



Before the Oil Conservation Division
Examiner Hearing April 20th, 2023

Compulsory Pooling

Case No. 23436: Eagle State Com 301H
Eagle State Com 501H

**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 NO. 23436

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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

| Case: 23436 | APPLICANT'S RESPONSE |
|--|--|
| Date: April 20, 2023 | |
| Applicant | Franklin Mountain Energy 3, LLC |
| Designated Operator & OGRID (affiliation if applicable) | Franklin Mountain Energy 3, LLC OGRID 331595 |
| Applicant's Counsel: | Modrall Sperling |
| Case Title: | APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR APPROVAL OF NON-STANDARD SPACING UNIT, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO |
| Entries of Appearance/Intervenors: | None |
| Well Family | Eagle State |
| 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: | Scharb; Bone Spring Pool Code 55610 |
| Well Location Setback Rules: | State-Wide Rules Apply |
| Spacing Unit | |
| Type (Horizontal/Vertical) | Horizontal |
| Size (Acres) | 279.67 |
| Building Blocks: | 40 |
| Orientation: | North-South |
| Description: TRS/County | W/2W/2 of Section 3 and W/2NW/4 and the NW/4SW/4 of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application? | No--the unit is non-standard. The spacing unit is non-standard because it excludes the SW/4 SW/4 (Unit M) of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Approval of the non-standard unit is requested in this application. |
| Other Situations | |
| Depth Severance: Y/N. If yes, description | N |
| Proximity Tracts: If yes, description | N |
| Proximity Defining Well: if yes, description | N/A |
| Applicant's Ownership in Each Tract | See Exhibit B-4. |
| Well(s) | |
| Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed |
| Well #1: Eagle State Com 301 (API Pending) | SHL: 325' FNL & 645' FWL, Section 3, T-19-S R-35-E FTP: 150' FNL & 360' FWL, Section 3, T-19-S R-35-E LTP: 1427' FSL & 360' FWL, Section 10, T-19-S R-35-E Orientation: North/South Completion Status: Standard Completion Target: Bone Spring TVD: 9,161' MVD: 19,602' |



| | | |
|--|--|---|
| Well #1: Eagle State Com 501 (API Pending) | SHL: 325' FNL & 670' FWL, Section 3, T-19-S R-35-E FTP: 150' FNL & 800' FWL, Section 3, T-19-S R-35-E LTP: 1427' FSL & 800' FWL, Section 10, T-19-S R-35-E Orientation: North/South Completion Status: Standard | Completion Target: Bone Spring TVD: 9,602', MVD: 19,602' |
| Horizontal Well First and Last Take Points | See above cells and Exhibit B, paragraphs 20-21, and Exhibit B-3 (C-102s) | |
| Completion Target (Formation, TVD and MD) | See above cells and Exhibit B-5 (proposal letter) | |
| AFE Capex and Operating Costs | | |
| Drilling Supervision/Month \$ | \$9,000 | |
| Production Supervision/Month \$ | \$9,000 | |
| Justification for Supervision Costs | See Exhibit B Paragraph 33 | |
| Requested Risk Charge | 200% | |
| Notice of Hearing | | |
| Proposed Notice of Hearing | Exhibit B-8 | |
| Proof of Mailed Notice of Hearing (20 days before hearing) | Exhibit B-8 | |
| Proof of Published Notice of Hearing (10 days before hearing) | Exhibit B-8 | |
| Ownership Determination | | |
| Land Ownership Schematic of the Spacing Unit | Exhibit B-4 | |
| Tract List (including lease numbers and owners) | Exhibit B-4 | |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements. | Exhibit B-4 | |
| Pooled Parties (including ownership type) | Exhibit B-4 | |
| Unlocatable Parties to be Pooled | Exhibit B-4 | |
| Ownership Depth Severance (including percentage above & below) | NA | |
| Joinder | | |
| Sample Copy of Proposal Letter | Exhibit B-6 | |
| List of Interest Owners (ie Exhibit A of JOA) | Exhibit B-4 | |
| Chronology of Contact with Non-Joined Working Interests | Exhibit B-5 | |
| Overhead Rates In Proposal Letter | Exhibit B-6 | |
| Cost Estimate to Drill and Complete | Exhibit B-7 | |
| Cost Estimate to Equip Well | Exhibit B-7 | |
| Cost Estimate for Production Facilities | Exhibit B-7 | |
| Geology | | |
| Summary (including special considerations) | Exhibit C | |
| Spacing Unit Schematic | Exhibit C-2 | |
| Gunbarrel/Lateral Trajectory Schematic | Exhibit C-2 | |

OCD Examiner Hearing 4/20/23

| | |
|--|--|
| Target Formation | Exhibits C-2 to C-10 |
| HSU Cross Section | Exhibit C-5/C-9 |
| Depth Severance Discussion | NA |
| Forms, Figures and Tables | |
| C-102 | Exhibit B-3 |
| Tracts | Exhibit B-4 |
| Summary of Interests, Unit Recapitulation (Tracts) | Exhibit B-4 |
| General Location Map (including basin) | Exhibit C-1 |
| Well Bore Location Map | Exhibit C-3/C-6 |
| Structure Contour Map - Subsea Depth | Exhibit C-3/C-6 |
| Cross Section Location Map (including wells) | Exhibit C-4/C-8 |
| Cross Section (including Landing Zone) | Exhibit C-5/C-9 |
| Additional Information | |
| Special Provisions/Stipulations | NA |
| CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate. | |
| Printed Name (Attorney or Party Representative): | Deana M. Bennett |
| Signed Name (Attorney or Party Representative): |  |
| Date: | 18-Apr-23 |

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

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

CASE NO. 23436

SELF AFFIRMED DECLARATION OF LEE ZINK

Lee Zink hereby states and declares as follows:

1. I am over the age of 18, I am the Director of Land for Franklin Mountain Energy 3, LLC ("FME3"), and I 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 landman were accepted by the Division as a matter of record.

2. My area of responsibility at FME3 includes the area of Lea County in New Mexico.

3. I am familiar with the application filed by FME3 in this case, which is attached as **Exhibit B.1.**

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 wells to be drilled in the unit, as well as to request approval of a non-standard 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. In this case, FME3 seeks an order from the Division (1) approving a 279.67-acre, more or less, non-standard unit, and (2) pooling all uncommitted interests within a Bone Spring horizontal spacing unit underlying the W/2W/2 of Section 3 and W/2NW/4 and the NW/4SW/4 of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

9. This spacing unit will be dedicated to the **Eagle State Com 301H and the Eagle State Com 501H** wells, to be horizontally drilled.

10. The spacing unit is non-standard because it excludes the SW/4 SW/4 (Unit M) of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico.

11. FME3 is the owner of numerous State of New Mexico leases that have near term expirations, being December of 2023. These state leases cover 159.67 acres out of the 297.67 acre unit, being a majority of the unit.

12. FME3 is proposing to exclude the SW/4 SW/4 (Unit M) of Section 10 because that tract is subject to a federal lease and, due to FME3's drilling schedule and expiring leases, the delay associated with obtaining an APD is not feasible.

13. FME3 intends to drill the Eagle State Com 301H and the Eagle State Com 501H wells in 2023.

14. FME3's desire is to prove up the acreage in the near term and then go back in to include the excluded acreage at a later date.

15. FME3 holds leases in Section 15 and 22, which it intends to develop as part of its future Barzona development plans. **Exhibit B.2** is a tract map showing FME3's acreage in Sections 3, 10, 15, and 22.

16. Although FME3 is not currently planning to develop the SW/4 SW/4 of Section 10, FME3 would seek to include the excluded acreage as part of its Barzona development. Thus, while

the SW/4 SW/4 of Section 10 will be excluded from the Eagle State Unit, FME3's intent is to not strand that acreage, but rather to seek to include it as part of FME3's Barzona development.

17. In my opinion, allowing FME3 to move forward with 1.75 mile laterals now protects correlative rights and prevents waste.

18. Attached as **Exhibit B.3** are the proposed C-102 for the wells.

19. The C-102s identify the proposed surface hole locations and the bottom hole locations. The C-102s also identify the pool and pool code.

20. The Eagle State Com 301H well is proposed to have the following first and last take points:
First take point: 150' FNL, 360' FWL
Last take point: 1427' FSL, 360' FWL

21. The Eagle State Com 501H well is proposed to have the following first and last take points:
First take point: 150' FNL, 800' FWL
Last take point: 1427' FSL, 800' FWL

22. The wells will develop the Scharb; Bone Spring pool (Pool code 55610).

23. This pool is an oil pool with 40-acre building blocks.

24. This pool is governed by the state-wide horizontal well rules.

25. The producing areas for the wells is expected to be orthodox.

26. There are no depth severances within the proposed spacing unit.

27. **Exhibit B.4** includes a lease tract map outlining the unit being pooled. Exhibit B.4 also includes the parties being pooled, the nature, and the percent of their interests. Exhibit B.4 also includes a tract map comparing what a standard unit would be to FME3's proposed non-standard unit.

28. 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.

29. In my opinion, FME3 has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well.

30. **Exhibit B.5** is a summary of my contacts with the working interest owners.

31. **Exhibit B.6** is a sample of the well proposal letter that was sent to all working interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the well.

32. **Exhibit B.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.

33. FME3 requests overhead and administrative rates of \$9000.00/month for drilling a well and \$900.00/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. FME3 requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

34. FME3 requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.

35. FME3 requests that it be designated operator of the well.

36. The parties FME3 is seeking to pool were notified of this hearing.

37. FME3 seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.

38. FME3, through its counsel, also provided notice of its non-standard unit application as required by Rule 19.15.16.15(B)(5).

39. **Exhibit B.8** is an affidavit of notice prepared by counsel for FME3 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 21, 2023.

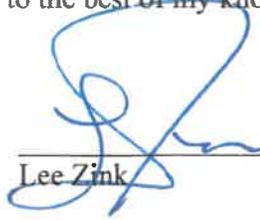
40. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

41. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

[Signature page follows]

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: April 18, 2023



Lee Zink

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

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

CASE NO. 23436

APPLICATION

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, 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 (1) approving a non-standard spacing unit, 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/4SW/4 of Section 10, Township 19 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 W/2W/2 of Section 3 and W/2NW/4 and the NW/4SW/4 of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico to form a 280-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the **Eagle State Com 301H and the Eagle State Com 501H** wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox.



4. Franklin 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 wells or to otherwise commit their interests to the wells.

5. Approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

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, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on April 6, 2023 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 the W/2W/2 of Section 3 and W/2NW/4 and the NW/4SW/4 of Section 10, Township 19 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.

By: /s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 23436 : Application of Franklin Mountain Energy 3, LLC for Approval of a Non-Standard Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant 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.

Development Overview

Case Nos. 23436, 23439

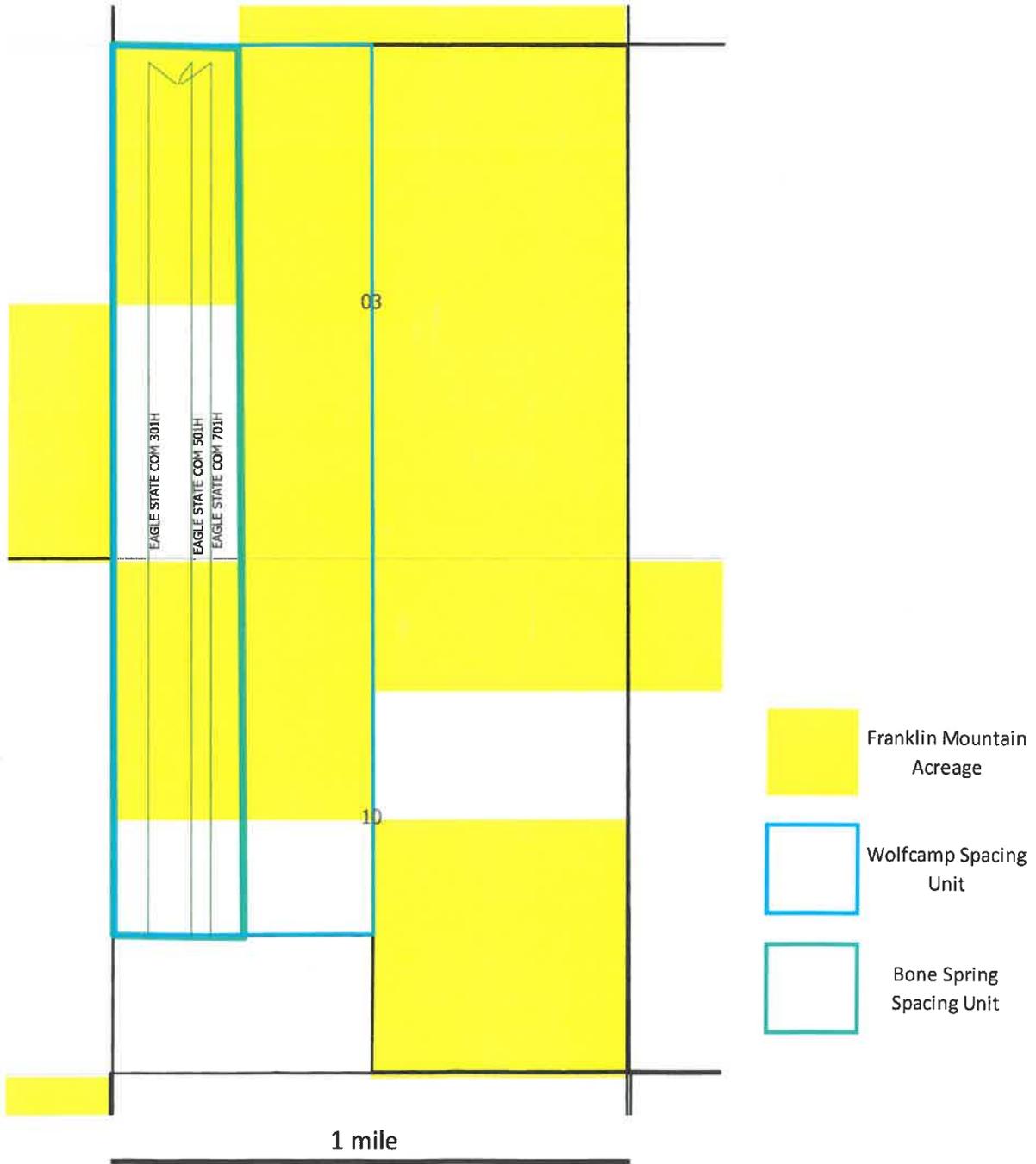
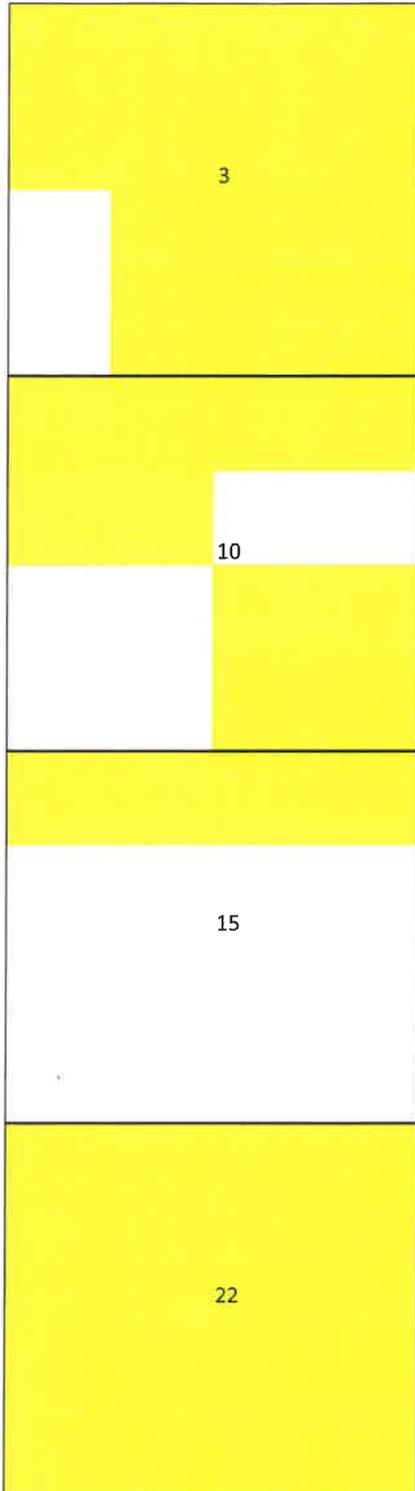
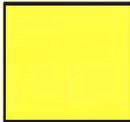


EXHIBIT
 tabbies®
 B-2

Lease Tract Map
Case No. 23436
W/2W/2 of Sections 3 & 10-T19S-R35E, 279.67 Acres
Eagle State Com 301H
Eagle State Com 501H



 Franklin Mountain Energy Acreage



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

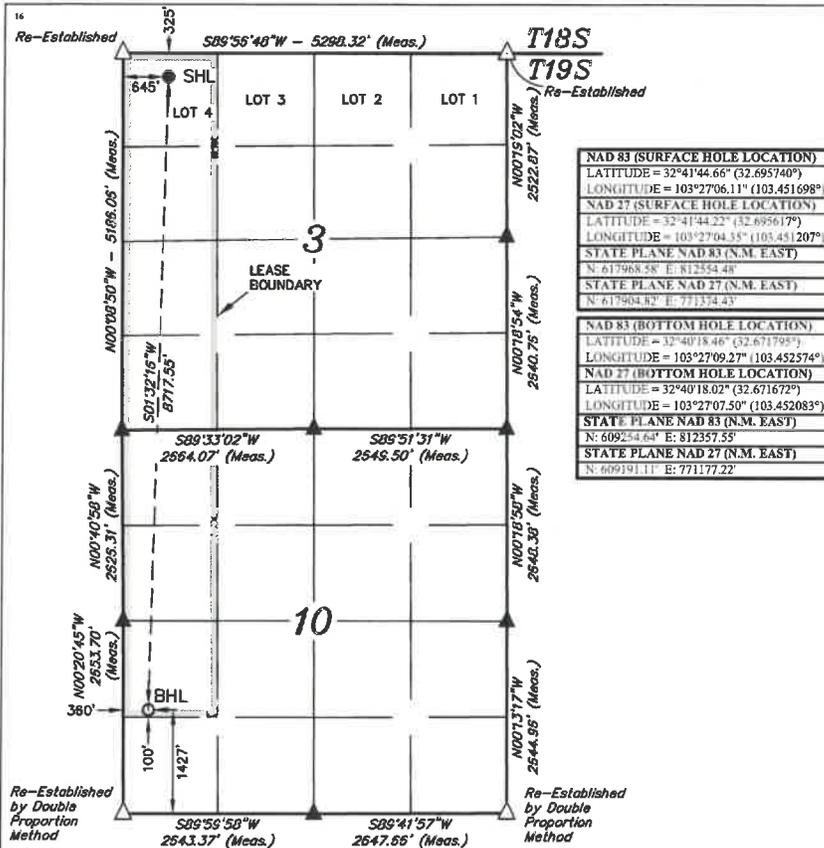
WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|-----------------------|--|--|--|-----------------------------------|--|
| 1 API Number | | 2 Pool Code 55610 | | 3 Pool Name SCHARB;BONE SPRING | |
| 4 Property Code | | 5 Property Name EAGLE STATE COM | | 6 Well Number 301H | |
| 7 OGRID No. 331595 | | 8 Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC | | 9 Elevation 3868.9' | |

| 10 Surface Location | | | | | | | | | |
|---------------------|--------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no. 4 | Section 3 | Township 19S | Range 35E | Lot Idn | Feet from the 325 | North/South line NORTH | Feet from the 645 | East/West line WEST | County LEA |

| 11 Bottom Hole Location If Different From Surface | | | | | | | | | |
|---|---------------|--------------------|--------------|-----------------------|-----------------------|---------------------------|----------------------|------------------------|---------------|
| UL or lot no. L | Section 10 | Township 19S | Range 35E | Lot Idn | Feet from the 1427 | North/South line SOUTH | Feet from the 360 | East/West line WEST | County LEA |
| 12 Dedicated Acres 279.67 | | 13 Joint or Infill | | 14 Consolidation 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.



| NAD 83 (SURFACE HOLE LOCATION) | |
|--------------------------------------|---|
| LATITUDE = 32°41'44.66" (32.695740°) | LONGITUDE = 103°27'06.11" (103.451698°) |
| NAD 27 (SURFACE HOLE LOCATION) | |
| LATITUDE = 32°41'44.22" (32.695617°) | LONGITUDE = 103°27'04.35" (103.451207°) |
| STATE PLANE NAD 83 (N.M. EAST) | |
| N: 617968.58' E: 812354.48' | |
| STATE PLANE NAD 27 (N.M. EAST) | |
| N: 617904.82' E: 771334.43' | |
| NAD 83 (BOTTOM HOLE LOCATION) | |
| LATITUDE = 32°40'18.46" (32.671795°) | LONGITUDE = 103°27'09.27" (103.452574°) |
| NAD 27 (BOTTOM HOLE LOCATION) | |
| LATITUDE = 32°40'18.02" (32.671672°) | LONGITUDE = 103°27'07.50" (103.452083°) |
| STATE PLANE NAD 83 (N.M. EAST) | |
| N: 609254.64' E: 812357.55' | |
| STATE PLANE NAD 27 (N.M. EAST) | |
| N: 609191.11' E: 771177.22' | |

17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order created pursuant to the division.
Signature: *Rachael Overbey* Date: 3/2/2023

Printed Name: Rachael Overbey
E-mail Address: roverbey@fmlc.com

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
Date of Survey: January 17, 2023
Signature and Seal of Professional Surveyor:



Certificate Number:

- NOTE:**
- Distances referenced on plat to section lines are perpendicular.
 - Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)
 - Section breakdown information for this plat may be obtained from Uintah Engineering & Land Surveying.
- = SURFACE HOLE LOCATION
○ = BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED
△ = SECTION CORNER RE-ESTABLISHED. (Not Set on Ground.)

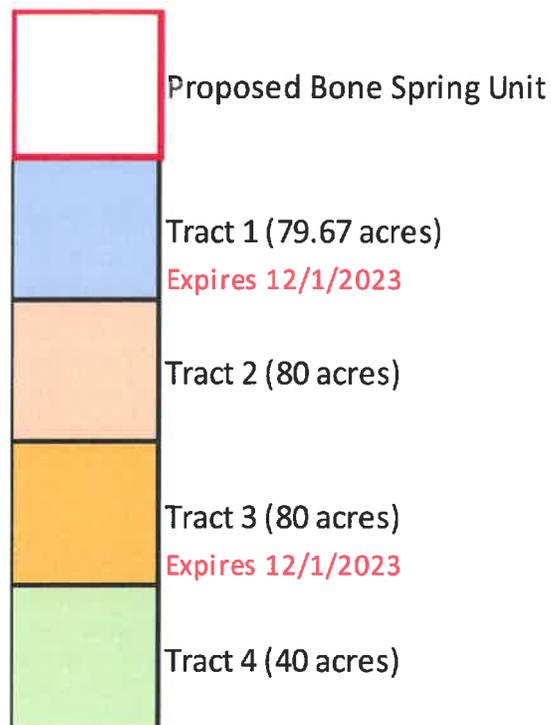


SCALE
DRAWN BY: Z.L. 01-19-23
REV: 1 03-01-23 D.M.C.
(BHL MOVE)



Lease Tract Map
Case No. 23436
W/2W/2 of Sections 3 & 10-T19S-R35E, 279.67 Acres
Eagle State Com 301H
Eagle State Com 501H

| | | | |
|---------|--|--|--|
| VC-0511 | | | |
| | | | |
| EO-6002 | | | |
| | | | |
| VC-0513 | | | |
| | | | |
| EO-7418 | | | |
| | | | |



OCD Examiner Hearing 4/20/23

No. 23436

18

Summary of Interests
Case No. 23436
W/2W/2 of Sections 3 & 10-T19S-R35E, 279.67 Acres
Eagle State Com 301H
Eagle State Com 501H

| Committed Working Interest | |
|-------------------------------------|--------------------|
| Franklin Mountain Energy 3, LLC | 50.000000% |
| Marshall & Winston | 7.142857% |
| | |
| Uncommitted Working Interest | |
| Marathon Oil Permian, LLC | 28.571429% |
| Chevron U.S.A., Inc. | 14.285714% |
| | |
| Total: | 100.000000% |



Unit Recapitulation
Case No. 23436
W/2W/2 of Sections 3 & 10-T19S-R35E, 279.67 Acres
Eagle State Com 301H
Eagle State Com 501H

| Committed Working Interest | |
|---------------------------------|--------------------|
| Franklin Mountain Energy 3, LLC | 50.000000% |
| Marshall & Winston | 7.142857% |
| Uncommitted Working Interest | |
| Marathon Oil Permian, LLC | 28.571429% |
| Chevron U.S.A., Inc. | 14.285714% |
| Total: | 100.000000% |

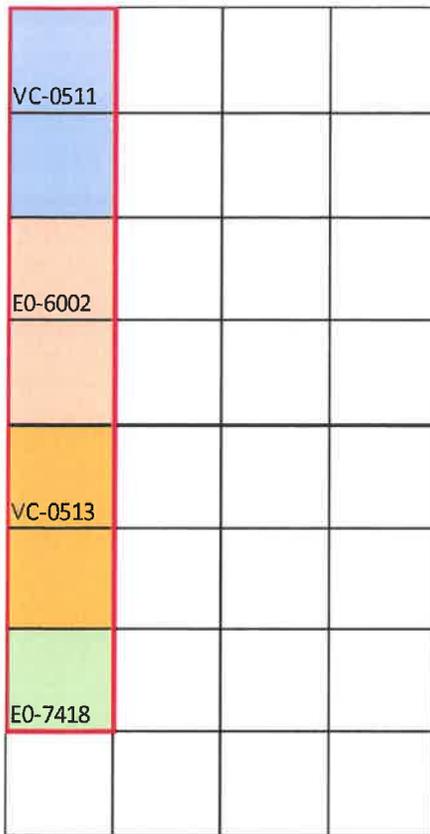
| | | | |
|---------|--|--|--|
| VC-0511 | | | |
| | | | |
| EO-6002 | | | |
| | | | |
| VC-0513 | | | |
| | | | |
| EO-7418 | | | |
| | | | |

| Tract | Lease |
|-------|---------|
| 1 | VC-0511 |
| 2 | EO-6002 |
| 3 | VC-0513 |
| 4 | EO-7418 |

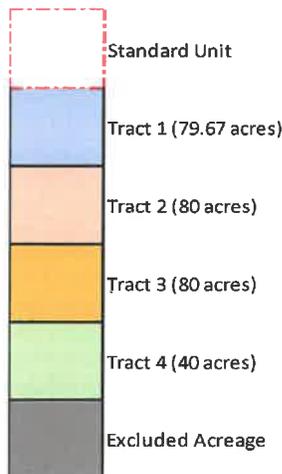
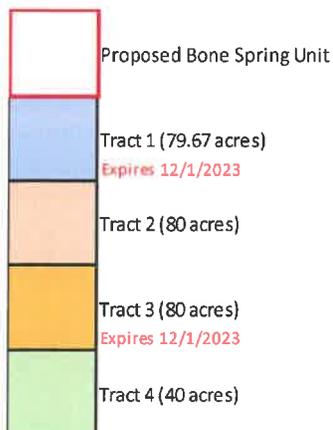
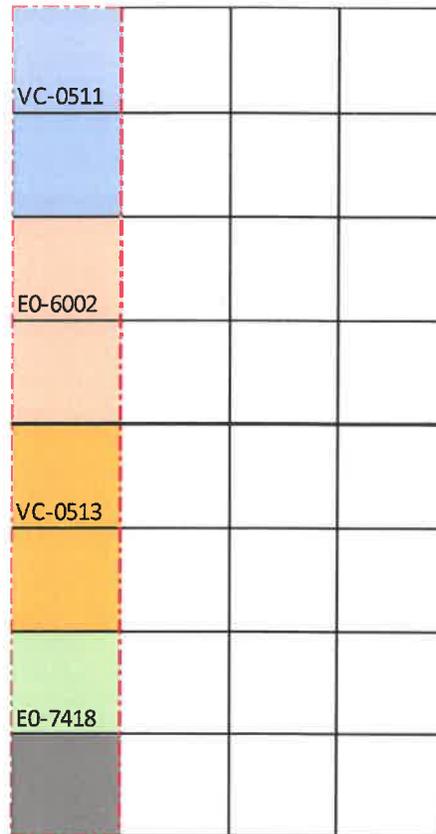


Lease Tract Map
Case No. 23436
W/2W/2 of Sections 3 & 10-T19S-R35E, 279.67 Acres
Eagle State Com 301H
Eagle State Com 501H

Proposed Bone Spring Unit



Standard Unit



Excluded Acreage Information (Case No. 23436)

| Excluded Acreage | Owner/Operator |
|--|--|
| SW/4 SW/4 (Unit M) of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico | Bureau of Land Management—currently unleased Also notified: TOREADOR ROYALTY CORPORATION TRIPLE T RESOURCES LP |

Summary of Contacts

- Franklin retained a broker who 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 February 1, 2023.
- Franklin proposed general terms of a Joint Operating Agreements (JOA) within the well proposal letters sent to working interest owners.
- Franklin had multiple communications with the uncommitted working interest owners, which I have outlined in the chart below.
- Franklin filed the application to force pool working interest owners who had not entered in to an agreement.
- Franklin’s counsel sent notices of the force pooling applications to the addresses of record for the uncommitted interest owners and also for overriding royalty interest owners.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.

| Summary of Contacts with Working Interest Owners to Be Pooled | | | |
|---|---------------------------|--------------------------|--|
| Name | Date Proposal Letter Sent | Proposal Letter Received | Follow Up |
| Chevron USA Inc. | February 1, 2023 | February 3, 2023 | 3/1/2023 received email from Candace LaBron-Howard (CLH) 3/30/2023 sent email with requested information and JOA to CLH 4/5/2023 3 emails exchanged with CLH 4/10/2023 2 emails exchanged with CLH |
| Marathon Oil Permian LLC | February 1, 2023 | February 6, 2023 | 1/18/2023 term assignment proposals sent via email to Farley Duvall 1/26/2023 follow – up email to Mr. Duvall 1/30/2023 responded to Mr. Duvall’s questions regarding FME3’s development plans and timing 2/9/2023 follow – up email to Mr. Duvall regarding term assignment proposal |

- Franklin also sent notice to the parties in the excluded tracts as required by OCD’s regulations.



Pooled Parties (Both Bone Spring and Wolfcamp cases)

| Name | Interest Type |
|--|---------------|
| CHEVRON U.S.A. INC. | WI |
| Marathon Oil Permian LLC | WI |
| J.T. JACKSON AND ASSOCIATES | ORRI |
| JAMES E. GUY AND PEGGY J. GUY, AS TRUSTEES OF THE PJ GUY FAMILY TRUST UNER TRUST AGREEMENT DATED DECEMBER 14, 1996 | ORRI |
| JOHN F. DORN POSSIBLE HEIR TO THE ESTATE OF DALE H. DORN | ORRI |
| JOHN F. DORN POSSIBLE HEIR TO THE ESTATE OF MARTHA DORN BIRD | ORRI |
| JOHN F. DORN POSSIBLE HEIR TO THE ESTATE OF WILLIAM DORN MILLER | ORRI |
| RICHARD W. SCHELIN, SUCCESSOR TRUSTEE, FOREST OIL CORPORATION EXECUTIVE / EMPLOYEE OVERRIDING ROYALTY PROGRAM | ORRI |
| WILLIAM J. MCCAWE | ORRI |



Sent via USPS: 9405 5036 9930 0470 1024 87

February 1, 2023

Chevron U.S.A., Inc.
 6001 Bollinger Canyon Rd
 San Ramon, CA 94583
 Attn: Land Department, Delaware Basin

RE: **Well Proposals**
 Township 19 South, Range 35 East:
 Sections 3 & 10: W/2W/2
 Lea County, New Mexico
 279.67 acres, more or less

Dear Working Interest Owner:

Franklin Mountain Energy 3, LLC (“FME3”), as Operator, hereby proposes the drilling and completion of the following wells:

| Well Name | Target Formation | Total Vertical Depth | Measured Depth | SHL | BHL | Total AFE | Order |
|----------------------|------------------|----------------------|----------------|--------------------------------------|--|-----------------|-------|
| Eagle State Com 301H | 1st Bone Spring | 9,161' | 19,161' | Sec. 3-T19S-R35E: 325' FNL, 645' FWL | Sec. 10-T19S-R35E: 1220' FSL, 360' FWL | \$11,355,549.08 | N/A |
| Eagle State Com 501H | 2nd Bone Spring | 9,602' | 19,602' | Sec. 3-T19S-R35E: 325' FNL, 670' FWL | Sec. 10-T19S-R35E: 1220' FSL, 800' FWL | \$11,355,549.08 | N/A |

FME3 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.

FME3 is proposing to drill and complete the aforementioned wells under the terms of a modified, wellbore specific 1989 AAPL form Operating Agreement with the following general provisions:

- 100/300% Non-Consenting Penalty
- \$9,000/\$900 Drilling and Producing Rate
- Franklin Mountain Energy 3, LLC designated as Operator





Should you be interested in participating under an Operating Agreement, with your unleased minerals, FME3 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, FME3 proposes to lease your minerals at the following terms:

-
-

The forgoing offer is non-binding in nature until a definitive agreement and/or conveyance documents are negotiated and agreed to by each party. FME3 is under no obligation to negotiate, lease or purchase your interest.

Please return your signed documents to Don Johnson at djohnson@fmellc.com or to the address provided below at your earliest convenience.

FME3 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, FME3 will file an application for compulsory pooling to pool any uncommitted owners.

Should you have any questions, please do not hesitate to contact the undersigned at (720) 414-7868.

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson
Sr. Land Analyst



Eagle State Com 301H:

_____ I/We hereby elect to participate in the **Eagle State Com 301H** well.
 _____ I/We hereby elect **NOT** to participate in the **Eagle State Com 301H** well.

Eagle State Com 501H:

_____ I/We hereby elect to participate in the **Eagle State Com 501H** well.
 _____ I/We hereby elect **NOT** to participate in the **Eagle State Com 501H** well.

Owner: _____

By: _____

Printed Name: _____

Title: _____

Date: _____



Franklin Mountain Energy 3, LLC
 44 Cook Street, Suite 1000
 Denver, CO 80206
 Phone: 720-414-7868
 franklinmountainenergy.com

FRANKLIN MOUNTAIN ENERGY
AUTHORITY FOR EXPENDITURE

Well Name: Eagle State Con 301H
 Location: SHL: Sec 3-T19S-R35E J25 FNL 645 FWL
 BHL: Sec 10-T19S-R35E 1220 FSL 360 FWL
 Operator: Franklin Mountain Energy 3, LLC
 Purpose: Drill and complete a 10,000' 1HS well
 TVD 9,161', MD 19,161'

Well #: 301H
 County/State: Lea Co., NM
 Date Prepared: 1/19/2023
 AFE #: DCE23011

| Intangible Drilling Costs | | | Amount |
|---|-----|-------------------------------|--------------------|
| 225 | 5 | ADMINISTRATIVE OVERHEAD | \$4,000 |
| 225 | 10 | CASING CREW & EQPT | \$45,000 |
| 225 | 15 | CEMENTING INTERMEDIATE CASING | \$40,000 |
| 225 | 16 | CEMENTING PRODUCTION CASING | \$80,000 |
| 225 | 20 | CEMENTING SURFACE CASING | \$36,000 |
| 225 | 25 | COMMUNICATIONS | \$19,000 |
| 225 | 30 | COMPLETION FLUIDS | \$6,000 |
| 225 | 34 | CONSTRUCTION/LOCATION & ROAD | \$45,000 |
| 225 | 40 | CONTRACT LABOR | \$50,000 |
| 225 | 45 | DAMAGES | \$15,000 |
| 225 | 50 | DAYWORK CONTRACT | \$520,000 |
| 225 | 55 | DRILLING - DIRECTIONAL | \$230,000 |
| 225 | 60 | DRILLING - FOOTAGE | \$90,000 |
| 225 | 65 | DRILLING BITS | \$90,000 |
| 225 | 70 | ELECTRICAL POWER/GENERATION | \$0 |
| 225 | 75 | ENGINEERING | \$200,000 |
| 225 | 80 | ENVIRONMENTAL SERVICES | \$40,000 |
| 225 | 84 | EQUIPMENT RENTAL DOWNHOLE | \$50,000 |
| 225 | 85 | EQUIPMENT RENTAL | \$0 |
| 225 | 90 | FISHING TOOLS/SERVICES | \$7,000 |
| 225 | 95 | HEALTH & SAFETY | \$18,000 |
| 225 | 100 | HOUSING AND SUPPORT SERVICES | \$1,700 |
| 225 | 105 | INSURANCE | \$15,000 |
| 225 | 106 | INSPECTIONS | \$6,000 |
| 225 | 110 | LEGAL, TITLE SERVICES | \$5,000 |
| 225 | 115 | MATERIALS & SUPPLIES | \$5,000 |
| 225 | 120 | MISCELLANEOUS | \$5,000 |
| 225 | 125 | MOUSE/RAIL/ROD/CONDUCT PIPE | \$31,000 |
| 225 | 130 | MUD & CHEMICALS | \$180,000 |
| 225 | 140 | OPENHOLE LOGGING | \$0 |
| 225 | 141 | CASED HOLE LOGGING | \$0 |
| 225 | 145 | PERMITS, LICENSES, ETC | \$20,000 |
| 225 | 150 | POWER FUEL & WATER HAULING | \$160,000 |
| 225 | 155 | RIG MOVE & RACKING COSTS | \$130,000 |
| 225 | 160 | RIG UP TEAR OUT & STANDBY | \$0 |
| 225 | 163 | SITE RESTORATION | \$10,000 |
| 225 | 165 | STAKING & SURVEYING | \$6,000 |
| 225 | 170 | SUPERVISION | \$71,400 |
| 225 | 175 | SUPERVISION - GEOLOGICAL | \$39,000 |
| 225 | 180 | TRANSPORTATION/TRUCKING | \$20,000 |
| 225 | 178 | TAXES | \$125,131 |
| 225 | 35 | CONTINGENCY COSTS 5% | \$113,755 |
| Total Intangible Drilling Costs: | | | \$2,411,896 |

| Tangible Drilling Costs | | | Amount |
|---------------------------------------|----|-----------------------------------|--------------------|
| 230 | 10 | INTERMEDIATE CASING & ATTACHMENTS | \$173,758 |
| 230 | 20 | PACKERS/SLEEVES/PLUGS | \$66,000 |
| 230 | 25 | PRODUCTION CASING & ATTACHMENTS | \$1,034,380 |
| 230 | 35 | SURFACE CASING & ATTACHMENTS | \$169,740 |
| 230 | 45 | WELLHEAD EQUIPMENT/CASING BOWL | \$70,000 |
| 230 | 40 | TAXES | \$83,263 |
| Total Tangible Drilling Costs: | | | \$1,597,141 |

| Tangible Facility Costs | | | Amount |
|---------------------------------------|-----|---------------------------------------|--------------------|
| 270 | 10 | FACILITY PIPE/VALVES/FITTINGS | \$180,000 |
| 270 | 15 | CONTAINMENT | \$0 |
| 270 | 25 | DEHYDRATION | \$0 |
| 270 | 30 | PRIMARY POWER MATERIALS | \$56,000 |
| 270 | 50 | FLOWLINES / PIPELINE / HOOKUP | \$47,000 |
| 270 | 60 | IDS TREATING EQUIPMENT | \$0 |
| 270 | 65 | SEPARATION EQUIPMENT | \$125,000 |
| 270 | 66 | ROAD/LOCATION/FENCING/REPAIRS | \$0 |
| 270 | 75 | PRE-FABRICATED SKIDS | \$0 |
| 270 | 86 | FACILITY SURFACE EQUIPMENT | \$137,000 |
| 270 | 90 | H2S SAFETY SYSTEM | \$4,000 |
| 270 | 100 | CONTROL / INSTRUMENT / METERS / SCADA | \$86,000 |
| 270 | 110 | TANKS & WALKWAYS | \$0 |
| 270 | 130 | MECHANICAL BATTERY BUILD | \$154,000 |
| 270 | 132 | E&C BATTERY BUILD | \$45,000 |
| 270 | 134 | CONTROLS AND SCADA BATTERY BUILD | \$5,000 |
| 270 | 136 | PRIMARY POWER BUILD | \$56,000 |
| 270 | 138 | FLOWLINE INSTALLATION | \$27,000 |
| 270 | 140 | SIGNAGE | \$250 |
| 270 | 125 | TAXES | \$55,674 |
| Total Tangible Facility Costs: | | | \$1,067,924 |

| | |
|-----------------------------|-----------------------|
| Total Drill: | \$4,111,126.79 |
| Total Completion: | \$6,045,445.54 |
| Total Facility: | \$1,198,976.75 |
| Total DC Intangible: | \$8,010,831.04 |
| Total DC Tangible: | \$2,145,741.29 |

Total AFE: \$11,355,549.08

| Intangible Completion Costs | | | Amount |
|---|-----|-------------------------------|--------------------|
| 240 | 5 | ADMINISTRATIVE OVERHEAD | \$8,200 |
| 240 | 10 | CASED HOLE LOGS & SURVEYS | \$6,635 |
| 240 | 15 | CASING CREW & EQPT | \$0 |
| 240 | 20 | COILED TUBING/SNUBBING UNIT | \$194,313 |
| 240 | 25 | COMMUNICATIONS | \$1,896 |
| 240 | 30 | COMPANY DIRECT LABOR | \$0 |
| 240 | 35 | COMPLETION/WORKOVER RIG | \$75,000 |
| 240 | 45 | CONTRACT LABOR/ROUSTABOUTS | \$23,697 |
| 240 | 50 | DAMAGES/RECLAMATION | \$1,896 |
| 240 | 55 | DISPOSAL SERVICES | \$2,844 |
| 240 | 60 | ELECTRICAL POWER/GENERATION | \$0 |
| 240 | 62 | ENGINEERING | \$5,687 |
| 240 | 65 | ENVIRONMENTAL/CLEANUP | \$0 |
| 240 | 70 | FISHING TOOLS / SERVICES | \$0 |
| 240 | 71 | FLUIDS/HAULING/DISPOSAL | \$180,000 |
| 240 | 72 | FRAC WATER/COMPLETION FLUID | \$470,000 |
| 240 | 75 | FUEL, POWER/DIESEL | \$550,000 |
| 240 | 80 | HEALTH & SAFETY | \$4,700 |
| 240 | 85 | HOUSING AND SUPPORT SERVICES | \$14,000 |
| 240 | 90 | MATERIALS & SUPPLIES | \$0 |
| 240 | 95 | MISCELLANEOUS | \$0 |
| 240 | 100 | MUD & CHEMICALS | \$10,000 |
| 240 | 110 | PER/A/T/A COSTS | \$0 |
| 240 | 115 | PERFORATING/WIRELINE SERVICE | \$265,403 |
| 240 | 120 | PIPE INSPECTION | \$0 |
| 240 | 125 | ROAD, LOCATIONS REPAIRS | \$2,000 |
| 240 | 130 | STIMULATION | \$2,610,000 |
| 240 | 135 | SUBSURFACE EQUIPMENTAL RENTAL | \$37,915 |
| 240 | 140 | SUPERVISION | \$90,047 |
| 240 | 145 | SURFACE EQUIP RENTAL | \$189,573 |
| 240 | 150 | TRANSPORTATION/TRUCKING | \$2,844 |
| 240 | 155 | WATER TRANSFER | \$56,872 |
| 240 | 160 | WELDING SERVICES | \$0 |
| 240 | 165 | WELL TESTING/FLOWBACK | \$165,000 |
| 240 | 148 | TAXES | \$273,599 |
| 240 | 40 | CONTINGENCY COSTS 5% | \$248,726 |
| Total Intangible Completion Costs: | | | \$5,495,846 |

| Tangible Completion Costs | | | Amount |
|---|----|-----------------------------------|------------------|
| 245 | 5 | ARTIFICIAL LIFT | \$175,000 |
| 245 | 15 | FLOWLINES | \$20,000 |
| 245 | 25 | FRAC STRING | \$0 |
| 245 | 40 | PACKERS/SLEEVES/PLUGS/GL MANDRELS | \$0 |
| 245 | 45 | PRODUCTION LINER | \$0 |
| 245 | 50 | PRODUCTION PROCESSING FACILITY | \$0 |
| 245 | 55 | PRODUCTION TUBING | \$150,000 |
| 245 | 60 | RODS/PUMPS | \$0 |
| 245 | 65 | SUBSURFACE EQUIPMENT | \$50,000 |
| 245 | 75 | WELLHEAD EQUIPMENT | \$125,000 |
| 245 | 70 | TAXES | \$28,600 |
| Total Tangible Completion Costs: | | | \$518,600 |

| Intangible Facility Costs | | | Amount |
|---|----|-----------------------------|------------------|
| 265 | 5 | CONSULTING | \$18,100 |
| 265 | 12 | COMPANY DIRECT LABOR | \$0 |
| 265 | 20 | DAMAGES/ROW/PERMITS, ETC | \$24,000 |
| 265 | 22 | PAV/ROAD CONSTRUCTION | \$50,000 |
| 265 | 25 | ENGINEERING / SCIENCE | \$22,000 |
| 265 | 40 | HEALTH/SAFETY/ENVIRONMENTAL | \$0 |
| 265 | 45 | CONTRACT LABOR & SERVICES | \$0 |
| 265 | 60 | OVERHEAD | \$3,000 |
| 265 | 80 | SURVEY / PLATS / STAKINGS | \$1,500 |
| 265 | 85 | TRANSPORTATION / TRUCKING | \$0 |
| 265 | 83 | TAXES | \$6,323 |
| 265 | 90 | CONTINGENCY COSTS 5% | \$5,930 |
| Total Intangible Facility Costs: | | | \$117,953 |

Office Use Only:

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS.

Operator: Franklin Mountain Energy 3, LLC
 Approved By:
 Chief Executive Officer

Date: 1/19/2023

WI Owner: _____
 Approved By: _____
 Printed Name: _____

Date: _____
 Title: _____

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR IN...





Franklin Mountain Energy 3, LLC
 44 Cook Street, Suite 1000
 Denver, CO 80206
 Phone: 720-414-7868
 franklinmountainenergy.com

FRANKLIN MOUNTAIN ENERGY
AUTHORITY FOR EXPENDITURE
 Well Name: Eagle Stone Com 501H
 Location: SB #: Sec 3-T19S-R35E 325 FNL 670 FWL
 BHL: Sec 10-T19S-R35E 1220 FSL 800 FWL
 Operator: Franklin Mountain Energy 3, LLC
 Purpose: Drill and complete a 10,000' 2BS well.
 TVD 9,602', MD 19,602'.

Well #: 501H
 County/State: Lea Co., NM
 Date Prepared: 1/19/2023
 AFE #: DCE230114

| Intangible Drilling Costs | | | Amount |
|---|-----|-------------------------------|--------------------|
| 225 | 5 | ADMINISTRATIVE OVERHEAD | \$4,000 |
| 225 | 10 | CASING CREW & EQPT | \$45,000 |
| 225 | 15 | CEMENTING INTERMEDIATE CASING | \$40,000 |
| 225 | 16 | CEMENTING PRODUCTION CASING | \$80,000 |
| 225 | 20 | CEMENTING SURFACE CASING | \$36,000 |
| 225 | 25 | COMMUNICATIONS | \$19,000 |
| 225 | 30 | COMPLETION FLUIDS | \$6,000 |
| 225 | 34 | CONSTRUCTION/LOCATION & ROAD | \$45,000 |
| 225 | 40 | CONTRACT LABOR | \$50,000 |
| 225 | 45 | DAMAGES | \$15,000 |
| 225 | 50 | DAYWORK CONTRACT | \$520,000 |
| 225 | 55 | DRILLING - DIRECTIONAL | \$200,000 |
| 225 | 60 | DRILLING - FOOTAGE | \$90,000 |
| 225 | 65 | DRILLING BITS | \$90,000 |
| 225 | 70 | ELECTRICAL POWER/GENERATION | \$0 |
| 225 | 75 | ENGINEERING | \$20,000 |
| 225 | 80 | ENVIRONMENTAL SERVICES | \$200,000 |
| 225 | 84 | EQUIPMENT RENTAL DOWNHOLE | \$40,000 |
| 225 | 85 | EQUIPMENT RENTAL | \$50,000 |
| 225 | 90 | FISHING TOOLS/SERVICES | \$0 |
| 225 | 95 | HEALTH & SAFETY | \$7,000 |
| 225 | 100 | HOUSING AND SUPPORT SERVICES | \$18,000 |
| 225 | 105 | INSURANCE | \$1,700 |
| 225 | 106 | INSPECTIONS | \$15,000 |
| 225 | 110 | LEGAL, TITLE SERVICES | \$0 |
| 225 | 115 | MATERIALS & SUPPLIES | \$6,000 |
| 225 | 120 | MISCELLANEOUS | \$5,000 |
| 225 | 125 | HOUSE/RAILHOLE/CONDUCT PIPE | \$31,000 |
| 225 | 130 | MUD & CHEMICALS | \$180,000 |
| 225 | 140 | OPEN HOLE LOGGING | \$0 |
| 225 | 141 | CASED HOLE LOGGING | \$0 |
| 225 | 145 | PERMITS, LICENSES, ETC | \$20,000 |
| 225 | 150 | POWER FUEL & WATER HAULING | \$160,000 |
| 225 | 155 | RIG MOVE & RACKING COSTS | \$130,000 |
| 225 | 160 | RIG UP TEAR OUT & STANDBY | \$0 |
| 225 | 163 | SITE RESTORATION | \$10,000 |
| 225 | 165 | STAKING & SURVEYING | \$6,000 |
| 225 | 170 | SUPERVISION | \$71,400 |
| 225 | 175 | SUPERVISION - GEOLOGICAL | \$39,000 |
| 225 | 180 | TRANSPORTATION/TRUCKING | \$20,000 |
| 225 | 178 | TAXES | \$125,131 |
| 225 | 35 | CONTINGENCY COSTS 5% | \$113,755 |
| Total Intangible Drilling Costs: | | | \$2,511,580 |

| Tangible Drilling Costs | | | Amount |
|---------------------------------------|----|-----------------------------------|--------------------|
| 230 | 10 | INTERMEDIATE CASING & ATTACHMENTS | \$173,758 |
| 230 | 20 | PACKERS/SLEEVES/PLUGS | \$66,000 |
| 230 | 25 | PRODUCTION CASING & ATTACHMENTS | \$1,034,380 |
| 230 | 35 | SURFACE CASING & ATTACHMENTS | \$169,740 |
| 230 | 45 | WELLHEAD EQUIPMENT/CASING BOWL | \$70,000 |
| 230 | 40 | TAXES | \$83,263 |
| Total Tangible Drilling Costs: | | | \$1,597,141 |

| Tangible Facility Costs | | | Amount |
|---------------------------------------|-----|---------------------------------------|--------------------|
| 270 | 10 | FACILITY PIPE/WALKWAYS/FITTINGS | \$180,000 |
| 270 | 15 | CONTAINMENT | \$0 |
| 270 | 25 | DEHYDRATION | \$0 |
| 270 | 30 | PRIMARY POWER MATERIALS | \$56,000 |
| 270 | 50 | FLOWLINES / PIPELINE / HOOKUP | \$47,000 |
| 270 | 60 | H2S TREATING EQUIPMENT | \$0 |
| 270 | 65 | SEPARATION EQUIPMENT | \$125,000 |
| 270 | 66 | ROAD/LOCATION/FENCING/REPAIRS | \$0 |
| 270 | 75 | PRE-FABRICATED SKIDS | \$0 |
| 270 | 86 | FACILITY SURFACE EQUIPMENT | \$137,000 |
| 270 | 90 | H2S SAFETY SYSTEM | \$4,000 |
| 270 | 100 | CONTROL / INSTRUMENT / METERS / SCADA | \$85,000 |
| 270 | 110 | TANKS & WALKWAYS | \$90,000 |
| 270 | 130 | MECHANICAL BATTERY BUILD | \$154,000 |
| 270 | 132 | ELC BATTERY BUILD | \$45,000 |
| 270 | 134 | CONTROLS AND SCADA BATTERY BUILD | \$5,000 |
| 270 | 136 | PRIMARY POWER BUILD | \$56,000 |
| 270 | 138 | FLOWLINE INSTALLATION | \$27,000 |
| 270 | 140 | SIGNAGE | \$250 |
| 270 | 125 | TAXES | \$55,674 |
| Total Tangible Facility Costs: | | | \$1,007,954 |

| | |
|---------------------|----------------|
| Total Drill | \$4,111,136.79 |
| Total Completion | \$6,045,443.54 |
| Total Facility | \$1,198,976.75 |
| Total DC Intangible | \$8,010,331.04 |
| Total DC Tangible | \$2,145,741.29 |

Total AFE: \$11,335,348.08

| Intangible Completion Costs | | | Amount |
|---|-----|-------------------------------|--------------------|
| 240 | 5 | ADMINISTRATIVE OVERHEAD | \$8,200 |
| 240 | 10 | CASED HOLE LOGS & SURVEYS | \$6,635 |
| 240 | 15 | CASING CREW & EQPT | \$0 |
| 240 | 20 | COILED TUBING/SNUBBING UNIT | \$194,313 |
| 240 | 25 | COMMUNICATIONS | \$1,896 |
| 240 | 30 | COMPANY DIRECT LABOR | \$0 |
| 240 | 35 | COMPLETION/WORKOVER RIG | \$75,000 |
| 240 | 45 | CONTRACT LABOR/ROUSTABOUTS | \$23,697 |
| 240 | 50 | DAMAGES/RECLAMATION | \$1,896 |
| 240 | 55 | DISPOSAL SOLIDS | \$2,844 |
| 240 | 60 | ELECTRICAL POWER/GENERATION | \$0 |
| 240 | 62 | ENGINEERING | \$5,687 |
| 240 | 65 | ENVIRONMENTAL/CLEANUP | \$0 |
| 240 | 70 | FISHING TOOLS / SERVICES | \$0 |
| 240 | 71 | FLUIDS/HAULING/DISPOSAL | \$180,000 |
| 240 | 72 | FRAC WATER/COMPLETION FLUID | \$470,000 |
| 240 | 75 | FUEL, POWER/DIESEL | \$550,000 |
| 240 | 80 | HEALTH & SAFETY | \$4,700 |
| 240 | 85 | HOUSING AND SUPPORT SERVICES | \$14,000 |
| 240 | 90 | MATERIALS & SUPPLIES | \$0 |
| 240 | 95 | MISCELLANEOUS | \$0 |
| 240 | 100 | MUD & CHEMICALS | \$18,000 |
| 240 | 110 | PERMITS COSTS | \$0 |
| 240 | 115 | PERFORATING/WIRELINE SERVICE | \$265,403 |
| 240 | 120 | PIPE INSPECTION | \$0 |
| 240 | 125 | ROAD, LOCATIONS REPAIRS | \$2,000 |
| 240 | 130 | STIMULATION | \$2,616,000 |
| 240 | 135 | SUBSURFACE EQUIPMENTAL RENTAL | \$37,915 |
| 240 | 140 | SUPERVISION | \$90,047 |
| 240 | 145 | SURFACE EQUIP RENTAL | \$189,573 |
| 240 | 150 | TRANSPORTATION/TRUCKING | \$2,844 |
| 240 | 155 | WATER TRANSFER | \$36,872 |
| 240 | 160 | WELDING SERVICES | \$0 |
| 240 | 165 | WELL TESTING/FLOWBACK | \$165,000 |
| 240 | 148 | TAXES | \$273,599 |
| 240 | 40 | CONTINGENCY COSTS 5% | \$748,726 |
| Total Intangible Completion Costs: | | | \$5,796,340 |

| Tangible Completion Costs | | | Amount |
|---|----|-----------------------------------|------------------|
| 245 | 5 | ARTIFICIAL LIFT | \$175,000 |
| 245 | 15 | FLOWLINES | \$20,000 |
| 245 | 25 | FRAC STRING | \$0 |
| 245 | 40 | PACKERS/SLEEVES/PLUGS/GL MANDRELS | \$0 |
| 245 | 45 | PRODUCTION LINER | \$0 |
| 245 | 50 | PRODUCTION PROCESSING FACILITY | \$0 |
| 245 | 55 | PRODUCTION TUBING | \$150,000 |
| 245 | 60 | RODS/PUMPS | \$0 |
| 245 | 65 | SUBSURFACE EQUIPMENT | \$50,000 |
| 245 | 75 | WELLHEAD EQUIPMENT | \$125,000 |
| 245 | 70 | TAXES | \$28,600 |
| Total Tangible Completion Costs: | | | \$448,600 |

| Intangible Facility Costs | | | Amount |
|---|----|-----------------------------|------------------|
| 265 | 5 | CONSULTING | \$18,100 |
| 265 | 12 | COMPANY DIRECT LABOR | \$0 |
| 265 | 20 | DAMAGES/ROW/PERMITS, ETC | \$24,000 |
| 265 | 22 | PAD/ROAD CONSTRUCTION | \$50,000 |
| 265 | 25 | ENGINEERING / SCIENCE | \$22,000 |
| 265 | 40 | HEALTH/SAFETY/ENVIRONMENTAL | \$0 |
| 265 | 45 | CONTRACT LABOR & SERVICES | \$0 |
| 265 | 60 | OVERHEAD | \$1,000 |
| 265 | 80 | SURVEY / PLATS / STAKINGS | \$1,500 |
| 265 | 85 | TRANSPORTATION / TRUCKING | \$0 |
| 265 | 83 | TAXES | \$6,523 |
| 265 | 10 | CONTINGENCY COSTS 5% | \$5,930 |
| Total Intangible Facility Costs: | | | \$117,053 |

Office Use Only:

THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES. BILLING WILL REFLECT YOUR PROPORTIONATE SHARE OF THE ACTUAL INVOICE COSTS.

Operator: Franklin Mountain Energy 3, LLC
 Approved By: Date: 1/19/2023
 Chief Executive Officer

WI Owner: _____ Date: _____
 Approved By: _____ Title: _____
 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 3, LLC FOR APPROVAL OF NON-STANDARD
SPACING UNIT, AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NOS. 23436

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy 3, LLC, the Applicant herein, declares as follows:

1) The above-referenced Application was provided under notice letters, dated March 14, 2023, and attached hereto, as Exhibit A.

2) Exhibit B is the mailing list, which show the notice letters were delivered to the USPS for mailing on March 14, 2023.

3) Exhibit C is the certified mailing tracking information, which is automatically compiled by CertifiedPro, the software Modrall uses to track the mailings. This spreadsheet shows the names and addresses of the parties to whom notice was sent and the status of the mailing.

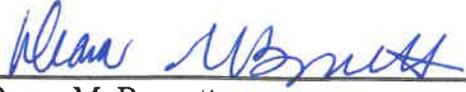
4) On March 20, 2023, notice letters with attached application were mailed to the correct addresses for Marathon Oil Permian LLC and Chevron U.S.A. Inc. via certified mail. Exhibit D is proof of certified mail receipt.

5) Exhibit E is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the April 6, 2023 hearing was published on March 21, 2023.

6) I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.



Dated: April 18, 2023



Deana M. Bennett



MODRALL SPERLING
LAWYERS

March 14, 2023

Deana M. Bennett
505.848.1834
dmb@modrall.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

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

CASE NO. 23436

TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain Energy 3") has filed the enclosed application.

In Case No. 23436, Franklin Mountain Energy 3 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.

The hearing will be conducted remotely on April 6, 2023 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. This hearing is subject to continuance by the Division to a subsequent docket date.

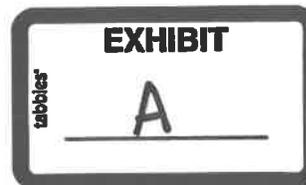
As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case,

Modrall Spierling
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

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 this 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

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

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

CASE NO. 23436

APPLICATION

Franklin Mountain Energy 3, LLC (“Franklin”), OGRID Number 331595, 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 (1) approving a non-standard spacing unit, 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/4SW/4 of Section 10, Township 19 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 W/2W/2 of Section 3 and W/2NW/4 and the NW/4SW/4 of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico to form a 280-acre, more or less, Bone Spring horizontal spacing unit.
3. Franklin plans to drill the **Eagle State Com 301H and the Eagle State Com 501H** wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells is expected to be orthodox.

4. Franklin 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 wells or to otherwise commit their interests to the wells.

5. Approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

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, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on April 6, 2023 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 the W/2W/2 of Section 3 and W/2NW/4 and the NW/4SW/4 of Section 10, Township 19 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.

By: /s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Attorneys for Applicant

CASE NO. 23436 : Application of Franklin Mountain Energy 3, LLC for Approval of a Non-Standard Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant 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.

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL
03/14/2023

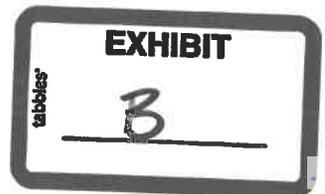
Firm Mailing Book ID: 242739

| Line | USPS Article Number | Name, Street, City, State, Zip | Postage | Service Fee | RR Fee | Rest.Del.Fee | Reference Contents |
|------|-----------------------------|--|---------|-------------|--------|--------------|---------------------------|
| 1 | 9314 8699 0430 0105 4799 65 | CHEVRON U.S.A. INC. PO BOX 1150 MIDLAND TX 79702 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 2 | 9314 8699 0430 0105 4799 72 | FRANKLIN MOUNTAIN ENERGY 3, LLC 44 COOK STREET SUITE 1000 DENVER CO 80206 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 3 | 9314 8699 0430 0105 4799 89 | J.T. JACKSON AND ASSOCIATES 2302 SIERRA VISTA DRIVE ARTESIA NM 88210 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 4 | 9314 8699 0430 0105 4799 96 | JAMES E. GUY AND PEGGY J. GUY, AS TRUSTEES OF PJ Guy Family Trust of 12-14-96 2302 SIERRA VISTA DRIVE ARTESIA NM 88210 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 5 | 9314 8699 0430 0105 4800 08 | JOHN F. DORN POSSIBLE HEIR TO THE Estate of Dale H. Dorn 3424 ELLA LEE LANE HOUSTON TX 77027 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 6 | 9314 8699 0430 0105 4800 15 | JOHN F. DORN POSSIBLE HEIR TO THE ESTATE OF Martha Dorn Bird 3424 ELLA LEE LANE HOUSTON TX 77027 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 7 | 9314 8699 0430 0105 4800 22 | JOHN F. DORN POSSIBLE HEIR TO THE ESTATE OF WILLIAM DORN MILLER 3424 ELLA LEE LANE HOUSTON TX 77027 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 8 | 9314 8699 0430 0105 4800 39 | MARATHON OIL PERMIAN LLC 555 SAN FELIPE STREET HOUSTON TX 77056 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 9 | 9314 8699 0430 0105 4800 46 | Richard W. Schelin, Successor Trustee, Forest Oil Corporation Royalty Program 5587 SOUTH KIRK COURT Centennial CO 80015 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 10 | 9314 8699 0430 0105 4800 53 | STATE OF NEW MEXICO, BY AND THROUGH ITS Commissioner of Public Lands PO BOX 1148 SANTA FE NM 87540 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| | 9314 8699 0430 0105 4800 60 | TOREADOR ROYALTY CORPORATION 400 NORTH ST. PAUL NO. 730 DALLAS TX 75201 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| | 9314 8699 0430 0105 4800 77 | TRIPLE T RESOURCES LP 4809 COLE AVENUE SUITE 108 DALLAS TX 75205 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |

OCD Examiner Hearing 4/20/23

No. 23436

38



PS Form 3877

Type of Mailing: CERTIFIED MAIL
03/14/2023

Firm Mailing Book ID: 242739

Karlene Schuman
Modrall Spering 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 |
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| 13 | 9314 8699 0430 0105 4800 84 | WILLIAM J. MCCAW PO BOX 378 ARTESIA NM 88211 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 14 | 9314 8699 0430 0105 4800 91 | CAROL JACOBS COMEY 1081 JADE COVE OAK POINT TX 75068 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 15 | 9314 8699 0430 0105 4801 07 | CROWN OIL PARTNERS VI, LLC PO BOX 50820 MIDLAND TX 79710 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 16 | 9314 8699 0430 0105 4801 14 | LAURIE LYNN JACOBS 15796 I & GN ROAD College Station TX 77845 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 17 | 9314 8699 0430 0105 4801 21 | MARGARET L. SCOTT 2837 WESTVIEW TRAIL PARK CITY UT 84098 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 18 | 9314 8699 0430 0105 4801 38 | NORTHERN OIL AND GAS, INC. 4350 BAKER ROAD, SUITE400 MINNETONKA MN 55343 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 19 | 9314 8699 0430 0105 4801 45 | OCCIDENTAL PETROLEUM CORPORATION 5 GREENWAY PLAZA HOUSTON TX 77046 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 20 | 9314 8699 0430 0105 4801 52 | UNITED STATES OF AMERICA 100 SUN AVENUE, NE ALBUQUERQUE NM 87109 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| 21 | 9314 8699 0430 0105 4801 69 | XTO HOLDINGS, LLC 810 HOUSTON STREET FORT WORTH TX 76102 | \$1.74 | \$4.15 | \$2.10 | \$0.00 | 10154.0001.501H Notice |
| Totals: | | | \$36.54 | \$87.15 | \$44.10 | \$0.00 | \$167.79 |



List Number of Pieces Received at Post Office: 21
 Postmaster: [Signature]
 Name of receiving employee: [Signature]
 Dated: [Signature]

Transaction Report Details - CertifiedPro.net
Firm Mail Book ID= 242739
Generated: 4/13/2023 2:08:35 PM

| USPS Article Number | Date Created | Reference Number | Name 1 | Name 2 | City | State | Zip | Mailing Status | Service Options | Mail Delivery Date |
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| 93148699043001054800152 | 2023-03-14 2:09 PM | 10154.0001.501H | UNITED STATES OF AMERICA | | ALBUQUERQUE | NM | 87109 | Undelivered - To Be Returned | Return Receipt - Electronic, Certified Mail | |
| 93148699043001054800145 | 2023-03-14 2:09 PM | 10154.0001.501H | OCCIDENTAL PETROLEUM CORPORATION | | HOUSTON | TX | 77046 | Delivered | Return Receipt - Electronic, Certified Mail | 2023-03-17 12:00 AM |
| 93148699043001054800138 | 2023-03-14 2:09 PM | 10154.0001.501H | NORTHERN OIL AND GAS, INC. | | MINNETONKA | MIN | 55343 | Delivered | Return Receipt - Electronic, Certified Mail | |
| 93148699043001054800121 | 2023-03-14 2:09 PM | 10154.0001.501H | MARGARET L. SCOTT | | PARK CITY | UT | 84098 | Undelivered | Return Receipt - Electronic, Certified Mail | |
| 93148699043001054800114 | 2023-03-14 2:09 PM | 10154.0001.501H | LAURIE LYNN JACOBS | | College Station | TX | 77845 | To be Mailed | Return Receipt - Electronic, Certified Mail | |
| 93148699043001054800107 | 2023-03-14 2:09 PM | 10154.0001.501H | CROWN OIL PARTNERS VI, LLC | | MIDLAND | TX | 79710 | Delivered | Return Receipt - Electronic, Certified Mail | 2023-03-16 12:00 AM |
| 93148699043001054800091 | 2023-03-14 2:09 PM | 10154.0001.501H | CAROL JACOBS COMEY | | OAK POINT | TX | 75068 | Undelivered | Return Receipt - Electronic, Certified Mail | |
| 93148699043001054800084 | 2023-03-14 2:09 PM | 10154.0001.501H | WILLIAM J. MCCAW | | ARTESIA | NM | 88211 | Delivered | Return Receipt - Electronic, Certified Mail | 2023-03-17 10:06 AM |
| 93148699043001054800077 | 2023-03-14 2:09 PM | 10154.0001.501H | TRIPLE T RESOURCES LP | | DALLAS | TX | 75205 | Delivered | Return Receipt - Electronic, Certified Mail | 2023-03-17 12:00 AM |
| 93148699043001054800050 | 2023-03-14 2:09 PM | 10154.0001.501H | TOREADOR ROYALTY CORPORATION | | DALLAS | TX | 75201 | Undelivered | Return Receipt - Electronic, Certified Mail | |
| 93148699043001054800046 | 2023-03-14 2:09 PM | 10154.0001.501H | STATE OF NEW MEXICO, BY AND THROUGH ITS | Commissioner of Public Lands | SANTA FE | NM | 87540 | Delivered | Return Receipt - Electronic, Certified Mail | 2023-03-20 12:00 AM |
| 93148699043001054800039 | 2023-03-14 2:09 PM | 10154.0001.501H | Richard W. Schelth, Successor Trustee, Forest Oil | Corporation Royalty Program | Centennial | CO | 80015 | Undelivered | Return Receipt - Electronic, Certified Mail | |
| 93148699043001054800022 | 2023-03-14 2:09 PM | 10154.0001.501H | MARATHON OIL PERMIAN LLC | | HOUSTON | TX | 77056 | Undelivered - To Be Returned | Return Receipt - Electronic, Certified Mail | |
| 93148699043001054800015 | 2023-03-14 2:09 PM | 10154.0001.501H | JOHN F. DORN POSSIBLE HEIR TO THE ESTATE OF | WILLIAM DORN MILLER | HOUSTON | TX | 77027 | Delivered | Return Receipt - Electronic, Certified Mail | 2023-03-18 12:00 AM |
| 93148699043001054800008 | 2023-03-14 2:09 PM | 10154.0001.501H | JOHN F. DORN POSSIBLE HEIR TO THE ESTATE OF | Martha Dorn Bird | HOUSTON | TX | 77027 | Delivered | Return Receipt - Electronic, Certified Mail | 2023-03-18 12:00 AM |
| 93148699043001054799996 | 2023-03-14 2:09 PM | 10154.0001.501H | JOHN F. DORN POSSIBLE HEIR TO THE | Estate of Dale H. Dorn | HOUSTON | TX | 77027 | Delivered | Return Receipt - Electronic, Certified Mail | 2023-03-18 12:00 AM |
| 93148699043001054799889 | 2023-03-14 2:09 PM | 10154.0001.501H | JAMES E. GUY AND PEGGY J. GUY, AS TRUSTEES OF | PI Guy Family Trust of 12-34-96 | ARTESIA | NM | 88210 | Delivered | Return Receipt - Electronic, Certified Mail | 2023-03-23 2:08 PM |
| 93148699043001054799872 | 2023-03-14 2:09 PM | 10154.0001.501H | J.T. JACKSON AND ASSOCIATES | | ARTESIA | NM | 88210 | Delivered | Return Receipt - Electronic, Certified Mail | 2023-03-20 12:00 AM |
| 93148699043001054799605 | 2023-03-14 2:09 PM | 10154.0001.501H | FRANKLIN MOUNTAIN ENERGY 3, LLC | | DENVER | CO | 80206 | Delivered | Return Receipt - Electronic, Certified Mail | 2023-03-21 12:30 PM |
| 93148699043001054799605 | 2023-03-14 2:09 PM | 10154.0001.501H | CHEVRON U.S.A. INC. | | MIDLAND | TX | 79702 | Undelivered - To Be Returned | Return Receipt - Electronic, Certified Mail | |



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron Midcontinent
6301 Deauville Blvd
Midland, TX 79706



9590 9402 7578 2098 8555 89

7017 0190 0000 7530 6428

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent Addressee
[Signature]
- B. Received by (Printed Name) *Paul Allen*
- C. Date of Delivery *4-18-23*
- D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chevron Midcontinent
6301 Deauville Blvd
Midland, TX 79706



9590 9402 7578 2098 8555 72

7017 0190 0000 7530 6404

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent Addressee
[Signature]
- B. Received by (Printed Name) *Paul Allen*
- C. Date of Delivery *4-18-23*
- D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Marathon Oil Permian LLC
990 Town and Country Blvd.
Houston, TX 77024



9590 9402 7578 2098 8555 96

7017 0190 0000 7530 6411

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

- A. Signature Agent Addressee
[Signature]
- B. Received by (Printed Name) *Marathon* / Date of Delivery *4/3/23*
- D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery



USPS TRACKING#
 NORTH WILMINGTON TX 772
 7 APR 2023 PM 3 L
 9590 9402 7578 2098 8555 89

First-Class Mail
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 USPS
 Permit No. G-10

United States
 Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box®

Modrall Law Firm
 P.O. Box 2168
 Albuquerque, NM 87103

77103-216868 *Attn: Deana Bennett*

USPS TRACKING#
 NORTH WILMINGTON TX 772
 7 APR 2023 PM 3 L
 9590 9402 7578 2098 8555 72

First-Class Mail
 Postage & Fees Paid
 USPS
 Permit No. G-10

United States
 Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box®

Modrall Law Firm
 P.O. Box 2168
 Albuquerque, NM 87103

-216868 *Attn: Deana Bennett*

USPS TRACKING#
 NORTH WILMINGTON TX 772
 9590 9402 7578 2098 8555 96

First-Class Mail
 Postage & Fees Paid
 USPS
 Permit No. G-10

United States
 Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box®

Modrall Law Firm
 P.O. Box 2168
 Albuquerque, NM 87103

Attn: Deana Bennett

LEGAL NOTICE
March 21, 2023

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

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

Beginning with the issue dated
March 21, 2023
and ending with the issue dated
March 21, 2023.



Publisher

Sworn and subscribed to before me this
21st day of March 2023.



Business Manager

My commission expires
January 2024
STATE OF NEW MEXICO
(Seal) NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

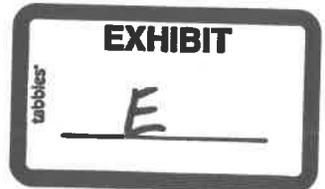
This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

CASE NO. 23436: Notice to all affected parties, as well as heirs and devisees of: Chevron U.S.A. Inc.; J.T. Jackson and Associates; James E. Guy and Peggy J. Guy, as Trustees of the PJ Guy Family Trust Under Trust Agreement dated December 14, 1996; John F. Dorn, possible heir to the Estate of Dale H. Dorn; John F. Dorn, possible heir to the Estate of Martha Dorn Bird; John F. Dorn, possible heir to the Estate of William Dorn Miller; Marathon Oil Permian LLC; Richard W. Schellin, Successor Trustee, Forest Oil Corporation Executive/Employee Overriding Royalty Program; State of New Mexico, by and through its Commissioner of Public Lands; Toreador Royalty Corporation; Triple T Resources LP; William J. McCaw; Carol Jacobs Comey; Crown Oil Partners VI, LLC; Laurie Lynn Jacobs; Margaret L. Scott; Northern Oil and Gas, Inc.; Occidental Petroleum Corporation; Phillip S. Jacobs; United States of America; and XTO Holdings, LLC Application of Franklin Mountain Energy 3, LLC for Approval of a Non-Standard Spacing Unit and 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 6, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emrd.nm.gov/oecd/hearing-info/>. This hearing is subject to continuance by the Division to a subsequent docket date. Applicant 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.

CASE NO. 23437: Notice to all affected parties, as well as heirs and devisees of: Carol Jacobs Comey; Chevron U.S.A. Inc.; Crown Oil Partners VI, LLC; Estate of William A Kolliker; John T. Echols; Katherine K. McIntyre; Laurie Lynn Jacobs; Margaret L. Scott; Northern Oil and Gas, Inc.; Occidental Petroleum Corporation; Phillip S. Jacobs; Rowan Family Minerals, LLC; State of New Mexico, by and through its Commissioner of Public Lands; United States of America; William Dow Schauer, possible heir to the Estate of Hiram M. Dow; XTO Holdings, LLC, of the Application of Franklin Mountain Energy 3, LLC for Approval of a Non-Standard Spacing Unit and 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 6, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emrd.nm.gov/oecd/hearing-info/>. This hearing is subject to continuance by the Division to a subsequent docket date. Applicant seeks an order from the Division (1) approving a non-standard spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 and W/2E/2 of Sections 3 and 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 303H well, to be horizontally drilled. The producing area for the well is expected to be orthodox. The completed interval for the Eagle State Com 303H well 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 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.

CASE NO. 23439: Notice to all affected parties, as well as heirs and devisees of: Chevron U.S.A. Inc.; J.T. Jackson and Associates; James E. Guy and Peggy J. Guy, as Trustees of the PJ Guy Family Trust Under Trust Agreement dated December 14, 1996; JKM Energy, LLC; John F. Dorn, possible heir to the Estate of Dale H. Dorn; John F. Dorn, possible heir to the Estate of Martha Dorn Bird; John F. Dorn, possible heir to the Estate of William Dorn Miller; Marathon Oil Permian LLC; Occidental Petroleum Corporation; Richard W. Schellin, Successor Trustee Forest Oil Corporation Executive/Employee Overriding Royalty Program; State of New Mexico by and through its Commissioner of Public Lands; Toreador Royalty Corporation; Triple Resources LP; William J. McCaw, of the Application of Franklin Mountain Energy 3, LLC for Approval of a Non-Standard Spacing Unit, Compulsory Pooling, and Notice of Overlapping Spacing Units, 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 6, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emrd.nm.gov/oecd/hearing-info/>. This hearing is subject to continuance by the Division to a subsequent docket date. Applicant seeks an order from the Division (1) approving a non-standard spacing unit, and (2) pooling all uncommitted mineral interests within a 660-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.

CASE NO. 23440: Notice to all affected parties, as well as heirs and devisees of: Carol Jacobs Comey; Chevron U.S.A. Inc.; Crown Oil Partners VI, LLC; Estate of William A Kolliker; John T. Echols; Katherine K. McIntyre; Laurie Lynn Jacobs; Margaret L. Scott; Northern Oil and Gas, Inc.; Occidental Petroleum Corporation; Phillip S. Jacobs; Rowan Family Minerals, LLC; State of New Mexico, by and through its Commissioner of Public Lands; United States of America; William Dow Schauer, possible heir to the Estate of Hiram M. Dow; XTO Holdings, LLC, of the Application of Franklin Mountain Energy 3, LLC for Approval of a Non-Standard Spacing Unit and 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 6, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at <https://www.emrd.nm.gov/oecd/hearing-info/>. This hearing is subject to continuance by the Division to a subsequent docket date. Applicant seeks an order from the Division (1) approving a non-standard spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 and W/2E/2 of Sections 3 and 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 703H well, to be horizontally drilled. The producing area for the well is expected to be orthodox. The completed interval for the Eagle State Com 703H 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.
#00276838



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

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

CASE NO. 23436

SELF AFFIRMED DECLARATION OF BEN KESSEL

Ben Kessel hereby states and declares as follows:

1. I am over the age of 18, I am a geologist for Franklin Mountain Energy 3, LLC (“FME3”), 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 FME3 includes the area of Lea County in New Mexico.
3. I am familiar with the application filed by FME3 in this case.
4. **Exhibit C.1** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.
5. **Exhibit C.2** is a wellbore schematic showing FME3’s development plan.
6. **Exhibit C.3** through **Exhibit C.6** are the geology study I prepared for the **Eagle State Com 301H well**, which will target the First Bone Spring.
7. **Exhibit C.3** is a structure map of the First Bone Spring formation. The proposed spacing unit is identified by a blue box. The Eagle State Com 301H well proposed in this case is identified by the black-dashed line. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.



8. **Exhibit C.4** is a cross-section reference map that identifies five wells in the vicinity of the proposed Eagle State Com 301H well, shown by a line of cross-section running from A to A'.

9. **Exhibit C.5** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the First Bone Spring formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified where the proposed wells fall within the wells I used for the cross-section.

10. In my opinion, the gross interval thickness for the First Bone Spring formation increases to the southeast.

11. **Exhibit C.6** is an Isopach map of the First Bone Spring formation. The gross interval thickness increases to the southeast.

12. **Exhibit C.7** through **Exhibit C.11** are the geology study I prepared for the **Eagle State Com 501H** well, which will target the Second Bone Spring formation.

13. **Exhibit C.7** is a structure map of the Second Bone Spring formation. The proposed spacing unit is identified by a blue box. The Eagle State Com 501H well proposed in this case is identified by the black-dashed line. The contour interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the southwest.

14. **Exhibit C.8** is a cross-section reference map that identifies five wells in the vicinity of the proposed Eagle State Com 501H well, shown by a line of cross-section running from A to A'.

15. **Exhibit C.9** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Second Bone Spring formation in the area. The target

zone is identified by a bracket and the words "Producing Interval". I have also identified where the proposed well falls within the wells I used for the cross-section.

16. In my opinion, the gross interval thickness for the Second Bone Spring formation increases to the south.

17. **Exhibit C.10** is an Isopach map of the Second Bone Spring formation. The gross interval thickness increases slightly to the south.

18. I conclude from the geology studies referenced above 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.

19. **Exhibit C.11** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.

20. The preferred well orientation in this area is either north/south or south/north, nearly orthogonal to S_{Hmax} , optimal for induced fracture propagation. This is because the S_{Hmax} is at approximately 255 degrees ENE in this area of Lea County.

21. In my opinion, the granting of FME3's application is in the interests of conservation and the prevention of waste.

22. The attachments to this declaration were prepared by me, or compiled from company business records, or were prepared at my direction.

[Signature page follows]

I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: April 18, 2023



Ben Kessel



Eagle State Com 301H & 501H

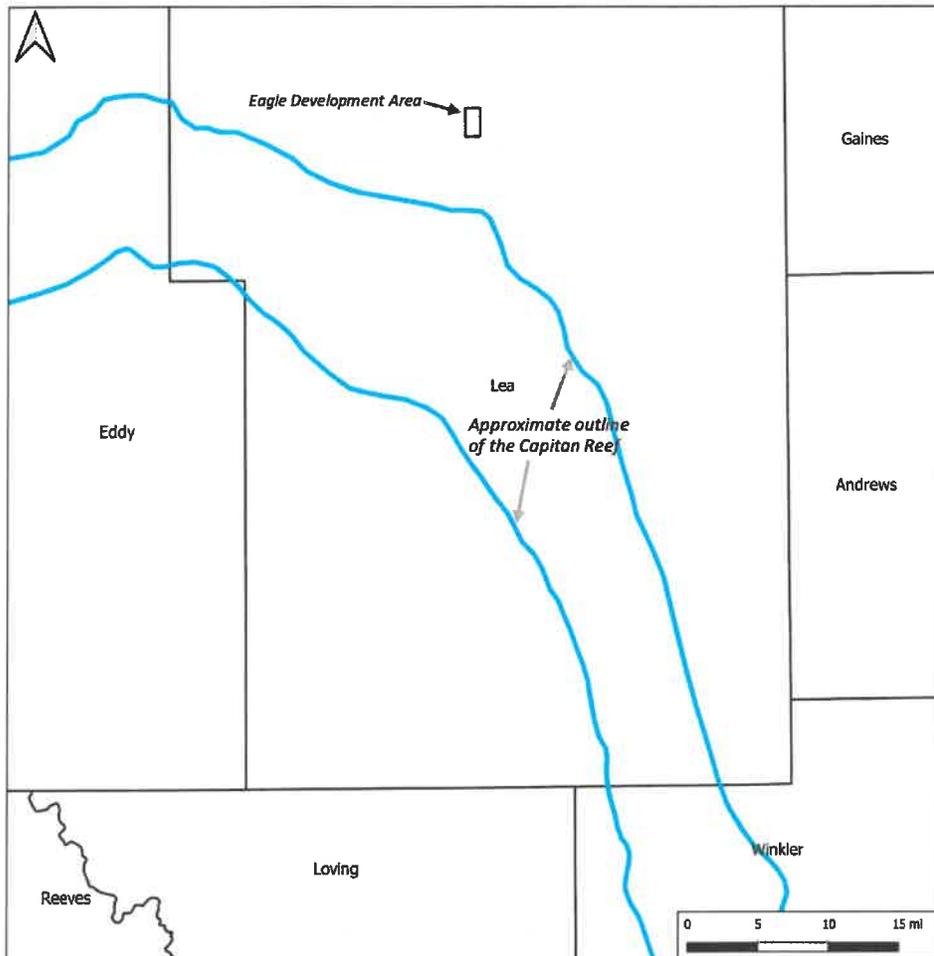
Case No. 23436

Bone Spring



Eagle Development

Locator Map



- Black box shows the location of Eagle development area
- Planned wells are located outside of 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

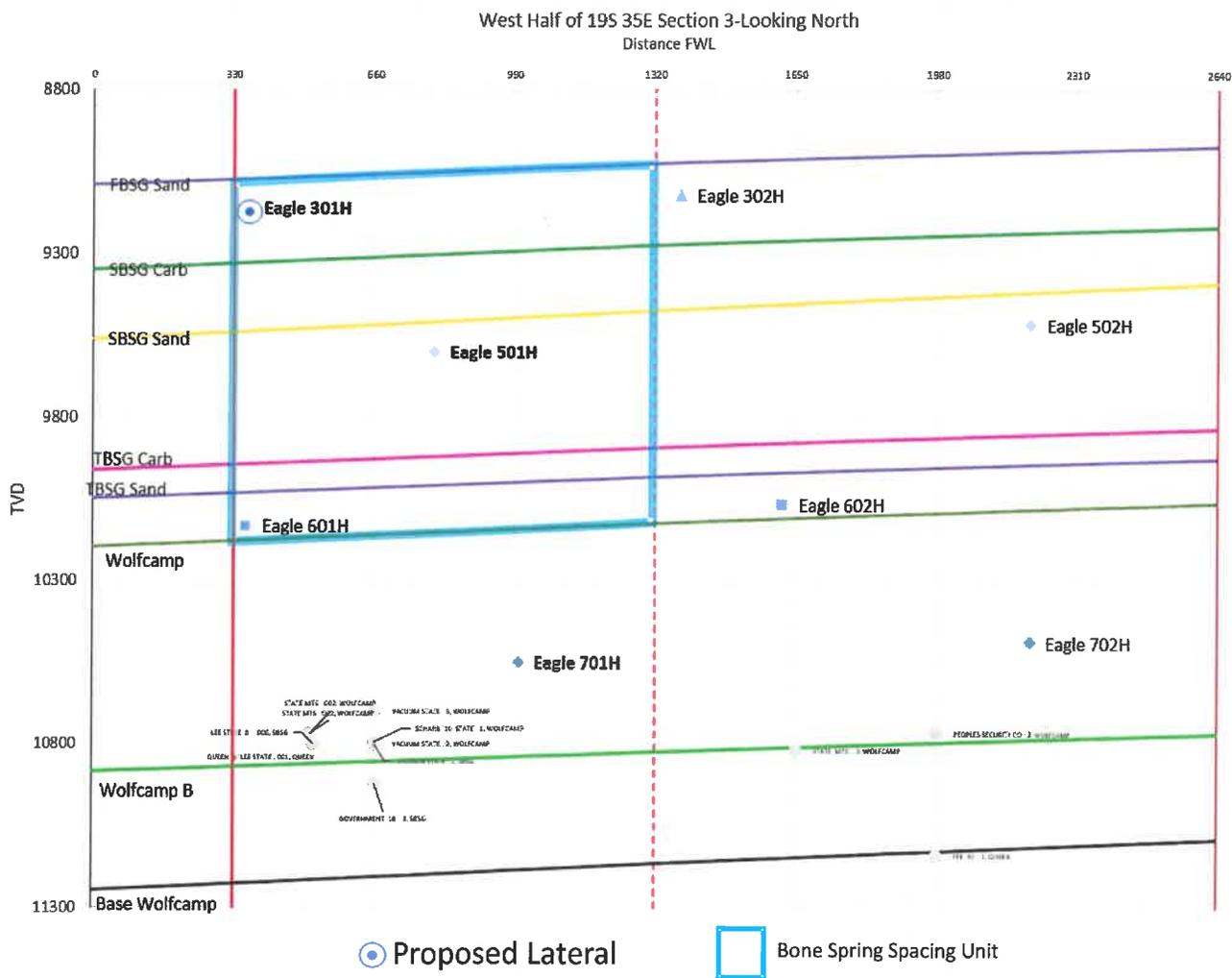
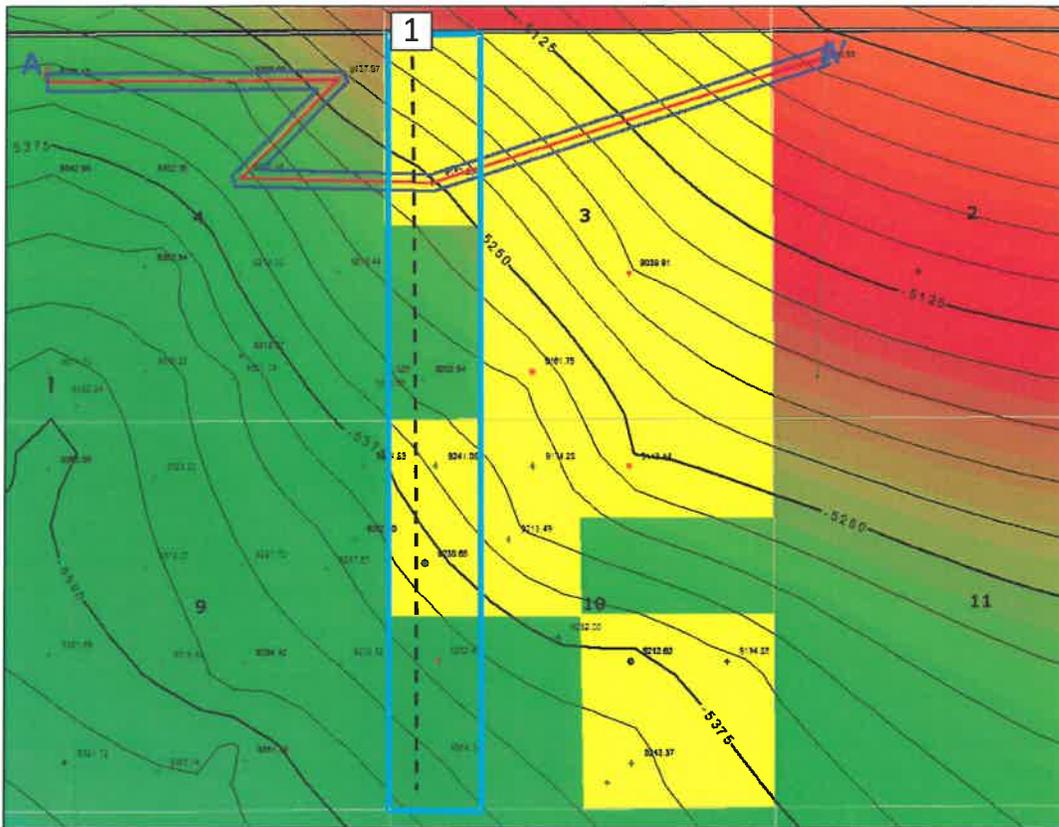


EXHIBIT
C-2

FBSG Structure



-  Franklin Mountain Acreage
-  Bone Spring Spacing Unit

Proposed Horizontal Location

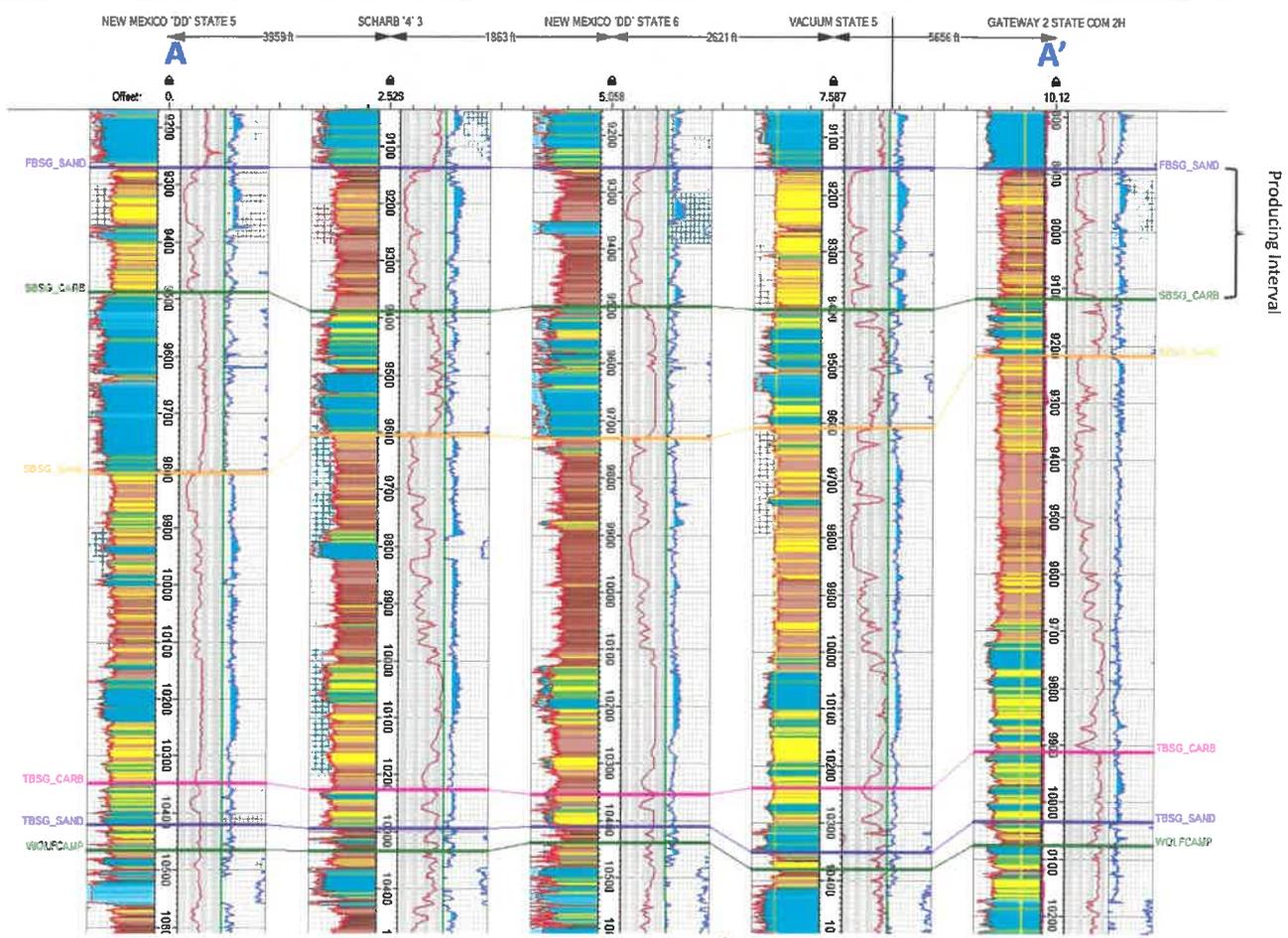
1 Eagle State Com 301H

All wells shown

1 mile



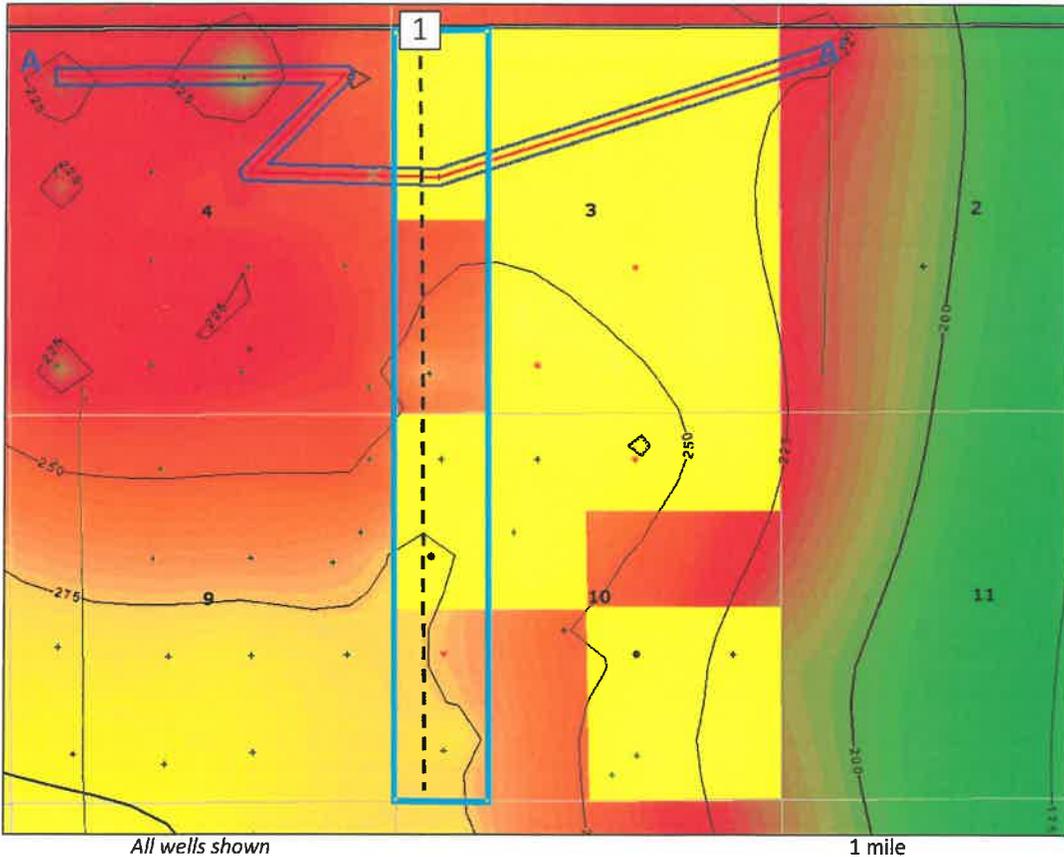
FBSG Cross Section



301H



FBSG Isopach



- Franklin Mountain Acreage
- Bone Spring Spacing Unit

Proposed Horizontal Location

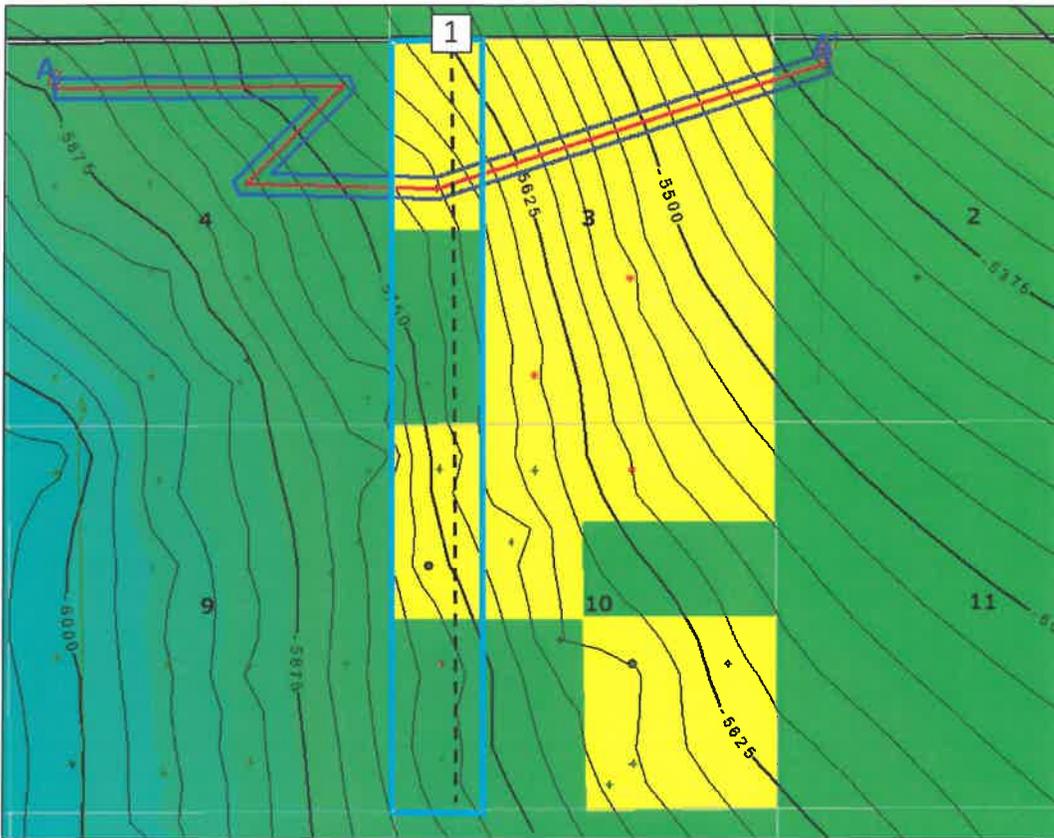
1 Eagle State Com 301H

All wells shown

1 mile



SBSG Structure



All wells shown

1 mile

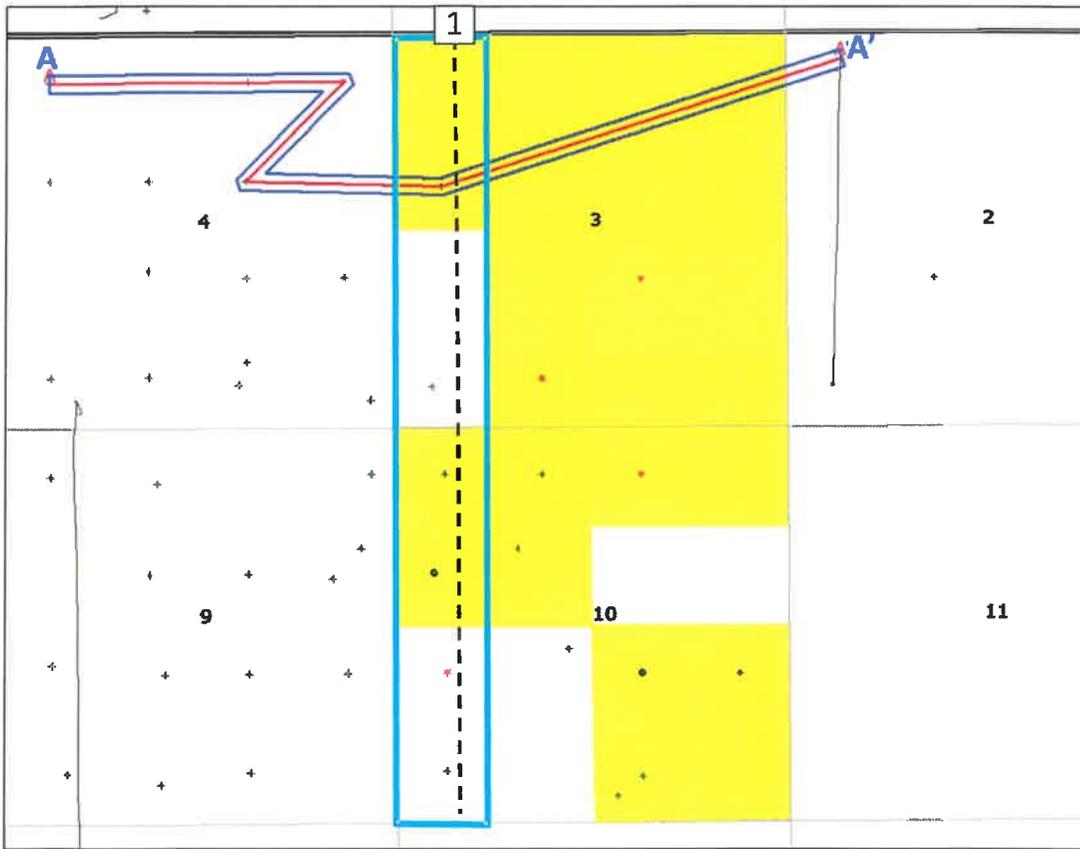
-  Franklin Mountain Acreage
-  Bone Spring Spacing Unit

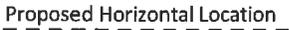
Proposed Horizontal Location

1 Eagle State Com 501H



Cross Section Reference Map



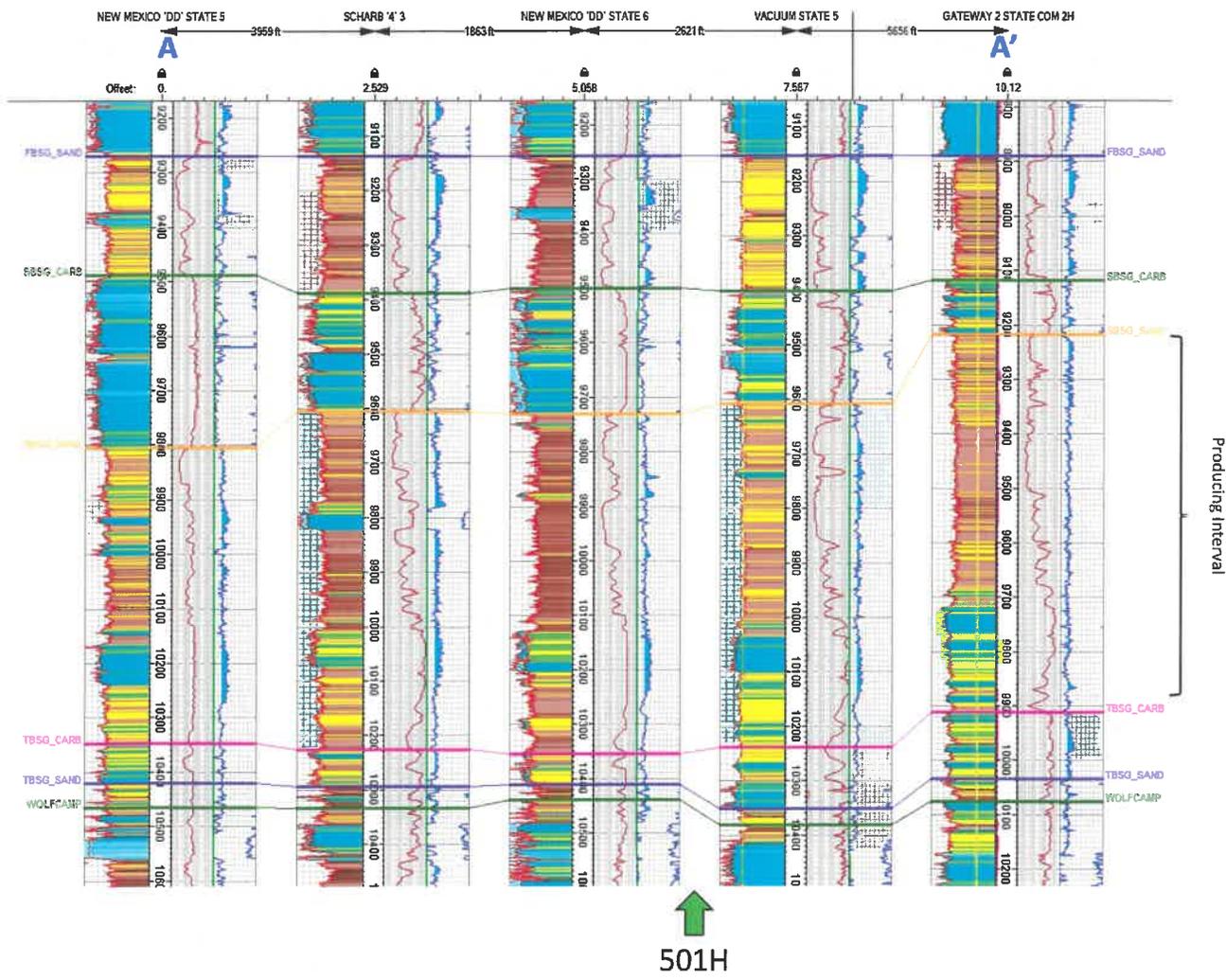
-  Franklin Mountain Acreage
-  Bone Spring Spacing Unit
-  Proposed Horizontal Location
-  Eagle State Com 501H

All wells shown

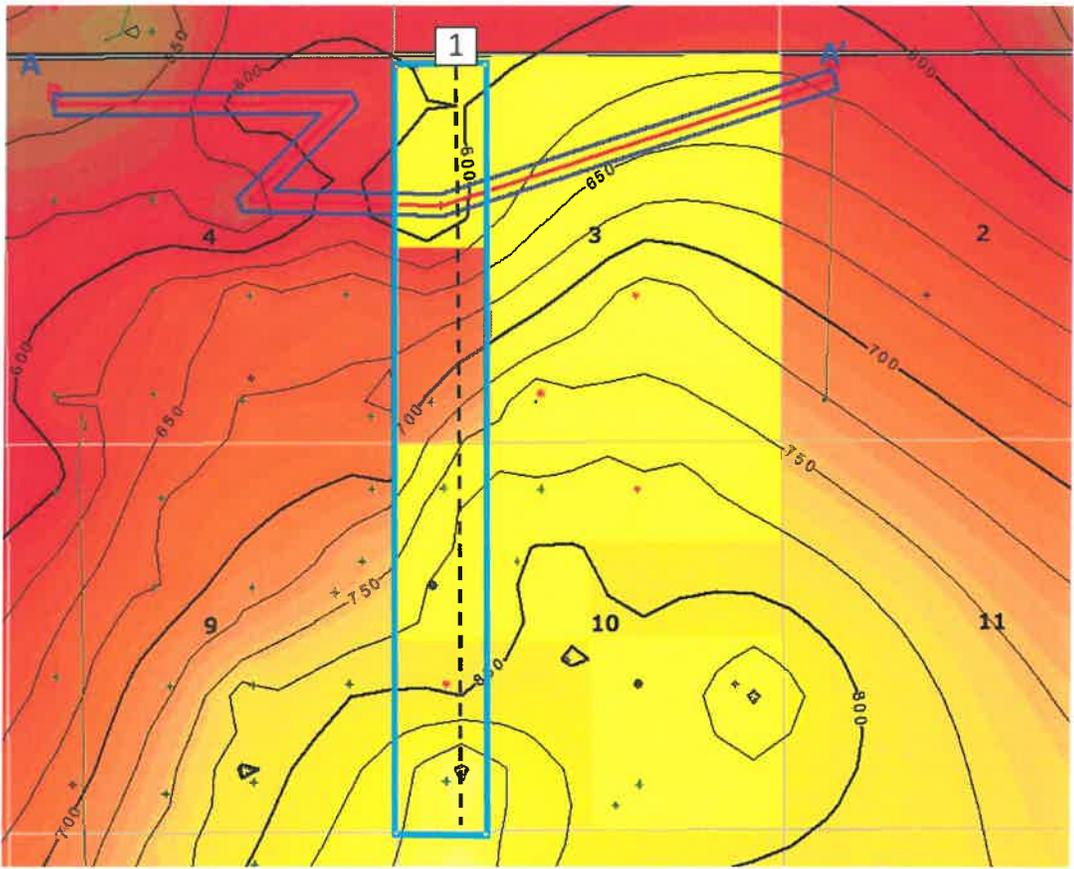
1 mile



SBSG Cross Section



SBSG Sand Isopach



- Franklin Mountain Acreage
- Bone Spring Spacing Unit

Proposed Horizontal Location

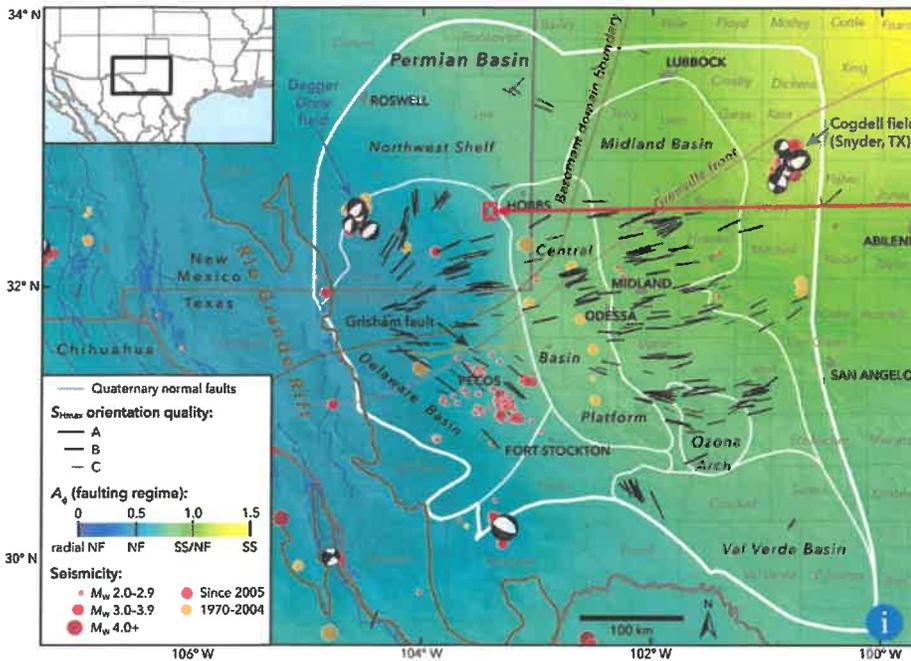
1 Eagle State Com 501H

All wells shown

1 mile



Regional Stress



- Red box shows the approximate location of the Eagle development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 255°
- The Eagle State Com 301H and 501H wells are 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/MobilePagedArticle.action?articleId=1331603#articleId1331603

