

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

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24103

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR COMPULSORY POOLING,
AND, TO THE EXTENT NECESSARY, APPROVAL OF AN
OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24104

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24105

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24106

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24107

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24108

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR COMPULSORY POOLING,
AND, TO THE EXTENT NECESSARY, APPROVAL OF AN
OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24109

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
Yarithza Peña
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. 24103, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.68-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2 E/2 of Section 33, Township 18 South, Range 35 East, and Lot 1, the SE/4 NE/4 and E/2 SE/4 of Section 4 (E/2 E/2 equivalent), Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Alpha State Com 704H and Alpha State Com 804H wells**, to be horizontally drilled. The producing area for the wells are 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 16 miles west of Hobbs, New Mexico.

In Case No. 24104, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.70-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 W/2 of Section 33, Township 18 South, Range 35 East, and Lot 3, the SE/4 NW/4 and E/2 SW/4 of Section 4 (E/2 W/2 equivalent), Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the **Alpha State Com 302H, Alpha State Com 502H, and Alpha State Com 602H wells**, to be horizontally drilled. The producing area for the wells are expected to be orthodox. The proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing unit:

- A 160-acre horizontal spacing unit comprised of the E2W2 of Section 33 dedicated to Franklin Mountain's Ironhouse 33 NC State Com #001H well (API 30-025-40868).

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 16 miles west of Hobbs, New Mexico.

In Case No. 24105, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.69-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 E/2 of Section 33, Township 18 South, Range 35 East, and Lot 2, the SW/4 NE/4 and W/2 SE/4 of Section 4 (W/2 E/2 equivalent), Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Alpha State Com 703H and Alpha State Com 803H wells**, to be horizontally drilled. The producing area for the wells are 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 16 miles west of Hobbs, New Mexico.

In Case No. 24106, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.70-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2 W/2 of Section 33, Township 18 South, Range 35 East, and Lot 3, the SE/4 NW/4 and E/2 SW/4 of Section 4 (E/2 W/2 equivalent), Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Alpha State Com 702H and Alpha State Com 802H wells**, to be horizontally drilled. The producing area for the wells are 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 16 miles west of Hobbs, New Mexico.

In Case No. 24107, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.69-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2 E/2 of Section 33, Township 18 South, Range 35 East, and Lot 2, the SW/4 NE/4 and W/2 SE/4 of Section 4 (W/2 E/2 equivalent), Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Alpha State Com 303H, Alpha State Com 503H, and Alpha State Com 603H wells**, to be horizontally drilled. The producing area for the wells are 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 16 miles west of Hobbs, New Mexico.

In Case No. 24108, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.70-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2 W/2 of Section 33, Township 18 South, Range 35 East, and Lot 4, the SW/4 NW/4 and W/2 SW/4 of Section 4 (W/2 W/2 equivalent), Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Alpha State Com 301H, Alpha State Com 501H, and Alpha State Com 601H wells**, to be horizontally drilled. The producing area for the wells are 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 16 miles west of Hobbs, New Mexico.

In Case No. 24109, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.70-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 W/2 of Section 33, Township 18 South, Range 35 East, and Lot 4, the SW/4 NW/4 and W/2 SW/4 of Section 4 (W/2 W/2 equivalent), Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the **Alpha State Com 701H and Alpha State Com 801H wells**, to be horizontally drilled. The producing area for the wells are expected to be orthodox. The proposed horizontal spacing unit will partially overlap the following existing Wolfcamp spacing units:

- A 80-acre vertical well spacing unit comprised of Unit E in Section 4, dedicated to G and C Operating, LLC's New Mexico DD State #002 well (API 30-025-27663)
- A 320-acre horizontal spacing comprised of the SW/SW of Section 4 dedicated to Franklin Mountain's Cable 19 35 9 State Com #001H well (API 30-025-46140).

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 16 miles west of Hobbs, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Don Johnson	Approx. 10 minutes	Approx. 10
Geologist: Ben Kessel	Approx. 10 minutes	Approx. 15

PROCEDURAL ISSUES

To date, no party has entered an appearance nor is there any expected opposition to this case 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
Earl E. DeBrine
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Deana.Bennett@modrall.com
eed@modrall.com
yarithza.pena@modrall.com

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 Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS

Action 297769

QUESTIONS

Operator: Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206	OGRID: 331595
	Action Number: 297769
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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