320	es 13 J	oint or Infill	14 Consc	lidation 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.

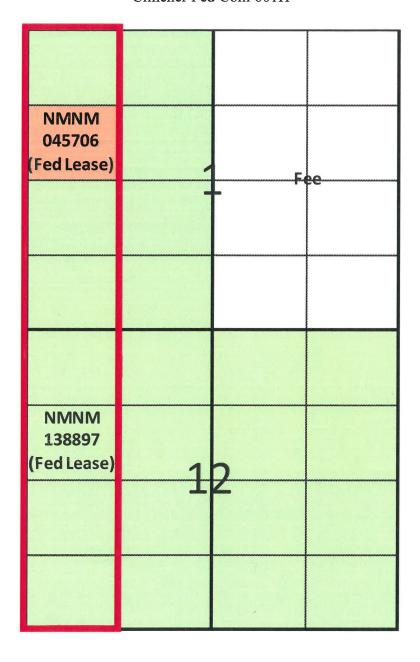


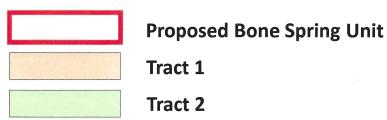
(ADD PPPS AND LEASE

Lease Tract Map

Case No. 21808

Lot 4, SW/4NW/4 and W/2SW/4 of Section 1-T25S-R35E, and W/2W/2 of Section 12-T25S-R35E, 320.7 Gross Acres Clincher Fed Com 601H









Summary of Interests

Case No. 21808
Lot 4, SW/4NW/4 and W/2SW/4 of Section 1-T25S-R35E, and W/2W/2 of Section 12-T25S-R35E, 320.7 Gross Acres
Clincher Fed Com 601H

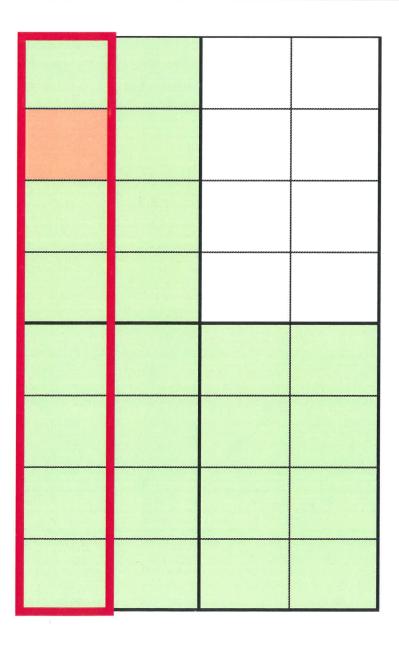
Committed Working Interests					
Franklin Mountain Energy, LLC	90.271282%				
Uncommitted Working Interest					
Occidental Permian, Ltd. 9.728718%					
TOTAL:	100.000000%				



Unit Recapitulation

Case No. 21808
Lot 4, SW/4NW/4 and W/2SW/4 of Section 1-T25S-R35E, and W/2W/2 of Section 12-T25S-R35E, 320.7 Gross Acres
Clincher Fed Com 601H

Working Interest Owner	Tract 1 (40 ac)	Tract 2 (280.70 ac)
Franklin Mountain Energy, LLC	22%	100%
Occidental Permian, Ltd.	78%	0%
TOTAL:	100%	100%



Tract	Lease
	NMNM
1	045706
	NMNM
2	138897



Parties to Be PooledCase 21808	Interest Type
Occidental Permian, Ltd.	WI
United States of America	RI
Bryan Bell Family LLC	ORRI
DMA, Inc	ORRI
Morris E. Schertz	ORRI
Nuevo Seis, LP	ORRI
Robert N. Enfield Trustee of the Robert N. Enfield Revocable Trust dated 3/6/1999	ORRI
Charmar, LLC	ORRI
Jetstream Royalty Partners, LP	ORRI
Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust dated 1/23/2015	ORRI
MLE, LLC	ORRI
Richard C. Deason	ORRI
Thomas D. Deason	ORRI
Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1992	ORRI
SAP, LLC	ORRI
Howard A. Rubin, Inc.	ORRI
Rubie Crosby Bell Family, LLC	ORRI

Summary of Attempted Contacts

- Franklin Mountain Energy conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin searched public records, phone directory, and various different types of internet searches.
- Franklin sent well proposal letters to the working interest owners on or around January 22, 2020. Per USPS Certified Mail tracking number 7019 2280 0000 9403 8335, said proposals were received by Occidental Permian, Ltd. ("Oxy") on January 25, 2021.
- Franklin proposed general terms of a Joint Operating Agreement within the well proposal letters sent to working interest owners and offered to send said form to owners upon request.
- Franklin corresponded with Oxy, after well proposal letters were received, regarding other units but Oxy did not inquire about these development plans.
- Franklin and Oxy completed a trade in October 2020 in which Oxy assigned a portion of its interest in this development to Franklin. Through those dealings, Oxy was aware that Franklin had plans to operate these units.
- Franklin filed an application to force pool parties who had not entered in to an agreement and overriding royalty interest owners.
- Franklin's counsel sent notices of the force pooling application to the addresses of record for the uncommitted interest owners.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.





Sent via Certified Mail Tracking No. 7019 2280 0000 9403 8335

January 22, 2021

Occidental Permian, Ltd. 5 Greenway Plaza, Ste 110 Houston, TX 77046-0521

RE: Clincher Fed Com 601H Well Proposal Township 25 South, Range 35 East:

Sections 1 and 12: W/2W/2, 320.7 acres m/l

Lea County, New Mexico

Dear Working Interest Owner:

Franklin Mountain Energy, LLC ("FME"), as Operator, hereby proposes the drilling and completion of the following horizontal well located in the W/2W/2 of Sections 1 and 12:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	AFE
Clincher Fed Com 601H	Bone Spring	11,854'	21,895'	Sec. 1- T25S- R35E 250' FNL, 430' FWL	Sec. 12- T25S- R35E 150' FSL, 420' FWL	\$9,482,642.30

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

FME is proposing to drill and complete the aforementioned well under the terms of a modified, wellbore specific 1989 AAPL form Operating Agreement with the following general provisions:

- 100/300 Non-Consenting Penalty
- \$7,000/\$700 Drilling and Producing Rate
- Franklin Mountain Energy, LLC designated as Operator

Should you be interested in participating under an Operating Agreement, FME will send you our proposed form.





Please indicate your election in the space provided on the following page, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate, FME proposes to acquire your interest at the following terms:

REDACTED

The forgoing offer is non-binding in nature until a definitive agreement and/or conveyance documents are negotiated and agreed to by each party. FME is under no obligation to negotiate or purchase your interest.

Please return your signed paperwork to Shelly Albrecht at <u>salbrecht@fmellc.com</u> or to the address provided below at your earliest convenience.

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

Should you have any questions, please contact the undersigned at (720) 414-7855 or by email at the address mentioned above.

Respectfully,

Franklin Mountain Energy, LLC

Shelly Albrecht Director of Land

Chill Olivert

Enclosures



Clincher Fed Com 601H:
I/We hereby elect to participate in the Clincher Fed Com 601H well. I/We hereby elect NOT to participate in the Clincher Fed Com 601H well.
I/We hereby elect to sell our interest.
Working Interest Owner:
By:
Printed Name:
Title:
Date:



Purpose:

Drill and complete a 9,700' BS3 well. Target TVD 11,854', TD MD 21,895

Franklin Mountain Energy, LLC 44 Cook Street, Suite 1000 Denver, CO 80206 Phone: 720-414-7868

AUTHORITY FOR EXPENDITURE
Well Name: Clincher Fed Com 601H Well#: SHL: Sec 1-T25S-R35E 250' FNL 430' FWL BHL: Sec 12-T25S-R35E 150' FSL 420' FWL Franklin Mountain Energy, LLC Location: County/State: Lea Co., NM Date Prepared: 1/7/2021

AFE#:

DCE210101

lajor		Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$24,000
225	10	CASING CREW & EQPT	\$40,000
225	15	CEMENTING INTERMEDIATE CASING	\$90,000
225	16	CEMENTING PRODUCTION CASING	\$50,000
225	20	CEMENTING SUFACE CASING	\$25,000
225	25	COMMUNICATIONS	\$23,400
225	30	COMPLETION FLUIDS	\$18,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$65,000
225 225	40 45	CONTRACT LABOR	\$25,000
225	50	DAMAGES	\$15,500
225	55	DAYWORK CONTRACT	\$480,000
225	60	DRILLING - DIRECTIONAL	\$220,000
225	65	DRILLING - FOOTAGE DRILLING BITS	\$85,000
225	70		\$150,000
225	75	ELECTRICAL POWER/GENERATION ENGINEERING	\$0
225	80		\$0
225	84	ENVIRONMENTAL SERVICES	\$160,000
225	85	EQUIPMENT RENTAL DOWNHOLE	\$36,000
225	90	EQUIPMENT RENTAL	\$25,000
225	95	FISHING TOOLS/SERVICES HEALTH & SAFETY	\$0
225		HOUSING AND SUPPORT SERVICES	\$20,800
225		INSURANCE	\$25,000
225		INSPECTIONS	\$24,000
225		LEGAL, TITLE SERVICES	\$18,000
225	115	MATERIALS & SUPPLIES	\$6,000
225		MISCELLANEOUS	\$5,000
225		MOUSE/RATHOLE/CONDUCT PIPE	\$15,000
225		MUD & CHEMICALS	\$19,500
225		OPENHOLE LOGGING	\$170,000
225		CASED HOLE LOGGING	\$0
225		PERMITS, LICENSES, ETC	\$10,000
225		POWER FUEL & WATER HAULING	\$20,000
25		RIG MOVE & RACKING COSTS	\$160,000
25		RIG UP TEAR OUT & STANDBY	\$50,000 \$0
25		SITE RESTORATION	\$10,000
25		STAKING & SURVEYING	\$6,000
25		SUPERVISION	\$80,000
25		SUPERVISION - GEOLOGICAL	\$40,000 \$40,000
25		TRANSPORTATION/TRUCKING	\$25,000
25		TAXES	
25	35	CONTINGENCY COSTS 5%	\$44,724 \$111,810
		Total Intangible Drilling Costs:	\$2,392,734

Major		Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	\$12,500
240	10	CASED HOLE LOGS & SURVEYS	\$15,000
240	15	CASING CREW & EQPT	SI
240	20	COILED TUBING/SNUBBING UNIT	\$212,165
240	25	COMMUNICATIONS	\$5,700
240	30	COMPANY DIRECT LABOR	St
240	35	COMPLETION/WORKOVER RIG	\$44,000
240	45	CONTRACT LABOR/ROUSTABOUTS	\$15,000
240	50	DAMAGES/RECLAMATION	\$25,000
240	55	DISPOSAL SOLIDS	\$0
240	60	ELECTRICAL POWER\GENERATION	\$0
240	62	ENGINEERING	\$10,000
240	65	ENVIRONMENTAL/CLEANUP	\$10,000
240	70	FISHING TOOLS / SERVICES	SC
240	71	FLUIDS/HAULING/DISPOSAL	\$210,000
240	72	FRAC WATER/COMPLETION FLUID	\$400,000
240	75	FUEL, POWER/DIESEL	\$300,000
240	80	HEALTH & SAFETY	\$10,000
240	85	HOUSING AND SUPPORT SERVICES	\$12,000
240	90	MATERIALS & SUPPLIES	\$12,000
240	95	MISCELLANEOUS	\$25,000
240	100	MUD & CHEMICALS	\$220,000
240	110	P&A/TA COSTS	\$220,000
240	115	PERFORATING/WIRELINE SERVICE	\$430,000
240	120	PIPE INSPECTION	\$430,000
240		ROAD, LOCATIONS REPAIRS	\$25,000
240		STIMULATION	\$1,300,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$42,500
240	140	SUPERVISION	\$110,000
240		SURFACE EQUIP RENTAL	\$355,000
240		TRANSPORTATION/TRUCKING	\$20,000
240		WATER TRANSFER	\$40,000
240		WELDING SERVICES	\$40,000
240		WELL TESTING/FLOWBACK	\$50.000
240		TAXES	
240		CONTINGENCY COSTS 5%	\$77,777 \$194,443
		Total Intangible Completion Costs:	\$4,161,086

Tangible Drilling Costs mount \$440,000 \$26,000 \$450,000 Total Tangible Drilling Costs

Major	Minor	Description	Amount
245	5	ARTIFICIAL LIFT	\$50,000
245	15	FLOWLINES	\$20,000
245	25	FRAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$98,000
245	45	PRODUCTION LINER	SO.
245	50	PRODUCTION PROCESSING FACILITY	SO SO
245	55	PRODUCTION TUBING	\$87,500
245	60	RODS/PUMPS	\$0
245	65	SUBSURFACE EQUIPMENT	SO
245	75	WELLHEAD EQUIPMENT	000,082
245	70	TAXES	\$18,948
		Total Tangible Completion Costs:	\$363,448

Taugible Facility Costs Tangble Facility C

Miser Description

10 FACILITY PIPE/VALVES/FITTINGS

15 CONTAINMENT

15 CONTAINMENT

16 PERMENT PIPE/VALVES/FITTINGS

17 DENI/PDRATION

18 PRIMARY POWER MATERIALS

19 FLOWLINES / PIPELINE / HOOKUP

19 H2S TREATING EQUIPMENT

19 FRE-FABRICATED SKIDS

18 FACILITY SURFACE EQUIPMENT

19 H2S SAFEITY SYSTEM

10 CONTROL / INSTRUMENT / METERS

110 TANKS & WALKWAYS

130 MECHANICAL BATTERY BUILD

132 EIAC BATTERY BUILD

134 CONTROLS AND SCADA BATTERY I

136 PRIMARY POWER BUILD Major 270 mount \$111,000 \$0 \$0 \$5,400 \$16,600 \$594,000 \$193,500 DEHYDRATION
PRIMARY POWER MATERIALS
FLOWLINES / PIPELINE / HOOKUP
H2S TREATING EQUIPMENT
SEPARATION EQUIPMENT
ROAD-LOCATION-PROCING/REPAIRS
PRE-FABRICATED SKIDS
FACILITY SURFACE EQUIPMENT
H2S SAFETY SYSTEM
CONTROL / INSTRUMENT / METERS / SCADA
TANKS & WALKWAYS
MECHANICAL BATTERY BUILD
EIGE BATTERY BUILD \$104,000 \$4,000 \$57,000 \$55,000 \$114,000 \$35,000 ORE-HARKAL BATTERY BUILD
ELIAC BATTERY BUILD
CONTROLS AND SCADA BATTERY BUILD
PRIMARY POWER BUILD
FLOWLINE INSTALLATION
SIGNAGE
TAXES
Total Tangible Pacility Costs: \$3,300 \$4,900 \$34,000 138 140 125 \$73 \$1,405

Major	Minor	Description	Amount
265	5	CONSULTING	\$13,300
265	12	COMPANY DIRECT LABOR	\$0
265	20	DAMAGES/ROW/PERMITS, ETC	\$6,000
265	22	PAD/ROAD CONSTRUCTION	\$42,000
265	25	ENGINEERING / SCIENCE	\$13,000
265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$0
265	45	CONTRACT LABOR & SERVICES	\$0
265	60	OVERHEAD	20
265	80	SURVEY / PLATS / STAKINGS	\$1,500
265	85	TRANSPORTATION / TRUCKING	02
265	83	TAXES	\$1.516
265	10	CONTINGENCY COSTS 5%	\$3,790
		Total Intangible Facility Costs:	\$77,316

\$3,475,65 \$4,524,53 \$1,482,41 \$6,553,81 \$1,446,40 Total DC Tangible \$9,482,64

\$150 3,252 5,102				
91.50 33.05 7.75 9.55 9.55				
2.30				
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THIS AUTHORITY FOR EXPENDITURE IS BASED OF	N COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTINATE SHARE OF THE ACTUAL INVOICE COSTS

Operator:	Franklin Mountain Energy, LLC		THE AC	TOAL INVOICE COSTS.
Approved By:	Jelf-Stevens Chef Executive Officer	Date;	1-11-2021	1/7/2021

Approved By: Date: Printed Name:

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME



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

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

CASE NO. 21806-21808

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				-			******

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

Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under a notice letter, attached, and that proof of receipt is attached hereto. I also state that notice of the April 8, 2021 hearing was published in the Hobbs News-Sun on March 23, 2021, as reflected in the attached Affidavit of Publication.

Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 6^{th} day of April, 2021 by Deana M. Bennett.

Notary Public

My commission expires: 02 - 27 - 25

OFFICIAL SEAL

Karlene Schuman

NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: 02-27-25

EXHIBIT 8



March 18, 2021

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED Deana M. Bennett 505.848.1834 Deana.Bennett@modrall.com

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

CASE NO. 21806

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

CASE NO. 21808

TO: AFFECTED PARTIES

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

In Case No. 21806, FME seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 702H and Merit Federal 703H wells to be horizontally drilled. The completed interval for the Clincher Fed Com 702H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the Clincher Fed Com 702H and Merit Federal 703H wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells.

In Case No. 21808, FME seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying Lot 4, the SW/4NW/4 and the W/2SW/4 of Section 1, and the W/2W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New

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 Page 2

Mexico. This spacing unit will be dedicated to the Clincher Fed Com 601H well to be horizontally drilled. The producing area for the Clincher Fed Com 601H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on April 8, 2021 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html.

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

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

Sincerely,

Deana M. Bennett

Attorney for Applicant

Decra M. Bennett

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

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

CASE NO. 21808

APPLICATION

Franklin Mountain Energy, LLC ("FME"), OGRID Number 373910, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral and leasehold interests within a Bone Spring horizontal spacing unit underlying Lot 4, the SW/4NW/4 and W/2SW/4 of Section 1, and the W/2W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, FME states:

- 1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. FME seeks to dedicate Lot 4, the SW/4NW/4 and the W/2SW/4 of Section 1, and the W/2W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
- 3. FME plans to drill the **Clincher Fed Com 601H** well to a depth sufficient to test the Bone Spring formation.
- 4. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

- 5. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.
- 6. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on April 8, 2021, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within Lot 4, the SW/4NW/4 and the W/2SW/4 of Section 1, and the W/2W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico;
 - B. Designating FME as operator of this unit and the well to be drilled thereon;
- C. Authorizing FME to recover its costs of drilling, completing, and equipping the well;
- D. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;
- E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping the well in the event a working interest owner elects not to participate in the well.

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

By: Wella M. Bennett

Deana M. Bennett

Lance D. Hough

Post Office Box 2168

500 Fourth Street NW, Suite 1000 Albuquerque, New Mexico 87103-2168 Telephone: 505.848.1800 Attorneys for Applicant CASE NO. 21808 Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying Lot 4, the SW/4NW/4 and the W/2SW/4 of Section 1, and the W/2W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 601H well to be horizontally drilled. The producing area for the Clincher Fed Com 601H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

Page 1 2021 Walz CertifiedPro.net

Firm Mailing Book ID: 205395	Reference Contents	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice	FME21806,21808 Notice
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Affidavit of Publicatio

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).

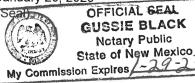
> Beginning with the issue dated March 23, 2021 and ending with the issue dated March 23, 2021.

Sworn and subscribed to before me this 23rd day of March 2021.

Business Manager

My commission expires was a large of

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 NOTICE March 23, 2021

LEGAL

LEGAL NOTICE
March 23, 2021

NO 21803: Notice to all affected parties, as well as the heirs and devisees of Starboard in Resources; LLC: Max Permian, LLC: Americative New Mexico; LLC; Energen Resources of Tallon; Diamondback Energy, Inc.; Burlington Resources Of Ind. Gas. Company; Jersen and Devisees of John Everett Kennan, Decases, (C) of William C., and the Company; Jersen and Devisees of John Everett Kennan, Decases, (C) of William C., and the Company; Jersen Carder Michitys. Trustee of the Resources of John Everett Kennan, Decases, (C) of William C., and the Company of Company; Jersen Bell Hunt Trust; John Warren Erickson, Phillip Julian, 1001; Mary Ellien (Marchille); Littlefield (Wa Mary Ellinor Erickson War Mary Ellinor Erickson Knox.)

NA, as Agent for Leonard R. Woods; 2016 Manager of the Leonard. R. Woods; LC; Bearle of Marchille, 1001; May Ellinor Erickson Knox.

NA, as Agent for Leonard R. Woods; 2016 Manager of the Leonard. R. Woods; LC; Bearle of Marchille, 1001; Marchille, 1001;

aubphing said well, the allocation of these costs as well as the actual operating costs and charges for instinct willing and after completion, designation of Frankin Mountain Energy, LC as operator of all, and a 200% charge for fisk involved in drilling said well. Said area is located approximately 8 miles yeast of Jail, New Mexico.

F. No. 21804: Notice to all affected parties, as well as the heirs and devisees of Starboard Bin Rehources, LLC; Mar Parties, LC, Americaev New Mexico, LLC; Energen Resources oration; Diamondback Energy, Inc.; Burlington Resources Oil and Gas Company. Jebra and Devisees of Join Everett Kennan, Deceased, Clo of William C, ann, Trustee of the Kennann Family Trust; Bobby Aaron Skates; Anna Bert Carder Michityre; Gormany, Heirs and Devisees of Join Everett Kennan, Deceased, Clo of William C, ann, Trustee of the Mexico, Trust and Company. Jebra Company.

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reference of the completion of estimation for the first completion of estimation of the completion of the
200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles Northwest of
Jail, New Mexico.

CASE NO. 21805: Notice to all artected parties, as well as the holte and devises of Starboard
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Permian Resources, LLC; Max Permian, LC.; Burlington Resources of Company /
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Kentann, Trustee of the Kennann Family Trust. Bobby Aaron States; Anna Beth Carder Michtyre;
Anna Beth Carder Michtyre, Trustee of the Ide Bell Hunt Trust; John Warres Erckson, Phillip Julian -
Brickson; Mary Ellen (Marelle) Littlefald fr/M Mary Ellinor Erickson ff/M Ray Ellinor Erickson in
Brickson; Mary Ellen (Marelle) Littlefald fr/M Mary Ellinor Erickson ff/M Ray Ellinor Erickson in
Marcle Mellinda Woods Jones, Manager of the Marcle Mellinda Woods Jenes, LLC; BOKF, Na. as Agent for Leanning and Company of the Marcle Mellinda Woods Jenes, LLC; BOKF, Na. as Agent for Jenes
R. Stoltz; Heirs and Devisees of Odella N. Clark CO Walker Foyally, LP. Heirs of Margaret Bearly
Marcle Mellinda Woods Jones, Manager of the Marcle Mellinda Woods Jenes, LLC; BOKF, Na. as Agent for Jenes
R. Stoltz; Heirs and Devisees of Hery E. Smith, Clo Melling Smith; Heirs and Devisees of Hery E. Smith, Clo Melling Smith; Heirs and Devisees of Hery E. Smith, Clo Melling Smith; Heirs and Devisees of Hery E. Smith, Clo Melling Smith; Heirs and Devisees of Hery E. Smith, Clo Melling Smith; Heirs and Devisees of Hery E. Smith, Clo Melling Smith; Heirs and Devisees of Hery E. Smith; Heirs and Devisees of Hery E.

approximately 8 miles Northwest of Jal, New Mexico.

CASE NO.21806: Notice to all affected parties, as well as the heirs and devisees of Occidental Pernian, Ltd.; United States of America; Bryan Bell Family LLC; DMA, Inc.; Morris E, Schertz; Nuevo Sels, LP; Robert N, Enfield Trustee of the Robert N, Enfield Revocable Trust dated 3/8/1999; Charmar, LLC; Jetstream Royalty Partners, LP; Llss M, Enfield Trustee of the Liss M, Enfield Trustee of the Robert N, LC; Jetstream Royalty Partners, LP; Llss M, Enfield, Trustee of the Liss M, Enfield H, Mayer and Martha M, Mayer Revocable Trust dated 3/19/1982; SAP, LLC; Howard A, Rubin, Inc.; and Rubie-Crosby Bell Family LLC of Franklin Mountain Energy, LLC; Howard A, Rubin, Inc.; and Rubie-Crosby Bell Family LLC of Franklin Mountain Energy, LLC a spolication for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on April 8, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 702H and Merit Federal 703H wells to be horizontally drilled. The completed interval for the Clincher Fed Com 702H and Merit Federal 703H wells will be orthodox. Also to be considered will be the cost of drilling; completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for fisk involved in drilling said wells. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

designation of Frankin Mountain Energy, LLC as upcause to vertice and devisees of Occidental in drilling said wells. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

CASE NO. 21807: Notice to all affected parties; as well as the helps and devisees of Occidental Permian, Ltd.; United States of America; State of New Mexico; Bryan Bell Family LLC; DMA, Inc.; Morris E. Schertz; Nuevo Seis, LP. Robert N. Enfield Trustee of the Robert N. Enfield Revocable Trust dated 3/19999; Charmar; LLC; Jestsream Royalty Partners; LP; Liss M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1992; SAP, LLC; Howard A. Rubin, Inc.; Rubie-Crosby Bell Family LLC; Cayuga Royaltles, LLC; Prevail Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals LLC; CrownRock Minerals, LLC; Prevail Energy, LLC; Revos Minerals ii, LLC; and Oak Valley Minerals and Land, LP of Franklin Mountain Energy, LLC's application for compulsory pooling, Lee County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on April 8, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying Lot 4, the SWANWA and the W/SWA of Section 1, and the W/ZWZ of Section 12, and Lot 1, the SE/ANE/4 and the E/ZSE/4 of Section 2, and the E/ZSE/2 of Section 11, Township 25 South, Range 35 E. NMPM, Lee County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 701H well will be within 330' from the adjoining tracts to allow inclusion of provininty tracts within the proposed standard horizontal spacing unit. The producing area for the Clincher Lea the proposed standard horizontal spacing unit. The producing area for the Clincher proximity tracts within the proposed standard horizontal spacing unit. The producing area for the Clincher Fed Com 701H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Northwest of Jal. New Mexico.

Northwest of Jal, New Mexico.

CASE NO. 21808: Notice to all affected parties, as well as the heirs and devisees of Occidental Permian, Ltd.; United States of America; Bryan Bell Family LLC; DMA, Inc.; Morris E. Schertz; Nuevo Sels, LP, Robert N. Enfield revocable Trust dated 3/61999; Charmar, LLC; Jetstream Royalty Partners, LP; Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Ronald H. Meyer, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Ronald H. Meyer, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Ronald H. Meyer, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Ronald H. Meyer, Trustee of the Ronald H. Meyer, Trustee of the Ronald H. Meyer, Richard H. Mayer Revocable dated 3/19/1992; SAP, LLC; Howard A. Rubin, Inc.; and Rubie-Crosby Bell Family LLC of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on April 8, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying Lot 4, the SW/ANWA and the W/2SW/4 of Section 1, and the W/2SW/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit united the dedicated to the Clincher Fed Com 601H well to be horizontally drilled. The producing area for the Clincher Fed Com 601H well to be horizontally drilled. The producing area for the Clincher Fed Com 601H well to be horizontally drilled. The producing area for the Clincher Fed Com 601H well to be horizontally drilled. The producing area for the Clincher Fed Com 601H well to be horizontally drilled. The producing area for the Clincher Fed Com 601H well to be horizontally drilled. The producing area for the Clincher Fed Com 601

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LEGAL NOTICE March 23, 2021

CASE NO. 21903: Notice to all affected parties, as well as the heirs and devisees of Starboard Permian' Resources, LLC; May Permian, LLC; Ameredev New Mexico, LLC; Energen Resources Corporation: Diamondback Energy, Inc.; Burlington Resources Oil and Gas Company / Conocophilips Company, Heirs and Devisees of John Evertit Kennan, Deceased, Cof of William C. Kennann, Trustee of the Kennann Family Trust; Bobby Agron States, Anna Beth Carder Michityer, Trustee of the Ide Bell Hunt. Rev. Anna Beth Carder Michityer, Trustee of the Ide Bell Hunt. Rev. Anna Beth Carder Michityer, Trustee of the Ide Bell Hunt. Rev. Anna Beth Carder Michityer, Trustee of the Ide Bell Hunt. Rev. Anna Beth Carder Michityer, Trustee of the Ide Bell Hunt. Rev. Anna Beth Carder Michityer, Trustee of Ide Bell Hunt. Rev. Anna Beth Carder Michityer, Trustee of Ide Rev. Anna Beth Carder Michityer, Anna Michityer, Anna

supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operation of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

CASE NO. 21804: Notice to all affected parties, as well as the heirs and devisees of Starboard Permian Renources, LLC; Max Permian, LLC; Ameredev New Mexico, LLC; Energen Resources Corporation; Diamondback Energy, Inc.; Burlington Resources Oil and Gas Company / Consophilips Company, Heirs and Devisees of John Everett Kennan, Deceased, Cro of William C. Kennann, Trustee of the Kennann Family Trust; Bobby Asron Skates, Anna Beth Con, Philip Julian C. Kennann, Trustee of the Kennann Family Trust; Bobby Asron Skates, Anna Beth Con, Philip Julian C. Kennann, Trustee of the Kennann Family Trust; Bobby Asron Skates, Anna Beth Con, Philip Julian C. Kennann, Trustee of the Kennann Family Trust; Bobby Asron Skates, Anna Beth Con, Philip Julian C. Kennann, Trustee of the Kennann Family Trust; Bobby Asron Skates, Anna Beth Con, Philip Julian C. Kennann, Trustee of the Marcia Mellinda Woods Jones, Marcia Mellinda Woods Jones, Marcia Mellinda Woods Jones, Marcia Mellinda Woods Jones, LLC; BOKF, Na, as Agent for Julian Ju

wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles Northwest of

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CASE NO. 21805: Netice to all affected parties, as well as the heirs and devisees of Starboard Permian Resources LC, that Permian, LLC: Ameredev New Mexico, LLC; Energen Resources Concorbiling Demonaback Energy, Inc.; Burlington Resources Olf and Gas Company / Concorbiling Demonaback Energy, Inc.; Burlington Resources Olf and Gas Company / Concorbiling Demonaback Energy, Inc.; Burlington Resources Olf and Gas Company / Concorbiling Company, Heirs and Devisees of John Evert Kennan, Deceased, CO of William C. Kennann, Trustee of the Kennann Family Trust; Bobby Aaron Skates; Anna Beth Carder Michityre, Anna Beth Carder Michityre, Trustee of the Ida Bell Hunt Trust; John Warnen Erdskon, Ches, Erdscon; Mary Ellen (Marellie) Littlefeld flux May Ellinor of the Leonard R. Woods LLC; Maria W. Trust, Control of the Language of the Maria Mari

CASE NO.21806: Notice to all affected parties, as well as the heirs and devisees of Occidental Permian, Ltd.; United States of America; Bryan Bell Family LLC; DMA, Inc.; Morris E. Schertz; Nuevo Seis, LP; Robert N. Enfield Trustee of the Robert N. Enfield Revocable Trust dated 3/6/1999; Charmar, LLC; Jetstream Royalty Partners, LP; Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1992; SAP, LLC; Howard A. Rubin, Inc.; and Rubie-Crosby Bell Family LLC of Franklin Mountain Energy, LLC; application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on April 8, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 702H and Merit Federal 703H wells to be horizontally drilled. The completed interval for the Clincher Fed Com 702H well will be within 330′ from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the Clincher Fed Com 702H and Merit Federal 703H wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these unit. The producing area for the Clincher Fed Com 702H and Merit Federal 703H wells will be offinedox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

CASE NO. 21807: Notice to all affected parties, as well as the heirs and devisees of Occidental Permian, Ltd.; United States of America; State of New Mexico; Bryan Bell Family LLC; DMA, Inc.; Morris E. Schertz; Nuevo Seis, LP; Robert N. Enfield Trustee of the Robert N. Enfield Revocable Trust dated 3/6/1999; Charmar, LLC; Jetstream Royalty Partners, LP; Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable Trust dated 3/19/1992; SAP, LLC; Howard A. Rubin, Inc.; Rubie-Crosby Bell Family LLC; Cayuga Royaltles, LLC; Prevall Energy, LLC; Rheiner Holdings, LLC; Monticello Minerals LLC; CrownRock Minerals, LP; Foundation Minerals, LLC; Mayros Minerals II, LLC; and Oak Valley Minerals and Land, LP of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on April 8, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Wolfcamp horizontal spacing unit underlying Lot 4, the SW/4NW/4 and the W/2SW/4 of Section 1, and the W/2W/2 of Section 12; and Lot 1, the SE/4NE/4 and the E/2SE/4 of Section 2, and the E/2E/2 of Section 11, Township 25 South; Range 35 E; NMPM, Lee County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 701H well will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for transference well-key drilled. The completed interval for the Clincher and equipping said well, the allocation of these costs as well as the actual operating costs and charges for transference well-key drilled. equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles

CASE NO. 21808: Notice to all affected parties, as well as the heirs and devisees of Occidental Permian, Ltd.; United States of America; Bryan Bell Family LLC; DMA, Inc.; Morris E. Schertz; Nuevo Sels, LP; Robert N. Enfield Trustee of the Robert N. Enfield Revocable Trust dated 3/6/1999; Charmar, LLC; Jetstream Royalty Partners, LP; Lisa M. Enfield, Trustee of the Lisa M. Enfield Trust dated 1/23/2015; MLE, LLC; Richard C. Deason; Thomas D. Deason; Ronald H. Mayer, Trustee of the Ronald H. Mayer and Martha M. Mayer Revocable dated 3/19/1992; SAP, LLC; Howard A. Rubin, Inc.; and Rubie-Crosby Bell Family LLC of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on April 8, 2021, to consider this application. Applicant seeks an order from the Division pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying Lot 4, the SW/4NW/4 and the W/2SW/4 of Section 1, and the W/2W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Clincher Fed Com 601H well to be horizontally drilled. The producing area for the Clincher Fed Com 601H well will be orthodox. Also to be considered will be the cost of drilling completing, and equipping said well, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles Northwest of Jal, New Mexico.

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

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

CASE NO. 21808

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STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Ben Kessel, being duly sworn, deposes and states:

- 1. I am over the age of 18, I am a geologist for Franklin Mountain Energy, LLC ("Franklin"), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.
- 2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.
 - 3. I am familiar with the application filed by Franklin in this case.
- 4. **Exhibit 9** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef. Franklin's proposed units are slightly within the boundary of the Capitan Reef. Franklin's well bore design, including the well bore casing design, is sufficient to protect against any potential leakage or migration into the Capitan Reef.
- 5. **Exhibit 10** is a wellbore schematic showing Franklin's development plan, which includes the well at issue in this case and the wells proposed in Case Numbers 21803 through 21807.

- 6. The exhibits behind **Tab 11** are the geology study I prepared for the **Clincher Fed Com 601H** well.
- 7. **Exhibit 11-A** is structure map of the top of the Third Bone Spring Sand. The proposed spacing unit is identified by a pink box. The Clincher Fed Com 601H well is the pink dashed line identified by the box labeled "1". The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.
- 8. **Exhibit 11-B** is a cross section reference map that identifies four wells in the vicinity of the proposed well, shown by a line of cross-section running from A to A'.
- 9. **Exhibit 11-C** is a stratigraphic cross section hung on the Wolfcamp top. The well logs on the cross-section give a representative sample of the Third Bone Spring Sand formation in the area. The target zone is identified by a bracket and the words "Producing Interval". I have also identified where Clincher Fed Com 601H well falls within the wells I used for the cross-section.
 - 10. In my opinion, the gross interval thickness thickens slightly from north to the south.
- 11. **Exhibit 11-D** is a Gross Interval Isochore of the Third Bone Spring Sand. The gross interval thickness thickens slightly from north to the south across the unit and thickens slightly from northeast to southwest regionally.
 - 12. I conclude from the maps that:
 - a. The horizontal spacing unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter quarter section in the proposed unit will contribute more or less equally to production.

- 13. **Exhibit 12** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.
- 14. The preferred well orientation in this area is either north/south or south/north. This is because the S_{Hmax} is at approximately 265 degrees ENE in this area of Lea County.
- 15. Exhibits 9-12 were prepared by me or under my supervision or compiled from company business records.
- 16. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.

[Signature page follows]

SUBSCRIBED AND SWORN to before me this 6th day of April, 2021 by Ben Kessel,

on behalf of Franklin Mountain Energy, LLC.

My commission expires: 02 - 27 - 25

OFFICIAL SEAL Karlene Schuman NOTARY PUBLIC STATE OF NEW MEXICO My Commission Expires: 02-27-25

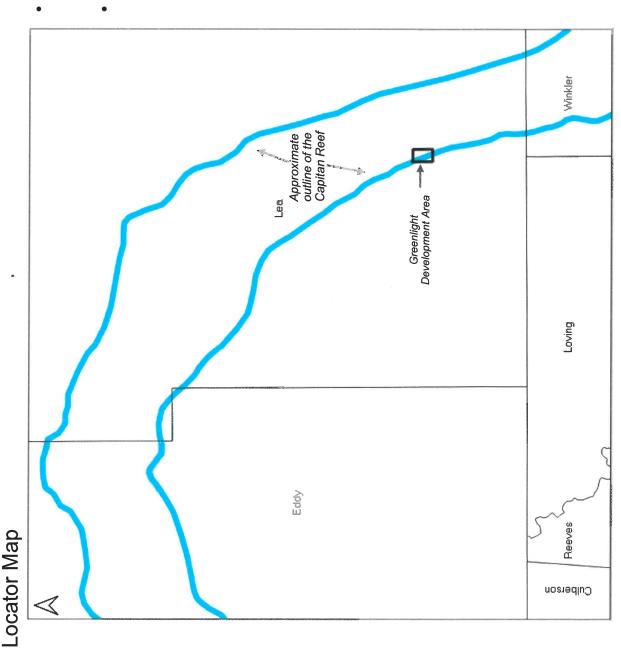
EXHIBIT

tabbies"

Greenlight Development

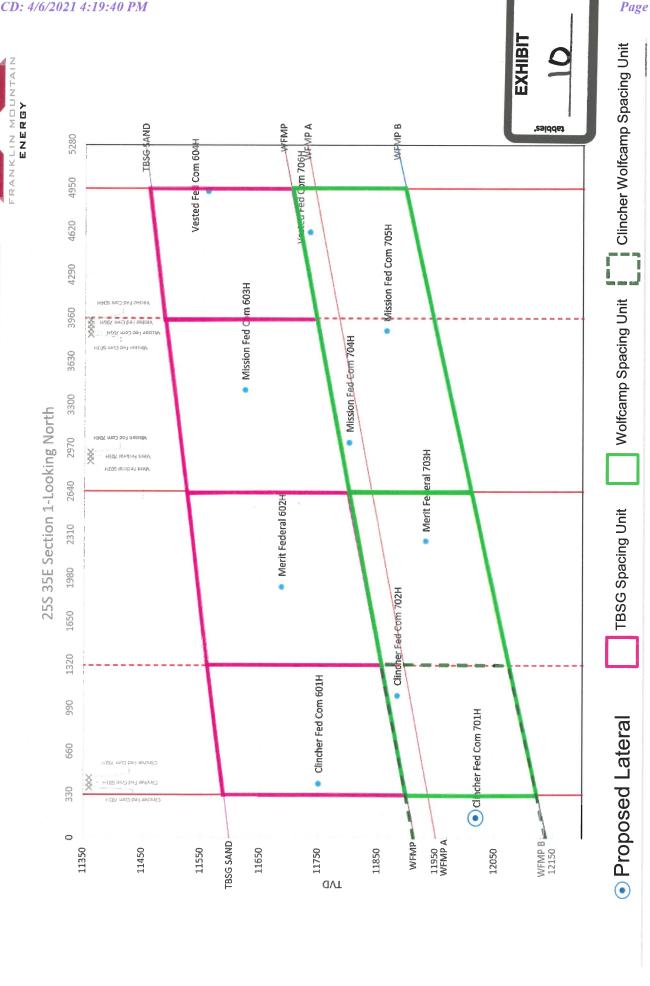


- Black box shows the location of Greenlight development area
- Planned wells are located within the western edge of the Capitan Reef

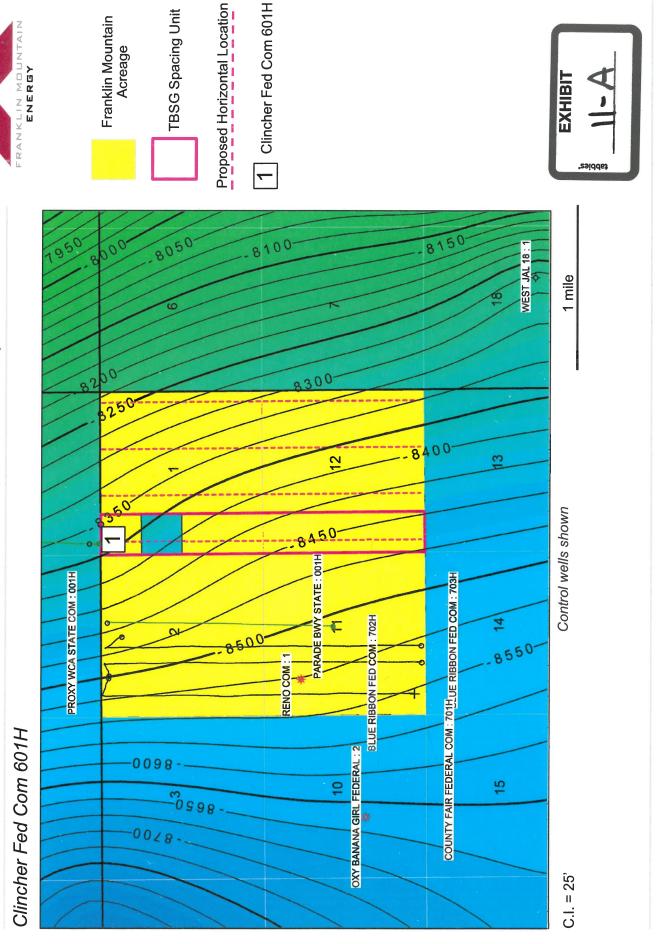


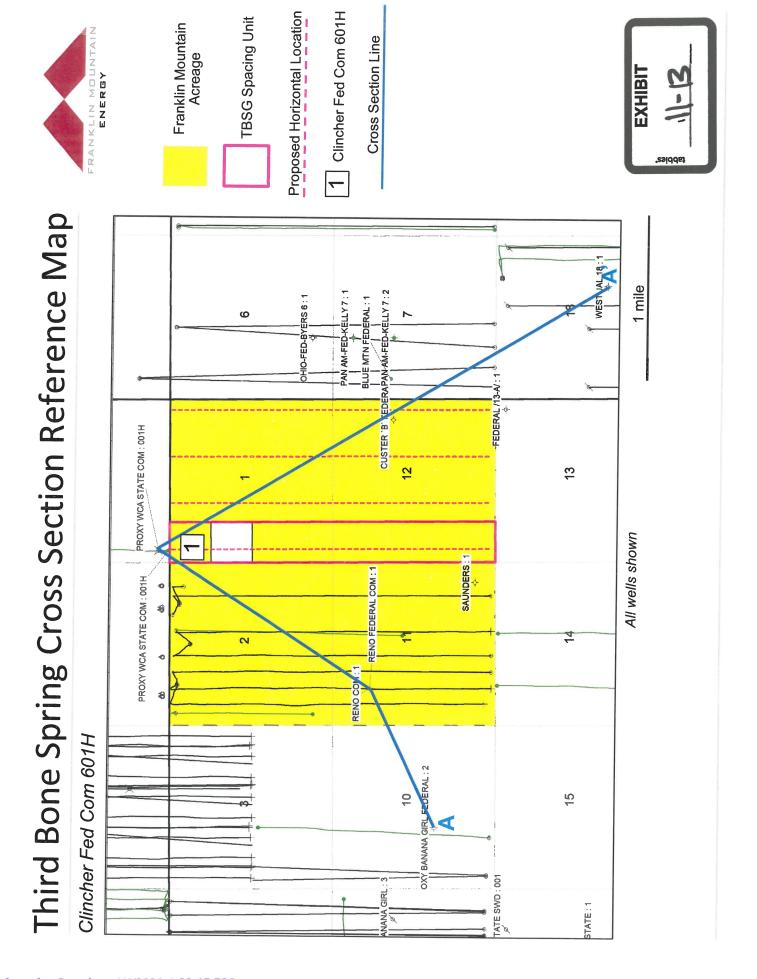
https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794CapitanReef/Final%20Revised%20Capitan%20PDF%20w_Seals.pdf

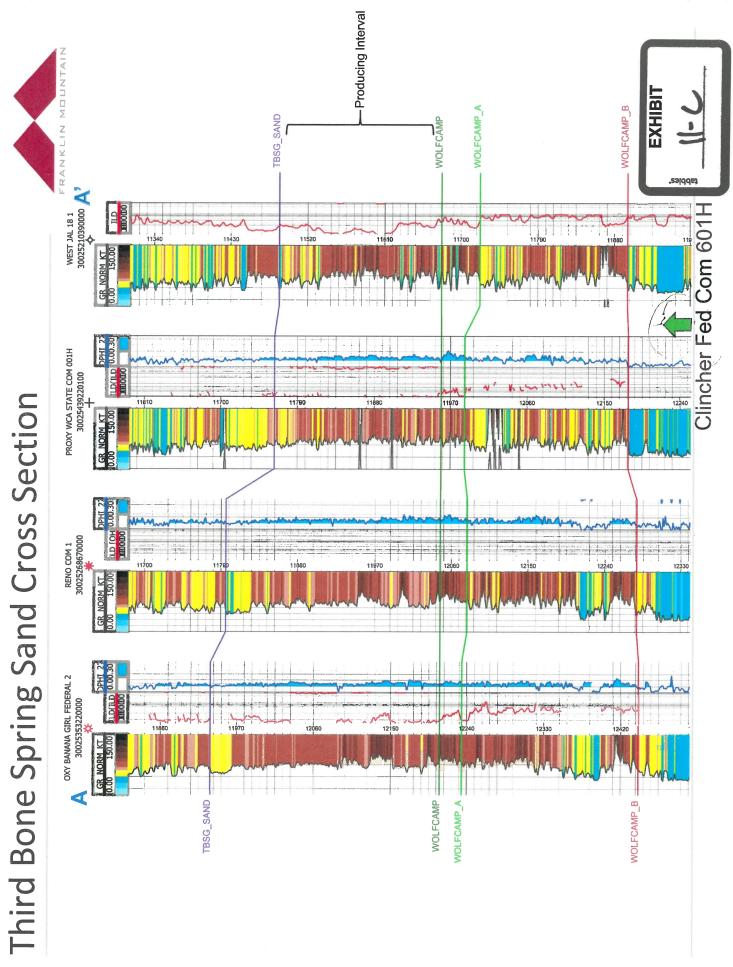
Wellbore Schematic



Top TBSG Sand Structure Map (SSTVD)





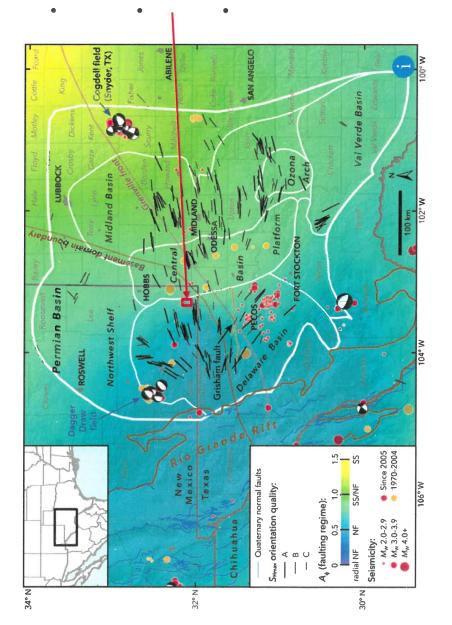


1 Clincher Fed Com 601H Proposed Horizontal Location Franklin Mountain Acreage TBSG Spacing Unit FRANKLIN MOUN Energy EXHIBIT WEST JAL 18: 1 1 mile 8 9 13 2 Control wells shown PARADE BWY STATE: 001H PROXY WCA STATE COM: 001H COUNTY FAIR FEDERAL COM: 701HUE RIBBON FED COM: 703H BLUE RIBBON FED COM: 702H TBSG Sand Isochore RENO COM: 1 Clincher Fed Com 601H OXY BANANA GIRL FEDERAL : 2 5 2 C.I. = 25

Regional Stress



- Red box shows the approximate location of the Greenlight development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 265°
- The Clincher Fed Com 601H well is planned to drill N-S, nearly orthogonal to S_{hmax}, optimal for induced fracture propagation



Snee, J.L. and Zoback, M.D., 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 37, no. 2

http://www.tleonline.org/theleadingedge/february_2018/MobilePagedArtic_le.action?articleId=1331603#articleId1331603

