

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

**APPLICATIONS OF FRANKLIN MOUNTAIN  
ENERGY 3, LLC FOR APPROVAL OF NON-STANDARD  
SPACING UNIT, AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 23436**

**APPLICATION OF FRANKLIN MOUNTAIN  
ENERGY 3, LLC FOR APPROVAL OF NON-STANDARD  
SPACING UNIT, COMPULSORY POOLING, AND NOTICE OF  
OVERLAPPING SPACING UNITS,  
LEA COUNTY, NEW MEXICO**

**CASE NOS. 23439**

**CONSOLIDATED PRE-HEARING STATEMENT**

Franklin Mountain Energy 3, LLC (“Franklin”) submits this Consolidated Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

**FRANKLIN MOUNTAIN ENERGY 3, LLC**

**ATTORNEY**

Deana M. Bennett  
Earl E. DeBrine  
MODRALL, SPERLING, ROEHL,  
HARRIS & SISK, P.A.  
P. O. Box 2168  
Albuquerque, New Mexico 87103-  
2168  
(505) 848-1800

**OTHER PARTIES**

None

**ATTORNEY**

**STATEMENT OF CASES**

**APPLICANT:**

In Case No. 23436, Franklin seeks an order from the Division (1) approving a non-standard spacing unit, to the extent necessary, and (2) pooling all uncommitted mineral interests within a 280-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 3 and W/2NW/4 and the NW/4S'W/4 of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Eagle State Com 301H and the Eagle State Com 501H** wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. 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 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 18 miles west of Hobbs, New Mexico.

In Case No. 23439, Franklin seeks an order from the Division (1) approving a non-standard spacing unit, and (2) pooling all uncommitted mineral interests within a 560-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 of Section 3 and the NW/4 and the N/2SW/4 of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Eagle State Com 701H** well, to be horizontally drilled. The producing area for the well is expected to be orthodox. The completed interval for the Eagle State Com 701H well will be less than 330 feet from the adjoining tracts allowing inclusion of the proximity tracts within the spacing unit. Applicant is proposing overlapping spacing units, which overlap the E/2W/2 of Section 3 and the E/2NW/4 and the NE/4SW/4 of Section 10. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles west of Hobbs, New Mexico.

**PROPOSED EVIDENCE**

**APPLICANT:**

<b>WITNESS</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Landman: Ilona Hoang	Approx. 15 minutes	Approx. 8
Geologist: Ben Kessel	Approx. 15 minutes	Approx. 7

## PROCEDURAL ISSUES

To date, no party has entered an appearance nor is there any expected opposition to these cases and Franklin intends to present these cases by affidavit.

Respectfully submitted,

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

By: /s/ Deana M. Bennett

Deana M. Bennett

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

QUESTIONS

Action 206987

**QUESTIONS**

Operator: Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206	OGRID: 331595
	Action Number: 206987
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.