

**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. _____

APPLICATION

Franklin Mountain Energy, LLC (“Franklin”), 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 interests within a 640-acre, more or less, standard Wolfcamp horizontal spacing unit comprising the E/2 of Sections 27 and 34, Township 25 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, Franklin states as follows:

1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Franklin seeks to dedicate the E/2 of Sections 27 and 34, Township 25 South, Range 35 East, N.M.P.M., Lea County, New Mexico to form a standard 640-acre, more or less, Wolfcamp horizontal spacing unit.
3. Franklin plans to drill the **Parlay Fed Com 705H, Parlay Fed Com 706H, Parlay Fed Com 707H, Parlay Fed Com 708H, Parlay Fed Com 804H, Parlay Fed Com 805H, and Parlay Fed Com 806H** wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled. The producing areas for all wells except the Parlay Fed Com 705H and Parlay Fed Com 804H wells are expected to be orthodox.

4. The proposed horizontal spacing unit includes proximity tract wells and wells with non-standard locations.

5. First, the completed intervals for the Parlay Fed Com 707H and Parlay Fed Com 805H wells are expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.

6. Second, the Parlay Fed Com 705H and Parlay Fed Com 804H wells are expected to be drilled at non-standard locations under the Division's rules, as the completed interval for each well is expected to be less than 330 feet from the outer boundary of the proposed standard horizontal spacing unit. Franklin intends to submit applications for administrative approval of the non-standard well locations.

7. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

8. The creation of a standard horizontal spacing unit and the pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on November 3, 2022, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within the E/2 of Sections 27 and 34, Township 25 South, Range 35 East, N.M.P.M., Lea County, New Mexico;

- B. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

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CASE NO. _____: 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 standard 640-acre, more or less, Wolfcamp horizontal spacing unit underlying the E/2 of Sections 27 and 34, Township 25 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parlay Fed Com 705H, Parlay Fed Com 706H, Parlay Fed Com 707H, Parlay Fed Com 708H, Parlay Fed Com 804H, Parlay Fed Com 805H, and Parlay Fed Com 806H** wells, to be horizontally drilled. The producing areas for all wells except the Parlay Fed Com 705H and Parlay Fed Com 804H wells are expected to be orthodox. The completed intervals for the Parlay Fed Com 707H and Parlay Fed Com 805H wells will be less than 330 feet from the adjoining tracts allowing inclusion of the proximity tracts within the spacing unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24-25 miles northwest of Jal, New Mexico.