

Before the Oil Conservation Division Examiner Hearing Jan 18th, 2024 Compulsory Pooling

Case No. 24108: Alpha State Com 301H

Alpha State Com 501H

Alpha State Com 601H

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

IN THE MATTER OF THE APPLICATION OF

FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPUSLORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24108

TABLE OF CONTENTS

Tab A: Compulsory Pooling Checklist

Tab B: Affidavit of Don Johnson, Land Professional

- Exhibit B.1: Application for Case No. 24108
- Exhibit B.2: C-102s
- Exhibit B.3: Lease Tract Map, Summary of Interests and Unit Recapitulation
- Exhibit B.4: Summary of Contacts
- Exhibit B.5: Pooled Parties List
- Exhibit B.6: Well Proposal Letter
- Exhibit B.7: AFEs

Tab C: Affidavit of Ben Kessel, Geologist

- Exhibit C.1: Locator Map
- Exhibit C.2: Wellbore Schematic
- Exhibit C.3: First Bone Spring Structure Map
- Exhibit C.4: First Bone Spring Cross Section Reference Map
- Exhibit C.5: First Bone Spring Stratigraphic Cross Section
- Exhibit C.6: First Bone Spring Isopach Map
- Exhibit C.7: Second Bone Spring Structure Map
- Exhibit C.8: Second Bone Spring Cross Section Reference Map
- Exhibit C.9: Second Bone Spring Stratigraphic Cross Section
- Exhibit C.10: Second Bone Spring Isopach Map
- Exhibit C.11: Third Bone Spring Structure Map
- Exhibit C.12: Third Bone Spring Cross Section Reference Map
- Exhibit C.13: Third Bone Spring Stratigraphic Cross Section
- Exhibit C.14: Third Bone Spring Isopach Map
- Exhibit C.15: Regional Stress Orientation Overview

Tab D: Declaration of Deana M. Bennett

- Exhibit A: Sample Notice Letter
- Exhibit B: Mailing List of Interested Parties
- Exhibit C: Certified Mailing Tracking List
- Exhibit D: Affidavit of Publication

Received by OCD: 1/16/2024 4:35:36 PM COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST	BE SUPPORTED BY SIGNED AFFIDAVITS					
Case: 24108	APPLICANT'S RESPONSE					
Date	January 18, 2024					
Applicant	Franklin Mountain Energy 3, LLC					
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC OGRID No. 331595					
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.					
Case Title:	Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling Lea County, New Mexico.					
Entries of Appearance/Intervenors:	None.					
Well Family	Alpha 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					
Canada Unia	Will be the second of the seco					
Spacing Unit Type (Horizontal/Vertical)	Horizontal					
Size (Acres)	319.70-acres					
Building Blocks:	40-Acres (Note: OCD pool code spreadsheet states that the Scharb;					
building blocks.	Bone Spring Pool has 80-acre building blocks, which is likely superceded by statewide rules. In any event, even with the 80-acre building blocks, the unit is standard.)					
Orientation:	North/South					
Description: TRS/County	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 Mexic					
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and approval of non-standard unit requested in this application?	Yes.					
Other Situations						
Depth Severance: Y/N. If yes, description	N/A					
Proximity Tracts: If yes, description	N/A					
Proximity Defining Well: if yes, description	N/A					
Applicant's Ownership in Each Tract	See Exhibit B.3					
Well(s)						
Name & API (if assigned), surface and bottom hole location, ootages, completion target, orientation, completion status standard or non-standard)	Add wells as needed					
Nell #1: Alpha State Com 301H EXHIBIT	SHL:320' FNL & 1516' FWL, Section 9, T19S, R35E BHL: 100' FNL & 800' FWL, Section 33, T18S, R35E Completion Target: First Bone Spring (Approx. 9,437' TVD)					

OCD Examiner Hearing No. 24108

1

Received by OCD: 1/16/2024 4:35:36 PM Well #2: Alpha State Com 501H	Page
	SHL:320' FNL & 1456' FWL, Section 9, T19S, R35E
	BHL: 100' FNL & 360' FWL, Section 33, T18S, R35E Completion Target: Second Bone Spring (Approx. 10,044' TVD)
Well #3: Alpha State Com 601H	
	SHL:320' FNL & 1546' FWL, Section 9, T19S, R35E BHL: 100' FNL & 800' FWL, Section 33, T18S, R35E Completion Target: Third Bone Spring (Approx. 10,367' TVD)
Horizontal Well First and Last Take Points	See Exhibit B.2
Completion Target (Formation, TVD and MD)	See Exhibit B.6
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Pargraph 24
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B.3
Tract List (including lease numbers and owners)	Exhibit B.3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B.5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & pelow)	N/A
oinder	
Sample Copy of Proposal Letter	Exhibit B.6
ist of Interest Owners (ie Exhibit A of JOA)	Exhibit B.3
Chronology of Contact with Non-Joined Working Interests	Exhibit B.4
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	
ummary (including special considerations)	Exhibit C
pacing Unit Schematic	Exhibit C.1
Sunbarrel/Lateral Trajectory Schematic	Exhibit C.1
Vell Orientation (with rationale)	Exhibit C.15
arget Formation	Exhibit C.3 to C.6; C.7 to C.10; C.11 to C.14
ISU Cross Section OCD I	Exeminer C.4;n98; C.12

Received by OCD: 1/16/2024 4:35:36 PM		age 5 of
Depth Severance Discussion	N/A	
Forms, Figures and Tables		["-
C-102	See Exhibit B.2	
Tracts	Exhibit B.3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3	
General Location Map (including basin)	Exhibit C.1	
Well Bore Location Map	Exhibit C.2	
Structure Contour Map - Subsea Depth	Exhibit C.3, C.7, and C.11	
Cross Section Location Map (including wells)	Exhibit C.4, C.8, and C.12	
Cross Section (including Landing Zone)	Exhibit C.5, C.9, and C.13	
Additional Information		
Special Provisions/Stipulations	N/A	
CERTIFICATION: I hereby certify that the information pro-	vided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett	
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett	
Date:	1/1	6/2024

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.

7 A S	2 12	NA	7/11	AQ.
CAR	J	INU	. 241	vo

STATE OF COLORADO)
) ss
COUNTY OF DENVER)

AFFIDAVIT OF DON JOHNSON

Don Johnson, being duly sworn, deposes and states as follows:

- 1. I am over the age of 18, I am a landman for Franklin Mountain Energy 3, LLC ("Franklin"), 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 Franklin includes the area of Lea County in New Mexico.
- 3. I am familiar with the application filed by Franklin 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.

EXHIBIT B

1

- 7. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed wells, but have failed or refused to voluntarily commit their interests in the wells.
- 8. In this case, Franklin 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 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.
 - 10. Attached as **Exhibit B.2** are the proposed C-102s for the wells.
- 11. The C-102s identify the proposed surface hole locations and the bottom hole locations, and the first take points. The C-102s also identify the pool and pool code.
 - 12. The wells will develop the SCHARB; BONE SPRING pool, Pool Code 55610.
- 13. According to the OCD pool code spreadsheet this pool is an oil pool with 80-acre building blocks.
 - 14. The state-wide rules provide for 40-acre building blocks for oil pools.
 - 15. This pool is governed by the state-wide horizontal well rules.
- 16. The spacing unit is expected to be standard even if it is subject to 80-acre building blocks.
 - 17. The producing areas for the wells are expected to be orthodox.
 - 18. There are no depth severances within the proposed spacing unit.

- 19. **Exhibit B.3** includes a lease tract map outlining the unit being pooled. Exhibit B.3 also includes the parties being pooled, the nature, and the percent of their interests.
- 20. I have conducted a diligent search of the public records in the county where the wells are 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 the Authorizations for Expenditure.
- 21. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder of the unleased mineral interest owners in the proposed wells.
 - 22. **Exhibit B.4** is a summary of my contacts with the working interest owners.
 - 23. **Exhibit B.5** is a list of the parties being pooled for this case.
- 24. **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 wells.
- 25. **Exhibit B.7** contains the Authorizations for Expenditure for the proposed wells. The estimated cost of the wells 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.
- 26. Franklin requests overhead and administrative rates of \$9,000 month for drilling the wells and \$900 month for the producing wells. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Franklin requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 27. Franklin requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
 - 28. Franklin requests that it be designated operator of the wells.

- 29. The parties Franklin is seeking to pool were notified of this hearing.
- 30. Franklin seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.
- 31. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.
- 32. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

[Signature page follows]

Dated: December 28, 2023 Don Johnson
State of Colorado County of Derver This record was acknowledged before me on December 28, 2033, by
[Stamp] CRYSTAL MCCLAIN NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20234007312 MY COMMISSION EXPIRES FEBRUARY 23, 2027 My Commission Expires: 2 2323

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. 24108

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 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. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the 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 to form a standard 319.70-acre, more or less, Bone Spring horizontal spacing unit.
- 3. Franklin plans to drill the Alpha State Com 301H, Alpha State Com 501H, and Alpha State Com 601H wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells are expected to be orthodox.



Released to Imaging: 12/6/2023 9:32:46 AM Released to Imaging: 1/16/2024 4:47:31 PM 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. 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 January 4, 2024 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 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;

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

2

Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Applicant

CASE NO. 24108: Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant 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.

| District I | 1625 N. French Dr., Hobbs, NM 88240 |
Phone: (575) 393-6161 Fax: (575) 393-0720 |
District II | 311 S. First St., Artesia, NM 88210 |
Phone: (573) 748-1283 Fax: (575) 748-9720 |
District III | 1000 Rib 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: (503) 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

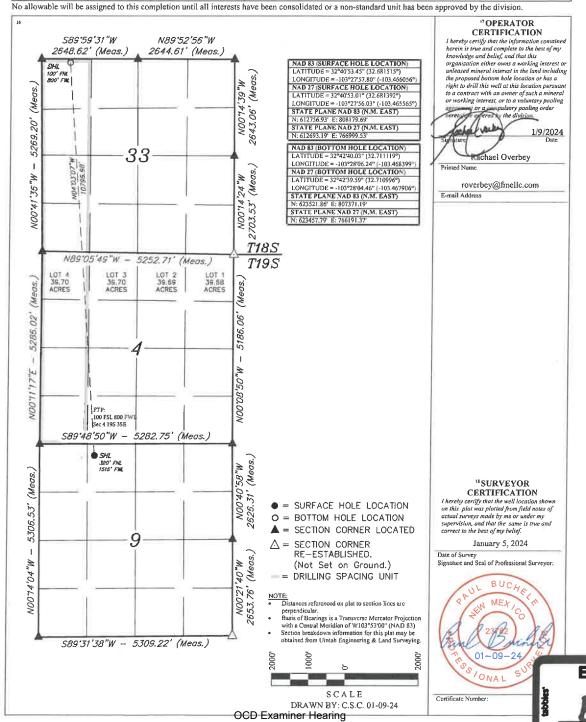
API Number	² Paol Code 55610	Pool Name SCHARB; BONE SPRING
4 Property Code	⁵ Property Name ALPHA STATE COM	6 Well Number 301H
⁷ OGRID №. 331595	*Operator Name FRANKLIN MOUNTAIN ENERG	Y 3, LLC ** Elevation 3,858.3'

[™]Surface Location

C C	Section 9	Township 19S	Range 35E	Lot Idn	Feet from the 320	North/South line NORTH	Feet from the 1516	East/West line WEST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no.	Section 33	Township 18S	Range 35E	Lot Idn .	Feet from the 100	North/South line NORTH	Feet from the 800	East/West line WEST	County LEA
12 Dedicated Acres 13 Joint or Infill 319.70		14 Consc	olidation Code	15 Order No.					



No. 24108

13

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (573) 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: (503) 34-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fc., NM 87505
Phone: (505) 476-3460 Fax: (305) 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 Paol Code 55610			
Property Code	5 Property Na ALPHA STAT	6 Well Number 501H		
7 OGRIÐ No. 331595	⁸ Operator Na FRANKLIN MOUNTAIN	9 Elevation 3,859.4'		

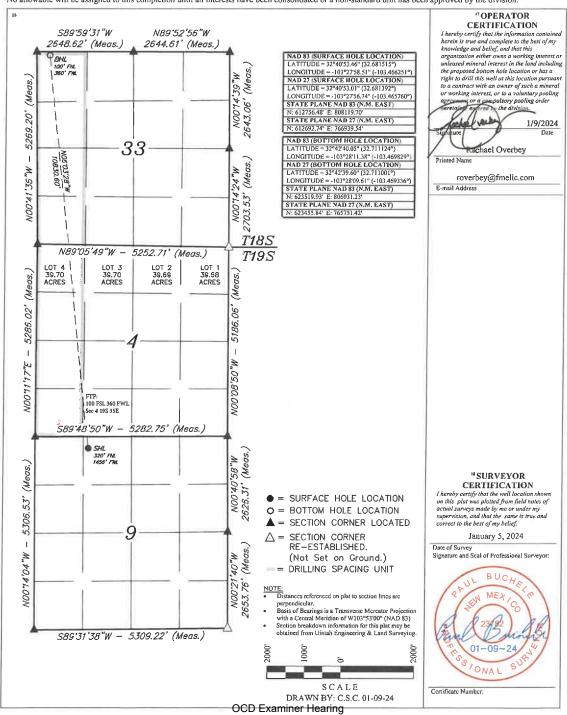
Surface Location

C	9	198	35E	Lation	320	NORTH	1456	WEST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no. D	Section 33	Township 18S	Range 35E	Lat Idn	Feet from the 100	North/South line NORTH	Feet from the 360	East/West line WEST	County LEA
13 Dedicated Acres 13 Joint or Enfill 319.70		14 Const	lidation Code	15 Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



District I 1025 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 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

API Number	² Pool Code ³ Pool Name 55610 SCHARB; BONE SPRING		6 Well Number	
4 Property Code	s Proper ALPHA S			
⁷ OGRID No. 331595	*Operat FRANKLIN MOUNT	9 Elevation 3,858.2'		

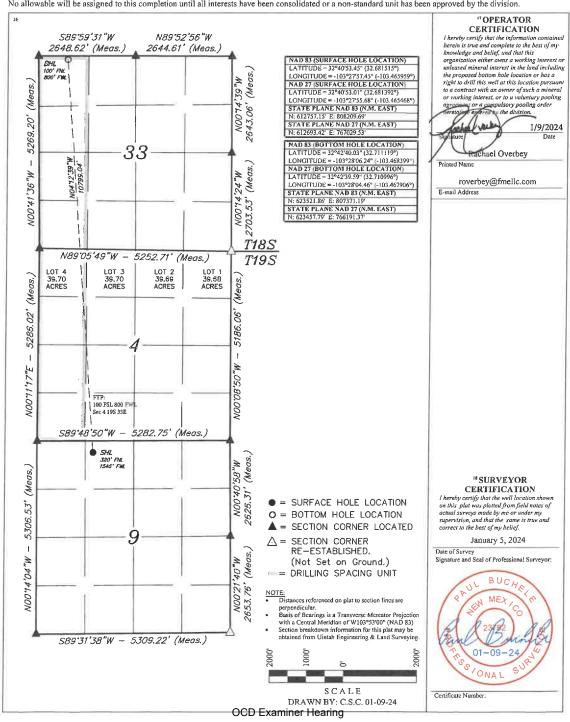
Surface Location

		173			520	HORITI	1540	201	LEA
C or lot lio.	Q	105	35E	Louis	320	NORTH	1546	WEST	I F A

"Bottom Hole Location If Different From Surface

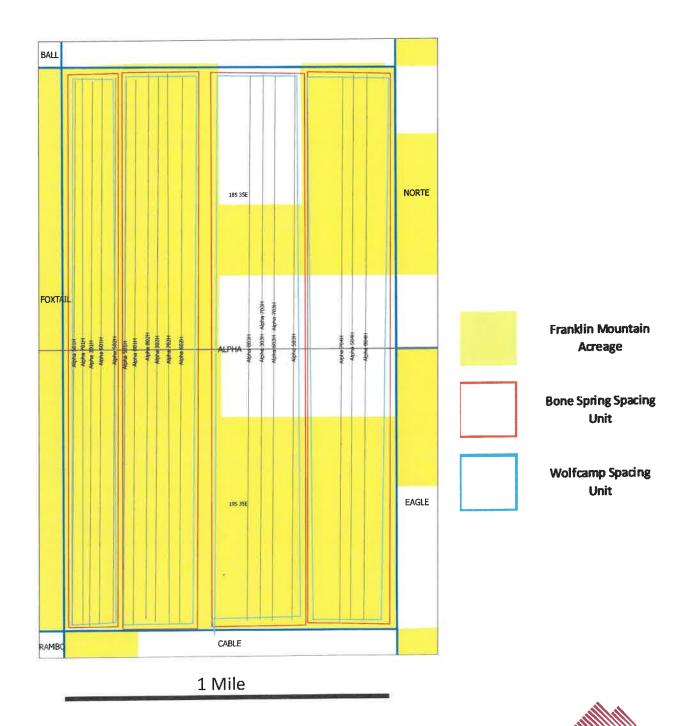
UL or lot no.	Section 33	Township 18S	Range 35E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 800	East/West line WEST	County LEA
12 Dedicated Acre 319.70	es 13	Joint or Infill	14 Conso	olidation Code	15 Order No.			\	

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.



Development Overview

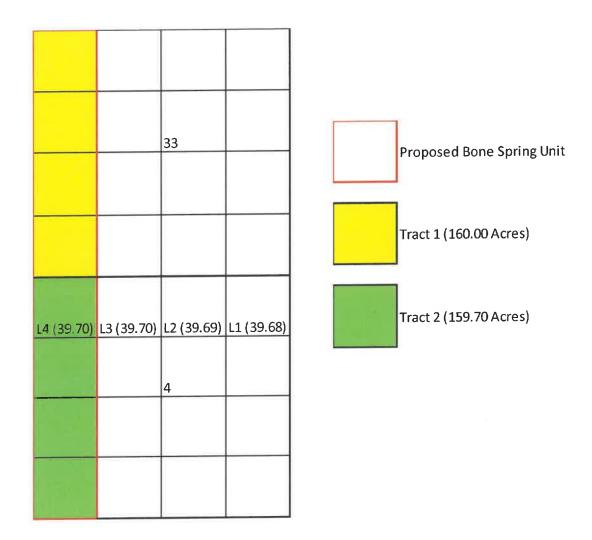
Case Nos. 24108



OCD Examiner Hearing No. 24108 16

Released to Imaging: 1/16/2024 4:47:31 PM

Lease Tract Map
Case No. 24108
W/2W/2 of Sections 33-T18S-35E & Section 4-T19S-R35E
319.70 Acres
Alpha State Com 301H
Alpha State Com 501H
Alpha State Com 601H





Summary of Interests
Case No. 24108
W/2W/2 of Sections 33-T18S-35E & Section 4-T19S-R35E
319.70 Acres
Alpha State Com 301H
Alpha State Com 501H
Alpha State Com 601H

Commited Working I	nterest
Franklin Mountain Energy 3, LLC	96.872068%
Uncommited Working	Interest
TH McElvain Oil & Gas, LLLP	3.127932%
Total:	100.000000%



Unit Recapitulation

Case No. 24108

W/2W/2 of Sections 33-T18S-35E & Section 4-T19S-R35E

319.70 Acres

Alpha State Com 301H

Alpha State Com 501H

Alpha State Com 601H

Commited Working I	nterest
Franklin Mountain Energy 3, LLC	96.872068%
Uncommited Working	Interest
TH McElvain Oil & Gas, LLLP	3.127932%
Total:	100.000000%

		33	
L4 (39.70)	L3 (39.70)	L2 (39.69)	L1 (39.68)
		4	

Tract	Lease	%
	1 VB-1359	50.0469%
	2 A0-4096	49.9531%



Summary of Contacts (Case No. 24103, 24104, 24105, 24106, 24107, 24108, 24109)

- Franklin retained a broker who conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin sent well proposal letters to the working interest owners on or around August 24th, 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 uncommitted 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.

Name	Ownership Type	Date Proposal Letter Sent	Proposal Letter Received	Follow Up
Marathon Oil Permian, LLC	WI	10/6/2023	10/10/2023	Email exchanged on 10/30/2023 about MRO interest and estimated spud dates
TH McElvain Oil & Gas LLLP	WI	10/6/2023	10/7/2023	Email Exchange on 10/9/2023 about interest and estimated spud dates. JOA negotiations



Parties To Be Pooled Case No. 24108

T.H. McElvain Oil & Gas, LLLP	WI
Luckaloy Limited Company, A New Mexico Limited	ORRI
Liability Company	
Susannah D. Adelson, Trustees of James Adelson & Family 2015 Trusts	ORRI
Thomaston, LLC	ORRI
William J. McCaw	ORRI
XTO Holdings, LLC	ORRI
Zunis Energy, LLC	ORRI





Sent via USPS: 9405509205568859565811

October 6, 2023

T.H. McElvain Oil & Gas LLLP 1819 Denver West Drive, Suite 260 Lakewood, CO 80401 Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 19 South, Range 35 East

Section 4: W2W2

Township 18 South, Range 35 East

Section 33: W2W2

Lea County, New Mexico 320.00 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
Alpha State Com 301H	1BS	9,437'	19,437'	Sec 9- T19S- R35E 310 FNL 1470 FWL	Sec 33- T18S- R35E 100 FNL 800 FWL	\$11,355,549.08	N/A
Alpha State Com 501H	2BS	10,044'	20,044'	Sec 9- T19S- R35E 310 FNL 1410 FWL	Sec 33- T18S- R35E 100 FNL 360 FWL	\$11,355,549.08	N/A
Alpha State Com 601H	3BS	10,367'	20,367'	Sec 9- T19S- R35E 310 FNL 1500 FWL	Sec 33- T18S- R35E 100 FNL 800 FWL	\$11,650,592.43	N/A





Alpha State Com 701H	WCA	10,939'	20,939'	Sec 9- T19S- R35E 310 FNL 1440 FWL	Sec 33- T18S- R35E 100 FNL 360 FWL	\$11,650,592.43	N/A
Alpha State Com 801H	WCB	11,363'	21,363'	Sec 9- T19S- R35E 310 FNL 1530 FWL	Sec 33- T18S- R35E 100 FNL 800 FWL	\$11,783,083.07	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 working interest, 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 a term assignment or lease at the following terms:

The foregoing 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 Jon Rutledge at <u>irutledge@fmellc.com</u> 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.

44 Cook Street | Suite 1000 | Denver, CO 80206



Should you have any questions, please do not hesitate to contact the undersigned at (303) 709-7007.

Respectfully,

Franklin Mountain Energy 3, LLC

Jon Rutledge

Landman



Alpha State Com 301H:
I/We hereby elect to participate in the Alpha State Com 301H well. I/We hereby elect NOT to participate in the Alpha State Com 301H well.
Alpha State Com 501H:
I/We hereby elect to participate in the Alpha State Com 501H well. I/We hereby elect NOT to participate in the Alpha State Com 501H well.
Alpha State Com 601H:
I/We hereby elect to participate in the Alpha State Com 601H wellI/We hereby elect NOT to participate in the Alpha State Com 601H well.
Alpha State Com 701H:
I/We hereby elect to participate in the Alpha State Com 701H wellI/We hereby elect NOT to participate in the Alpha State Com 701H well.
Alpha State Com 801H:
I/We hereby elect to participate in the Alpha State Com 801H well. I/We hereby elect NOT to participate in the Alpha State Com 801H well.
Owner: T.H. McElvain Oil & Gas, LLLP
By:
Printed Name:
Title:
Date:



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

> \$165,000 \$273,599

5175,000

\$20,000

COMPLETION FLUIDS

DRILLING BITS

INSURANCE

COMPLETION FLUIDS
CONSTRUCTION/LOCATION & ROAD
CONTRACT LABOR
DAMAGES
DAYWORK CONTRACT
DRILLING - DIRECTIONAL
DRILLING - FOOTAGE
DRILLING - FOOTAGE

FLECTRICAL POWER\GENERATION

ELECTRICAL POWERGENERATION
ENGINEERING
ENVIRONMENTAL SERVICES
EQUIPMENT RENTAL DOWNHOLE
EQUIPMENT RENTAL
FISHING TOOLS/SERVICES
HEALTH & SAFETY
HOUSING AND SUPPORT SERVICES
INSTITUTE OF THE PROPERTY SERVICES
INSTITUTE OF THE PROPERTY SERVICES
INSTITUTE AND THE PROPERTY SERVICES
INSTITUTE OF THE PROPERTY SERVICES
INSTITUTE OF THE PROPERTY SERVICES

INSURANCE
INSPECTIONS
LEGAL, TITLE SERVICES
MATERIALS & SUPPLIES
MISCELLANEOUS
MOUSE/RATHOLE/CONDUCT PIPE
MUID & CHEMICALS
OPENHOLE LOGGING
OVERTILIZE & COCCING

PERMITS, LICENSES, ETC
POWER FUEL & WATER HAULING
RIG MOVE & RACKING COSTS
RIG UP TEAR OUT & STANDBY
SITE RESTORATION
STAKING & SURVEYING
SUPERVISION
SUPERVISION - GEOLOGICAL
TRANSPORTATION/TRUCKING
TAVES

CASED HOLE LOGGING

PERMITS, LICENSES, ETC

TAXES CONTINGENCY COSTS 5%

Total Intangible Drilling Costs:

Minor Description

10 FACILITY PIPE/VALVES/FITTINGS

PRIMARY POWER MATERIALS

FLOWLINES / PIPELINE / HOOKUP

TANKS & WALKWAYS MECHANICAL BATTERY BUILD

FLOWLINES / PIELINE / HOUNDY
HAS TREATING EQUIPMENT
SEPARATION EQUIPMENT
ROAD/LOCATION/FENCINGREPAIRS
PRE-FABRICATED SKIDS
FACILITY SURFACE EQUIPMENT
HUS SAFETY SYSTEM
CONTROL / INSTRUMENT / METERS / SCADA
TABLE & PALL YMAYS

MECHANICAL BATTERY BUILD
ETIAC BATTERY BUILD
CONTROLS AND SCADA BATTERY BUILD
PRIMARY POWER BUILD
PRIMARY POWER BUILD
SIGNAGE
TAXES
Total Tangible Facility Costs:

CONTAINMENT

DEHYDRATION

225 225

225 225

225

225

225

225 145

225 225 170 175

225 180 225 225 178 35

270 15 25

270

270 270 270

270 110

270 130

270 270 140 125

SHL: Sec 9-T19S-R35E 310 FNL 1470 FWL Location: BHL: See 33-T18S-R35E 100 FNL 800 FWL Franklin Mountain Energy 3, LLC Drill and complete a 10,000' IBS well. Operator: Purpose: TVD 9.437', MD 19.437'.

Intangible Drilling Costs

Intangible Completion Costs Major 240 Description
ADMINISTRATIVE OVERHEAD
CASED HOLE LOGS & SURVEYS 240 10 CASING CREW & EQPT COILED TUBING/SNUBBING UNIT 240 240 240 240 240 240 COLLED TUBING/SNUBBING UNIT
COMMUNICATIONS
COMPANY DIRECT LABOR
COMPLETION/WORKOVER RIG
CONTRACT LABOR/ROUSTABOUTS
DAMAGES/RECLAMATION
DISPOSAL SOLIDS
ELECTRICAL POWER/GENERATION 25 30 35 45 50 55 60 \$1,896 \$75,000 \$23,697 \$1,896 \$2,844 240 240 \$5,687 ENGINEERING ENVIRONMENTAL/CLEANUP 65 70 71 72 75 80 85 ENVIRONMENT AUCLLEANUY
FISHING TOOLS / SERVICES
FLUIDSHAULING/DISPOSAL
FRAC WATER/COMPLETION FLUID
FUEL, POWERDIESEL
HEALTH & SAFETY
HOUSING AND SUPPORT SERVICES
MATERIALS & SUPPLIES
MATERIALS & SUPPLIES
MATERIALS & SUPPLIES \$180,000 \$470,000 \$550,000 \$14,000 \$0 \$0 \$10,000 MISCELLANEOUS MUD & CHEMICALS MUD & CHEMICALS
P&ATA COSTS
PERFORATING/WIRELINE SERVICE
PIPE INSPECTION
ROAD, LOCATIONS REPAIRS
STIMULATION
SUBSURFACE EQUIPMENTAL RENTAL
FURDED/MISCORE
STANDAMORPHISM
STEMPORT OF THE STANDAMORPHISM
S \$265,403 \$2.000 \$37,915 \$90,047 \$189,573 240 240 240 240 240 240 240 240 240 135 140 145 SUPERVISION SURFACE EQUIP RENTAL 150 155 160 165 148 40 TRANSPORTATION/TRUCKING WATER TRANSFER \$56,872 WATER TRANSFER
WELDING SERVICES
WELL TESTING/FLOWBACK
TAXES
CONTINGENCY COSTS 5%
Total Intangible Completion Costs

County/State: Lea Co., NM

DCE231001

Date Prepared: 10/5/2023

AFR#:

\$4,000 \$45.00

\$40,000 \$80,000 \$36,000 \$19,000 \$6,000 \$45,000

\$50,000 \$15,000

\$520,00

\$200,000 \$90,000 \$90,000

\$20,000

\$200,000 \$40.00

\$50,000

\$7.00

\$18,000 \$1,700 \$1,700 \$15,000

\$6,00

\$5,000 \$5,000

\$31,000

\$180,00

\$0 \$20,000 \$160,000 \$130,000

\$10,000 \$6,000 \$71,400

Tangible Completion Costs Description ARTIFICIAL LIFT FLOWLINES FRAC STRING PACKERS/SLEEVES/PLUGS/GL MANDRELS PRODUCTION LINER PRODUCTION PROCESSING FACILITY 245 245 245 245 245 245 245 245 245 50 55 PRODUCTION TUBING RODS/PUMPS 65 75 70 SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT TAXES

Total Tangible Completion Costs:

Tangible Drilling Costs s173,758 Minor Description
10 INTERMEDIATE CASING & ATTACHMENTS \$173,758 \$66,000 \$1,034,380 \$169,740 \$70,000 \$83,263 PACKERS/SLEEVES/PLUGS
PRODUCTION CASING & ATTACHMENTS 230 20 230 25 35 45 40 230 SURFACE CASING & ATTACHMENTS WELLHEAD EQUIPMENT/CASING BOWL 230 230 TAXES Total Tangible Drilling Costs.

Tangible Facility Costs

\$180,000 \$56,00 \$47,00 \$125,000 \$137,000 \$86,000 \$90,000 \$154,000 \$45,000 \$5,000 \$56,000 \$27,000 \$250 \$55,674

1,198,976.7 2,145,741.29

Major	Minor	Description	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	\$3,000
265	80	SURVEY / PLATS / STAKINGS	\$1,500
265	85	TRANSPORTATION / TRUCKING	\$0
265	83	TAXES	\$6,523
265	10	CONTINGENCY COSTS 5%	\$5,930
205	• • •	Total Intangible Facility Costs:	\$1.31,05

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

Franklin Mountain Energy 3, LLC Operato Date Approved By: Craig Walters Chief Executive Officer

WI Owner Approved By Title:

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



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

| FRANKLIN MOUNTAIN | SINCH STORM | SINCH ST

Operator:		Frankim Mountain Energy 3, LLC		Date P	repared	1: 10/5/2023	
Purpose:		Drill and complete a 10,000' 2BS well. TVD 10,044', MD 20,044'.		AFE#	:	DCE231003	
		Intangible Drilling Costs				Intangible Completion Costs	
	5	Description ADMINISTRATIVE OVERHEAD	Amount \$4,000	Major 240	Mino 5	r Description ADMINISTRATIVE OVERHEAD	Amount \$8,2
225	10	CASING CREW & EQPT	\$45,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,6
	15 16	CEMENTING INTERMEDIATE CASING CEMENTING PRODUCTION CASING	\$40,000 \$80,000	240 240	15 20	CASING CREW & EQPT COILED TUBING/SNUBBING UNIT	\$194,3
225	20	CEMENTING SUFACE CASING	\$36,000	240	25	COMMUNICATIONS	\$1,8
	25 30	COMMUNICATIONS	\$19,000	240 240	30	COMPANY DIRECT LABOR	
	34	COMPLETION FLUIDS CONSTRUCTION/LOCATION & ROAD	\$6,000 \$45,000	240	35 45	COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS	\$75,0 \$23,6
225	40	CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	\$1,8
	45 50	DAMAGES DAYWORK CONTRACT	\$15,000 \$520,000	240 240	55 60	DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION	\$2,8
	55	DRILLING - DIRECTIONAL	\$200,000	240	62	ENGINEERING	\$5,6
	60	DRILLING - FOOTAGE	\$90,000 \$90,000	240	65	ENVIRONMENTAL/CLEANUP	
		DRILLING BITS ELECTRICAL POWER\GENERATION	\$90,000	240 240	70 71	FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL	\$180,0
	75	ENGINEERING	\$20,000	240	72	FRAC WATER/COMPLETION FLUID	\$470,0
	80 84	ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE	\$200,000 \$40,000	240 240	75 80	FUEL, POWER/DIESEL HEALTH & SAFETY	\$550,0 \$4,7
225 8	85	EQUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,0
		FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	
		HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$7,000 \$18,000	240 240	95 100	MISCELLANEOUS MUD & CHEMICALS	\$10,0
	05	INSURANCE	\$1,700	240	110	P&A/TA COSTS	
		INSPECTIONS LEGAL, TITLE SERVICES	\$15,000 \$6,000	240 240	115 120	PERFORATING/WIRELINE SERVICE PIPE INSPECTION	\$265,4
		MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,0
225 1	20	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,616,0
	25 30	MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS	\$31,000 \$180,000	240 240	135	SUBSURFACE EQUIPMENTAL RENTAL SUPERVISION	\$37,9: \$90,04
225 1	40	OPENHOLE LOGGING	\$180,000	240	145	SURFACE EQUIP RENTAL	\$189,5
		CASED HOLE LOGGING PERMITS, LICENSES, ETC	02	240 240	150 155	TRANSPORTATION/TRUCKING	\$2,84
		POWER FUEL & WATER HAULING	\$20,000 \$160,000	240	160	WATER TRANSFER WELDING SERVICES	\$56,83
225 1	55	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,06
	60 63	RIG UP TEAR OUT & STANDBY SITE RESTORATION	02 000,012	240 240	148 40	TAXES CONTINGENCY COSTS 5%	\$273,59 \$248,72
		STAKING & SURVEYING	\$6,000	2.0	-10	Total Intangible Completion Costs:	\$5,496,84
	70 75	SUPERVISION SUPERVISION - GEOLOGICAL	\$71,400			T 71. C 1	
		TRANSPORTATION/TRUCKING	\$39,000 \$20,000	Major	Minor	Tangible Completion Costs Description	Amount
225 17	78	TAXES	\$125,131	245	5	ARTIFICIAL LIFT	\$175,00
225 3	5	CONTINGENCY COSTS 5% Total Intangible Drilling Costs:	\$113,755 \$2,513,986	245 245	15 25	FLOWLINES FRAC STRING	\$20,00
				245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	s
		Tangible Drilling Costs		245	45	PRODUCTION LINER	\$
Major Min 230 1	nor .	Description INTERMEDIATE CASING & ATTACHMENTS	Amount \$173,758	245 245	50 55	PRODUCTION PROCESSING FACILITY PRODUCTION TUBING	\$ \$150,00
230 2	0	PACKERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS	2
230 2 230 3		PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$1,034,380 \$169,740	245 245	65 75	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$50,00 \$125,00
230 4.	5 '	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,60
230 4		TAXES Total Tangible Drilling Costs:	\$83,263 \$1,597,141			Total Tangible Completion Costs:	3548,60
			* 100 000			Intangible Facility Costs	
Major Mir	nor)	Tangible Facility Costs Description	Amount	Major 265	Minor	Description CONSULTING	Amount \$18,10
270 10	0 1	FACILITY PIPE/VALVES/FITTINGS	\$180,000	265	12	COMPANY DIRECT LABOR	\$
270 1:		CONTAINMENT	\$0	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,00
270 25		DEHYDRATION PRIMARY POWER MATERIALS	\$0 \$56,000	265 265	22 25	PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE	\$50,00 \$22,00
270 50	0 1	FLOWLINES / PIPELINE / HOOKUP	\$47,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	2
270 60 270 65		H2S TREATING EQUIPMENT SEPARATION EQUIPMENT	\$0 \$125,000	265 265	45 60	CONTRACT LABOR & SERVICES OVERHEAD	\$ \$3,00
270 66		ROAD/LOCATION/FENCING/REPAIRS	\$123,000	265	80	SURVEY / PLATS / STAKINGS	\$1,50
270 75		PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	\$
270 86 270 90		FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$137,000 \$4,000	265 265	83 10	TAXES CONTINGENCY COSTS 5%	\$6,52 \$5,93
270 10	0 0	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000			Total Intangible Facility Costs:	\$131,05.
270 11 270 13		FANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$90,000 \$154,000	_	_	Office Use Only:	
270 13		EI&C BATTERY BUILD	\$45,000			onice due only.	
270 13-		CONTROLS AND SCADA BATTERY BUILD	\$5,000				
270 130		PRIMARY POWER BUILD PLOWLINE INSTALLATION	\$56,000 \$27,000				
270 14		SIGNAGE	\$250				
270 12		FAXES Fotal Tangible Facility Costs:	\$55,674 \$1,067,924				
	Ť	Taligate Talining Costs.	4-10-11-12-1				
otal Drill:			\$4,111,126.79				
ota Com, et	rion.		\$6,045,445.54	l			
otal Facility: otal DC letar	nitible		\$1,198,976.75 \$8,010,831.04	l			
otal DC Tan	pible:		2,145,741.29	1			
otal AFE			\$11,355,549.08				
THIS.	AUT	HORITY FOR EXPENDITURE IS BASED ON COST	ESTIMATES, BILLING WI	LL REFL	ECT YO	OUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS.
perator:	r	ranklin Mountain Energy 3, LLC		_			
proved By:	C	Traig Walters	 ,	Date:			10/5/2023
		hief Executive Officer					
	_				_		
I Owner:							

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

Date

Title:

Approved By: Printed Name:



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

Operato	or:	Franklin Mountain Energy 3, LLC		Date P	repared	: 10/5/2023	
Purpose	:	Drill and complete a 10,000' 3BS well. TVD 10,367', MD 20,367'.		AFE #:		DCE231005	
_							
		Intangible Drilling Costs				Intangible Completion Costs	
Major		r Description	Amount	Major		r Description	Amount
225 225	5 10	ADMINISTRATIVE OVERHEAD CASING CREW & EQPT	\$4,500 \$50,000	240 240	5 10	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS	\$8,20 \$6,63
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT	\$0,03
225	16	CEMENTING PRODUCTION CASING	\$80,000	240	20	COILED TUBING/SNUBBING UNIT	\$194,31
225 225	20 25	CEMENTING SUFACE CASING COMMUNICATIONS	\$36,000 \$21,000	240 240	25 30	COMMUNICATIONS COMPANY DIRECT LABOR	2,18
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,00
225 225	34 40	CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR	\$45,000 \$55,000	240 240	45 50	CONTRACT LABOR/ROUSTABOUTS	\$23,69
225	45	DAMAGES	\$15,000	240	55	DAMAGES/RECLAMATION DISPOSAL SOLIDS	\$1,89 \$2,84
225	50	DAYWORK CONTRACT	\$585,000	240	60	ELECTRICAL POWER/GENERATION	\$
225 225	55 60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$220,000 \$90,000	240 240	62 65	ENGINEERING ENVIRONMENTAL/CLEANUP	\$5,68° \$
225	65	DRILLING BITS	\$100,000	240	70	FISHING TOOLS / SERVICES	s
225	70	ELECTRICAL POWER\GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
225 225	75 80	ENGINEERING ENVIRONMENTAL SERVICES	\$21,000 \$210,000	240 240	72 75	FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL	\$470,000 \$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$50,000	240	80	HEALTH & SAFETY	\$4,70
225	85 90	EQUIPMENT RENTAL	\$50,000	240	8.5	HOUSING AND SUPPORT SERVICES	\$14,000
225 225	95	FISHING TOOLS/SERVICES HEALTH & SAFETY	\$0 \$9,000	240 240	90 95	MATERIALS & SUPPLIES MISCELLANEOUS	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$19,000	240	100	MUD & CHEMICALS	\$10,000
225 225	105	INSURANCE	\$1,900	240	110	P&A/TA COSTS	\$(
225	106 110	INSPECTIONS LEGAL, TITLE SERVICES	\$17,000 \$6,000	240 240	115 120	PERFORATING/WIRELINE SERVICE PIPE INSPECTION	\$265,403 \$0
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,000
225 225	120 125	MISCELLANEOUS MOUSE/PATHOLE/CONDUCT PIPE	\$5,000	240 240	130 135	STIMULATION SUBSUBACE FOURDMENTAL BENTAL	\$2,616,000
225	130	MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS	\$31,000 \$190,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL SUPERVISION	\$37,915 \$90,047
225	140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$189,573
225 225	141	CASED HOLE LOGGING PERMITS, LICENSES, ETC	\$0	240 240	150 155	TRANSPORTATION/TRUCKING	\$2,844
225	150	POWER FUEL & WATER HAULING	\$20,000 \$170,000	240	160	WATER TRANSFER WELDING SERVICES	\$56,877 \$0
225	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,000
225 225	160 163	RIG UP TEAR OUT & STANDBY SITE RESTORATION	\$10,000	240 240	148 40	TAXES CONTINGENCY COSTS 5%	\$273,599
225	165	STAKING & SURVEYING	\$6,000	240	40	Total Intangible Completion Costs:	\$248,726
225	170	SUPERVISION	\$75,600	_			
225 225	175 180	SUPERVISION - GEOLOGICAL TRANSPORTATION/TRUCKING	\$41,400 \$22,000	Major	Minor	Tengible Completion Costs Description	4
225	178	TAXES	\$134,057	245	5	ARTIFICIAL LIFT	Amount \$175,000
225	35	CONTINGENCY COSTS 5% Total Intangible Drilling Costs:	\$121,870	245	15	FLOWLINES	\$20,000
	_	Total Intangible Dritting Costs:	32,093,127	245 245	25 40	FRAC STRING PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0 \$0
		Tangible Drilling Costs		245	45	PRODUCTION LINER	\$0
		Description Company Co	Amount	245	50	PRODUCTION PROCESSING FACILITY	\$0
230 230	10 20	INTERMEDIATE CASING & ATTACHMENTS PACKERS/SLEEVES/PLUGS	\$173,758 \$66,000	245 245	55 60	PRODUCTION TUBING RODS/PUMPS	\$150,000 \$0
230		PRODUCTION CASING & ATTACHMENTS	\$1,144,050	245	65	SUBSURFACE EQUIPMENT	\$50,000
230 230	35 45	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$125,000
230		WELLHEAD EQUIPMENT/CASING BOWL TAXES	\$70,000 \$89,295	245	70	TAXES Total Tangible Completion Costs:	\$28,600 \$348,600
		Total Tangible Drilling Costs:	\$1,712,843			100	
		Tangible Facility Costs		Major	Minor	Intangible Facility Costs Description	Amount
Major 1	Minor	Description	Amount	265	5	CONSULTING	\$18,100
270 270		FACILITY PIPE/VALVES/FITTINGS CONTAINMENT	\$180,000	265 265	12 20	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC	\$0 \$24,000
270		DEHYDRATION	\$0	265		PAD/ROAD CONSTRUCTION	\$50,000
270		PRIMARY POWER MATERIALS	\$56,000	265		ENGINEERING / SCIENCE	\$22,000
270 270		FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$47,000 \$0	265 265		HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	02 02
270	65	SEPARATION EQUIPMENT	\$125,000	265		OVERHEAD	\$3,000
270		ROAD/LOCATION/FENCING/REPAIRS	\$0	265		SURVEY / PLATS / STAKINGS	\$1,500
270 270		PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT	\$0 \$137,000	265 265		TRANSPORTATION / TRUCKING TAXES	\$0 \$6,523
270	90	H2S SAFETY SYSTEM	\$4,000	265		CONTINGENCY COSTS 5%	\$5,930
270 270		CONTROL / INSTRUMENT / METERS / SCADA	\$86,000			Total Intangible Facility Costs:	\$131,053
270		TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$90,000 \$154,000		_	Office Use Only:	
270	132	EI&C BATTERY BUILD	\$45,000			NAME OF TAXABLE PARTY.	
270 270		CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$5,000 \$56,000	1			11
270		FLOWLINE INSTALLATION	\$27,000	1			
270	140	SIGNAGE	\$250	l			
270		TAXES Total Tangible Facility Costs:	\$55,674	1			
	-						
Total Drill:			E4 400 120 14				
otal Com			\$4,406,170.14 \$4,645,443.54	1			
Total Facili	ity:		\$1 TOH 076 75	1			
otal DC I	ntangih Fangihte	le:	51,1 4,172. 4 52,261,443.14	1			
D = 1	A POPULATION		25 DUI 175.14	I			1
Total AFE:			10 V 250 500 400	l			
you Are:			\$11,650,592.43				
TH	IS AU	THORITY FOR EXPENDITURE IS BASED ON COST E	STIMATES, BILLING W	ILL REFLI	CT YO	UR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS.
Operator:		Franklin Mountain Energy 3, LLC					
			-8				
Approved F		Cusia Waltana		Date:			10/5/2023
		Craig Walters Chief Executive Officer					
WI Owner:							
	-						
Approved E	Ву:			Date:	-	· · · · · · · · · · · · · · · · · · ·	
Printed Nan	ne:			Title:			
					-		

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

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.

C	AS	E	NO.	241	08
~			110		.vv

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

AFFIDAVIT OF BEN KESSEL

Ben Kessel, being duly sworn, deposes and states as follows:

- 1. I am over the age of 18, I am a geologist for Franklin Mountain Energy 3, LLC ("Franklin"), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.
- 2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.
 - 3. I am familiar with the application filed by Franklin in this case.
- 4. **Exhibit 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 Franklin's development plan.
- Exhibit C.3 through Exhibit C.6 are the geology study I prepared for the Alpha
 State Com 301H well, which will target the First Bone Spring formation.
- 7. **Exhibit C.3** is a structure map of the First Bone Spring formation. The proposed spacing unit is identified by a pink box. The Alpha 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 six wells in the vicinity of the proposed Alpha 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 well falls within the wells I used for the cross-section.
- 10. **Exhibit C.6** an Isopach map of the First Bone Spring formation. The gross interval thickness increases slightly to the southeast.
- 11. Exhibit C.7 through Exhibit C.10 are the geology study I prepared for the AlphaState Com 501H well, which will target the Second Bone Spring formation.
- 12. **Exhibit C.7** is a structure map of the Second Bone Spring formation. The proposed spacing unit is identified by a pink box. The Alpha 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.
- 13. **Exhibit C.8** is a cross-section reference map that identifies six wells in the vicinity of the proposed Alpha State Com 501H well, shown by a line of cross-section running from A to A'.
- 14. **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.

- 15. **Exhibit C.10** an Isopach map of the Second Bone Spring formation. The gross interval thickness increases slightly to the southeast and to the northwest.
- 16. Exhibit C.11 through Exhibit C.14 are the geology study I prepared for the AlphaState Com 601H well, which will target the Third Bone Spring formation.
- 17. **Exhibit C.11** is a structure map of the Third Bone Spring formation. The proposed spacing unit is identified by a pink box. The Alpha State Com 601H 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.
- 18. **Exhibit C.12** is a cross-section reference map that identifies six wells in the vicinity of the proposed Alpha State Com 601H well, shown by a line of cross-section running from A to A'.
- 19. **Exhibit C.13** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Third 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.
- 20. **Exhibit C.14** is an Isopach map of the Third Bone Spring formation. The gross interval thickness increases slightly to the northeast.
 - 21. 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.
- 22. **Exhibit C.15** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.
- 23. The preferred well orientation in this area is either north/south or south/north, nearly orthogonal to S_{Hmax} , optimal for inducted fracture propagation. This is because the S_{Hmax} is at approximately 255 degrees ENE in this area of Lea County.
- 24. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.
- 25. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

[Signature page follows]

Dated: January 2nd, 2024

Ben Kessel

State of lovado

County of

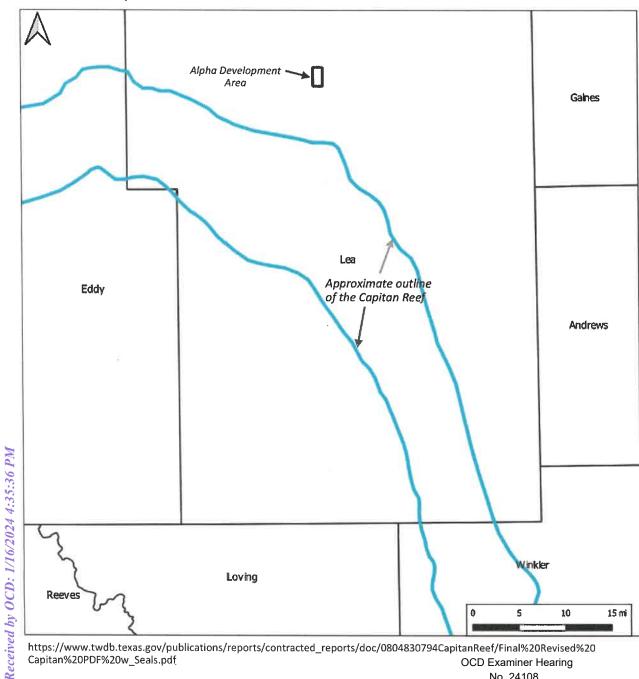
This record was acknowledged before me on Lawar

Ben Kessel.

[Stamp]

My Commission Expires:

Locator Map

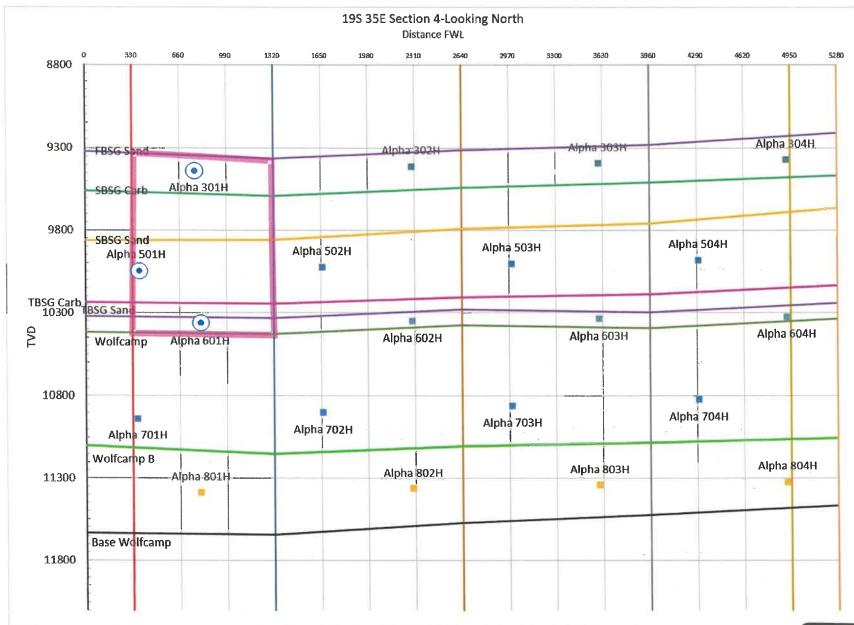


- Black box shows the location of Alpha development area
- Planned wells are located outside of the eastern edge of the Capitan Reef

aging: 1/16/2024 4:47:31 PM

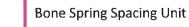
https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794CapitanReef/Final%20Revised%20 Capitan%20PDF%20w_Seals.pdf **OCD Examiner Hearing**





Received by OCD: 1/16/2024 4:35:36 PM

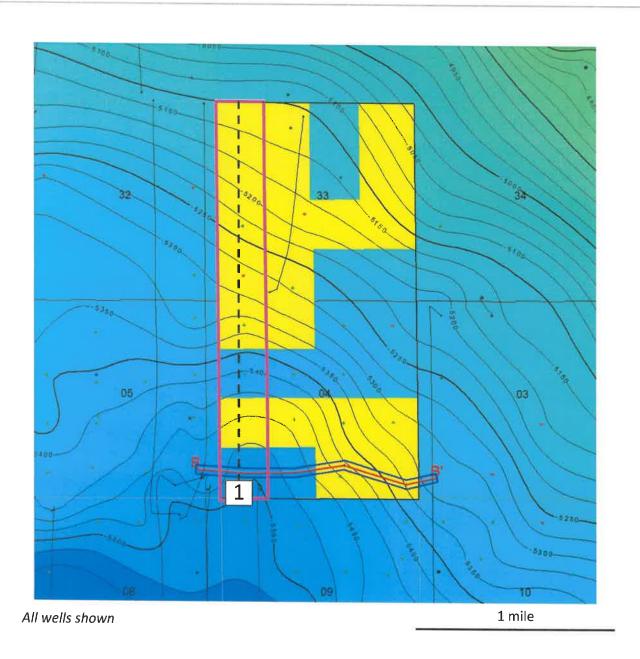
• Proposed Later Maininer Hearing No. 24108



maging: 1/16/2024 4:47:31 PM

First Bone Spring Structure







Imaging: 1/16/2024 4:47:31 PM

Cross Section Reference Map





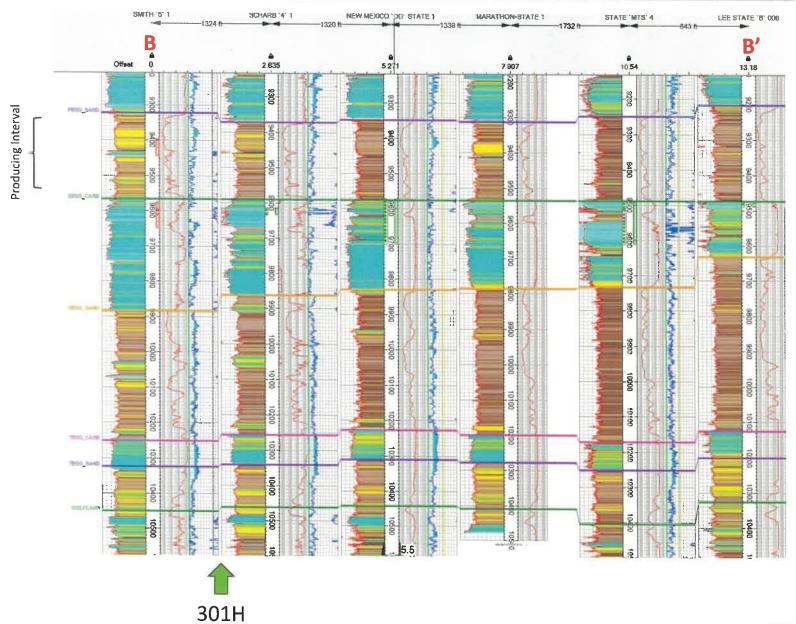
Franklin Mountain Acreage **Bone Spring** Spacing Unit Proposed Horizontal Location

1 Alpha State Com 301H



First Bone Spring Cross Section

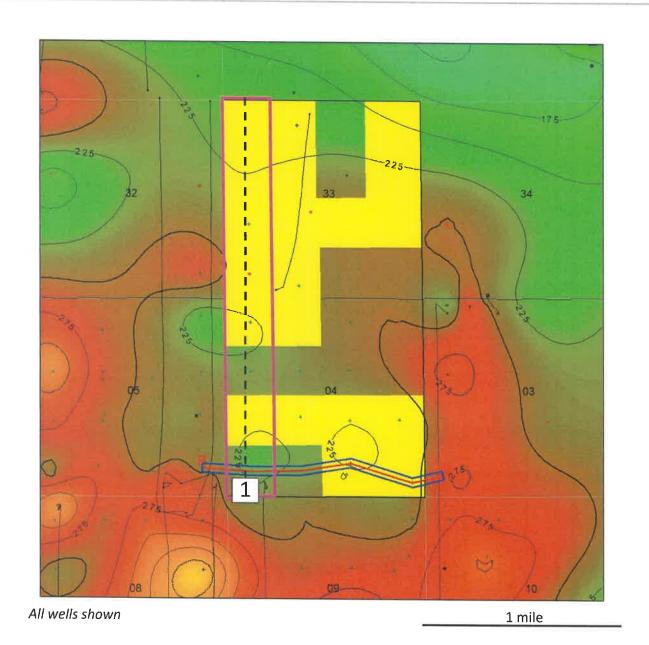






First Bone Spring Sand Isopach





Franklin Mountain Acreage

Bone Spring Spacing Unit

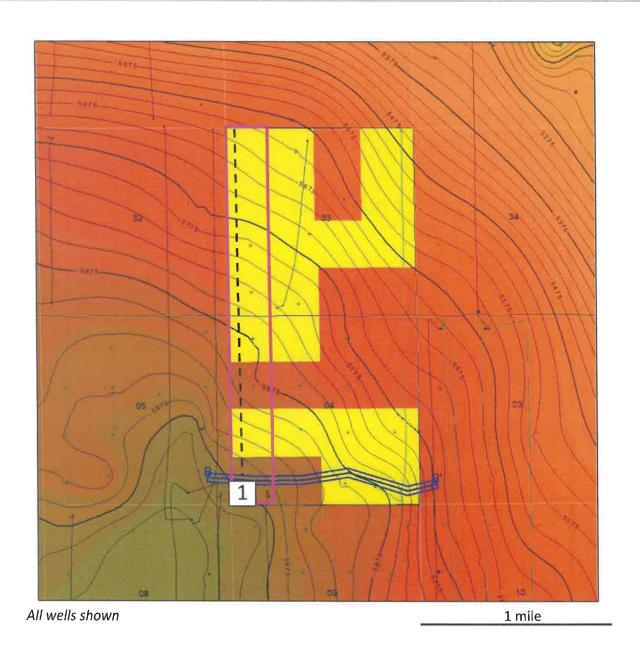
Proposed Horizontal Location

1 Alpha State Com 301H

maging: 1/16/2024 4:47:31 PM

Second Bone Spring Structure





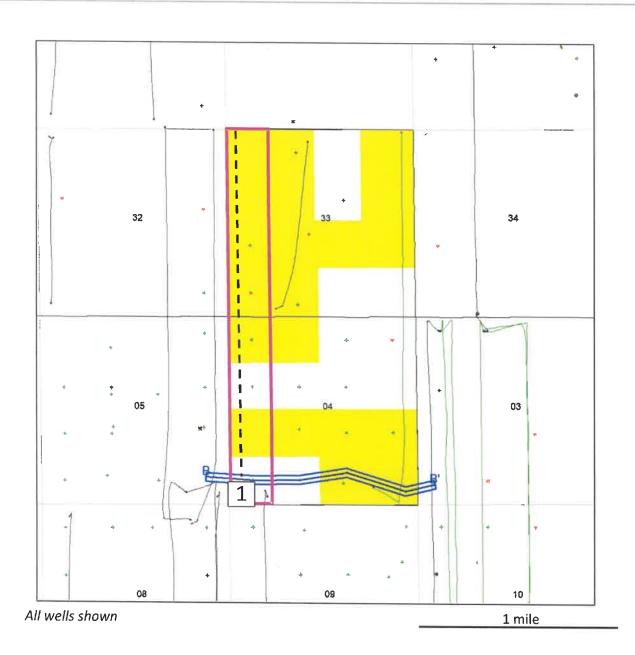
Franklin Mountain Acreage **Bone Spring** Spacing Unit Proposed Horizontal Location 1 Alpha State Com 501H

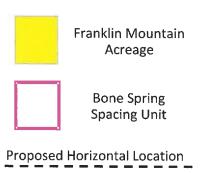
EXHIBIT

aging: 1/16/2024 4:47:31 PM

Cross Section Reference Map





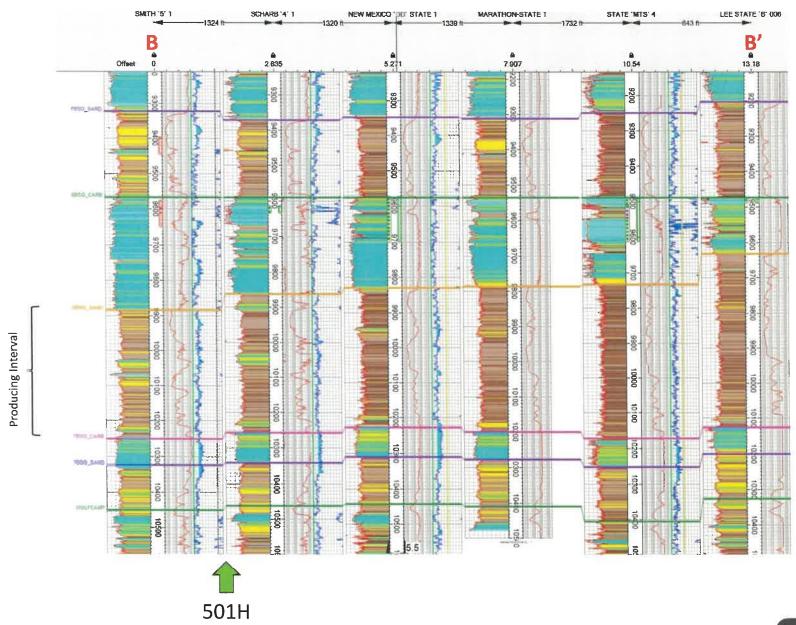


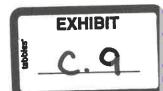
1 Alpha State Com 501H



Second Bone Spring Cross Section

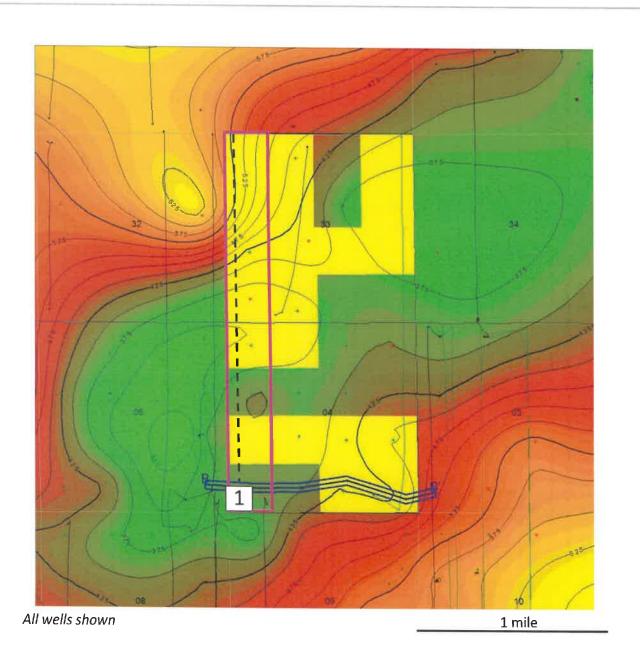


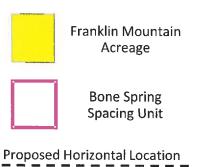




Second Bone Spring Isopach





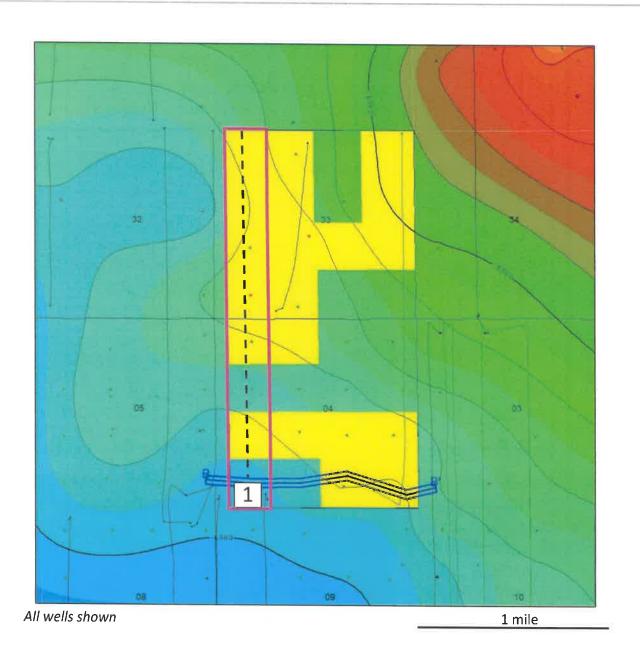


1 Alpha State Com 501H



Third Bone Spring Structure





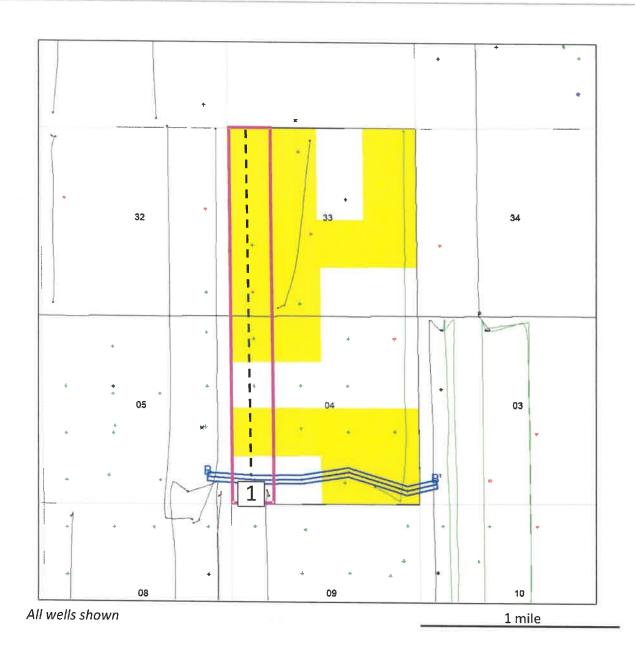
Franklin Mountain Acreage **Bone Spring** Spacing Unit Proposed Horizontal Location

1 Alpha State Com 601H



Cross Section Reference Map





Franklin Mountain Acreage **Bone Spring Spacing Unit**

1 Alpha State Com 601H

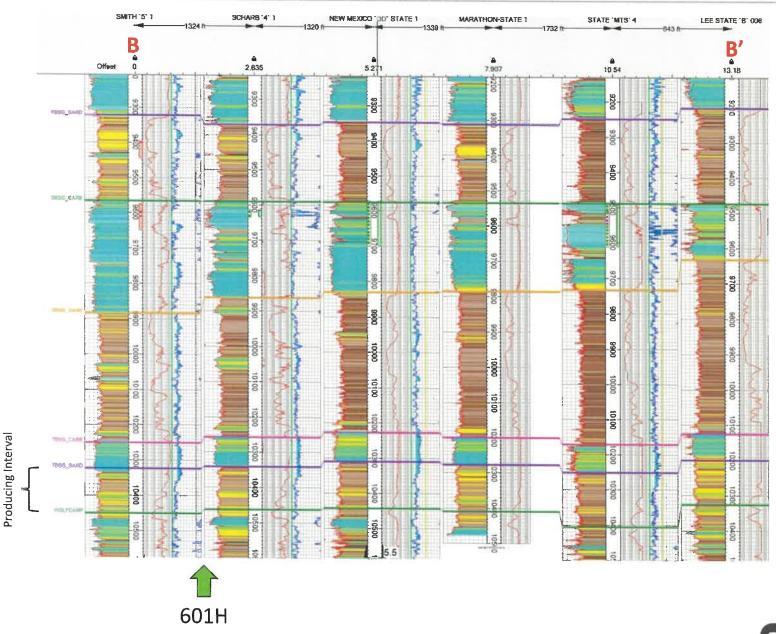
Proposed Horizontal Location

maging: 1/16/2024 4:47:31 PM

Received by OCD: 1/16/2024 4:35:36 PM

Third Bone Spring Cross Section







Imaging: 1/16/2024 4:47:31 PM

Received by OCD: 1/16/2024 4:35:36 PM

Third Bone Spring Isopach



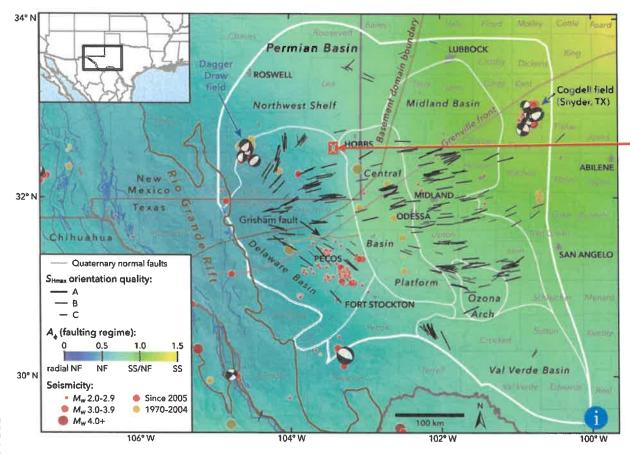


Franklin Mountain Acreage **Bone Spring Spacing Unit**

Proposed Horizontal Location

1 Alpha State Com 601H





- Red box shows the approximate location of the Alpha development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 255°
- The Alpha State Com Bone Spring 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/MobilePagedArtic le.action?articleId=1331603#articleId1331603

EXHIBIT C.12024 4:47:31 PM

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

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. 24106

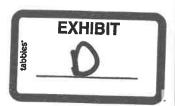
APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24108

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 Applications were provided under notice letter, dated December 15, 2023, and attached hereto, as Exhibit A, to pooled parties and to operators/working interest owners known to Franklin in the new/existing spacing units.
- 2) Exhibit B is the mailing list, which show the notice letters were delivered to the USPS for mailing on December 15, 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 shows the names and addresses of the parties to whom notice was sent and proof of delivery.
- 4) Exhibit D is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the January 4, 2024 hearing was published on December 19, 2023.



5) 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: December 28, 2023.

Deana M. Bennett

Deena H. Bennett



December 15, 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 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. 24106

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

CASE NO. 24108

EXHIBIT

TO: AFFECTED PARTIES

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

In Case No. 24104, Franklin Mountain Energy 3 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:

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, w Mexico 87103-2168

l: 505.848.1800

OCD Examiner Hearing No. 24108 51

Page 2

 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. 24106, Franklin Mountain Energy 3 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. 24108, Franklin Mountain Energy 3 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.

The hearing will be conducted remotely on January 4, 2024 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.

Page 3

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

You are further notified that if you desire to appear in these cases, 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 COMPULSORY POOLING, AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 24104

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 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. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the E/2 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 to form a standard 319.70-acre, more or less, Bone Spring horizontal spacing unit.
- 3. Franklin plans to drill the Alpha State Com 302H, Alpha State Com 502H, and Alpha State Com 602H wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells are expected to be orthodox.

Released to Imaging: 12/6/2023 9:19:33 AM

Received by OCD: 1/16/2024 4:35:36 PM Received by OCD: 12/5/2023 5:11:57 PM Page 57 of 71

Page 2 of 4

- 4. This proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing unit:
 - a. 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).
- 5. 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.
- 6. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing 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 January 4, 2024 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 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;
 - B. Approving, to the extent necessary, the proposed overlapping spacing unit;
 - C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;

- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. 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
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Applicant

CASE NO. 24104: 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. Applicant 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.

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. 24106

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 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. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the E/2 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 to form a standard 319.70-acre, more or less, Wolfcamp horizontal spacing unit.
- 3. Franklin plans to drill the Alpha State Com 702H and Alpha State Com 802H wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled, and the producing area for the wells are expected to be orthodox.

Released to Imaging: 12/6/2023 9:26:02 AM

Received by OCD: 1/16/2024 4:35:36 PM Received by OCD: 12/5/2023 5:18:51 PM

Page 61 of 71
Page 2 of 4

4. Franklin sought, but has been unable to obtain, a voluntary agreement from all

interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in

the drilling of the wells or to otherwise commit their interests to the wells.

5. The pooling of all interests in the Wolfcamp formation underlying the proposed

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

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

the Oil Conservation Division on January 4, 2024 and after notice and hearing as required by law,

the Division enter its order:

A. Pooling all uncommitted interests in the Wolfcamp formation underlying a

horizontal spacing unit within 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;

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

2

Released to Imaging: 12/6/2023 9:26:02 AM

Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Applicant

CASE NO. 24106: Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant 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.

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. 24108

<u>APPLICATION</u>

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 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. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the 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 to form a standard 319.70-acre, more or less, Bone Spring horizontal spacing unit.
- 3. Franklin plans to drill the Alpha State Com 301H, Alpha State Com 501H, and Alpha State Com 601H wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing area for the wells are expected to be orthodox.

Released to Imaging: 12/6/2023 9:32:46 AM

Received by OCD: 1/16/2024 4:35:36 PM Received by OCD: 12/5/2023 5:32:37 PM Page 65 of 71
Page 2 of 4

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. 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 January 4, 2024 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 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;

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

2

Released to Imaging: 12/6/2023 9:32:46 AM

Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Applicant

CASE NO. 24108: Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant 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.

PS Form 3877

Type of Mailing: CERTIFIED MAIL, 12/15/2023

Tourth S	uman rling Roehl Harris & Sisk P.A. Street, Suite 1000 e NM 87102	PS Form 3 Type of Mailing: CER 12/15/202					
			Firm Mailing Book ID: 257480				
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0115 2030 17	LUCKALOY LIMITED COMPANY A New Mexico Limited Liability Company 88 WEST COMPRESS ROAD ARTESIA NM 88210	\$1.83	\$4.35	\$2.20	\$0.00	10154.24104,06,08. Notice
2	9314 8699 0430 0115 2030 24	STATE OF NEW MEXICO, BY AND THROUGH ITS Commissioner of Public Lands PO BOX 1148 SANTA FE NM 87504	\$1.83	\$4.35	\$2.20	\$0.00	10154.24104,06,08. Notice
3	9314 8699 0430 0115 2030 31	SUSANNAH D. ADELSON, TRUSTEES OF James Adelson & Family 2015 Trusts 15 EAST 5TH STREET, SUITE 3300 TULSA OK 74103	\$1.83	\$4.35	\$2.20	\$0.00	10154.24104,06,08. Notice
4	9314 8699 0430 0115 2030 48	T.H. MCELVAIN OIL & GAS, LLLP 1050 17TH STREET, SUITE 1800 DENVER CO 80265	\$1.83	\$4.35	\$2.20	\$0.00	10154.24104,06,08. Notice
5	9314 8699 0430 0115 2030 55	THOMASTON, LLC 1819 DENVER WEST DRIVE, SUITE 260 LAKEWOOD CO 80401	\$1.83	\$4.35	\$2.20	\$0.00	10154.24104,06,08. Notice
6	9314 8699 0430 0115 2030 62	WILLIAM J. MCCAW PO BOX 376 ARTESIA NM 88211	\$1.83	\$4.35	\$2.20	\$0.00	10154.24104,06,08. Notice
7	9314 8699 0430 0115 2030 79	XTO HOLDINGS, LLC 22777 SPRINGWOODS VILLAGE PARKWAY SPRING TX 77389	\$1.83	\$4.35	\$2.20	\$0.00	10154.24104,06,08. Notice
8	9314 8699 0430 0115 2030 86	ZUNIS ENERGY, LLC 15 EAST 5TH STREET, SUITE 3300 TULSA OK 74103	\$1.83	\$4.35	\$2.20	\$0.00	10154.24104,06,08. Notice
		Totals:	\$14.64	\$34.80	\$17.60	\$0.00	
				Grand Total:		\$67.04	

List Number of Pieces Listed by Sender

Total Number of Pieces Received at Post Office

Postmaster: Name of receiving employee

Dated:





Received by OCD: 1/16/2024 4:35:36 PM

			Tr.	ansaction Report Details - CertifiedPro.net Firm Mail Book ID= 257480 Generated: 12/28/2023 2:23:12 PM						To all
USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zin	Mailing Status	Service Options	
9314869904300115203086	2023-12-15 9:59 AM	10154.24104,06,08.	ZUNIS ENERGY, LLC		TULSA	OK	74103	Delivered		Mail Delivery Date
9314869904300115203079	2023-12-15 9:59 AM	10154.24104,06,08.	XTO HOLDINGS, LLC		SPRING	TX	77389		Return Receipt - Electronic, Certified Mail	2023-12-18 1:08 PM
9314869904300115203062	2023-12-15 9:59 AM	10154.24104,06,08.	WILLIAM J. MCCAW		ARTESIA			Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300115203055	2023-12-15 9:59 AM	10154,24104,06,08.	THOMASTON, LLC			NM	88211	Delivered	Return Receipt - Electronic, Certified Mail	2023-12-21 9:44 AM
9314869904300115203048	2023-12-15 9:59 AM		T.H. MCELVAIN OIL & GAS, LLLP		LAKEWOOD		80401	Mailed	Return Receipt - Electronic, Certified Mail	
9314869904300115203031	2023-12-15 9:59 AM				DENVER	CO	80265	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300115203024			SUSANNAH D. ADELSON, TRUSTEES OF	Territoria forminy 2013 fidada	TULSA	OK	74103	Delivered	Return Receipt - Electronic, Certified Mail	2023-12-18 1:08 PM
9314869904300115203024	2023-12-15 9:59 AM		STATE OF NEW MEXICO, BY AND THRO	DUGH ITS Commissioner of Public Lands	SANTA FE	NM	87504	Delivered	Return Receipt - Electronic, Certified Mail	2023-12-18 10:27 AM
2214002204200112503017	2023-12-15 9:59 AM	10154.24104,06,08.	LUCKALOY LIMITED COMPANY	A New Mexico Limited Liability Compar	ny ARTESIA	NM	88210	Mailed	Return Receipt - Electronic, Certified Mail	12 10 10.27 AIV



Beginning with the issue dated December 19, 2023 and ending with the issue dated December 19, 2023.

iblisher

Sworn and subscribed to before me th 19th day of December 2023.

Business Manager

My commission expires

January 44TEOF NEW MEXICO

LEGAL NOTICE

Affidavit of Publicatio

CASE NO. 24103: Notice to all affected parties, as well as heirs and devisees of: CEP Minerals; Collins & Jones Investments, LLC: Crown Oil Partners, LP; David W. Cromwell; Deane Durham; Good News Minerals, LLC; H. Jason Wacker; Kaleb Smith; KMF Land, LLC; LMC Energy, LLC; Luckaloy Limited Company, A New Mexico Limited Liability Company; Marathon Oil Permian, LLC; MCT Energy, Ltd.; Mike Moylet; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IV, LLC; Post Oak Crown IV, LLC; Sortida Resources, LLC; State of New Mexico, by and through its Commissioner of Public Lands; Susannah D. Adelson, Trustees of the James Adelson and Family 2015 Trusts; William J. McCaw; Zunis Energy, LtC of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing is posted at "GCD NOTICES" at https://www.emprd.nm.gov/ocd/hearing-info/. Applicant less, Wolfcamp horizontal spacing unit comprising the E/2 E/2 of Section 33, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the 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 these costs as operator of the wells, and a 200% charge for risk involved in drilling said in the regular and entire issue of said allocation of these costs as well as the actual operating costs and charges for supervision, designation of mewspaper, and not a supplement there a period of 1 issue(s).

Said area is located approximately 16 miles west of Hobbs, New Mexico.

CASE NO. 24104: Notice to all affected parties, as well as heirs and devisees of: Luckaloy Limited Company, a New Mexico Limited Liability Company; State of New Mexico, by and through its Commissioner of Public Lands; Susannah D. Adelson, Trustee of the James Adelson and Family 2015 Trusts; T.H. McElvain Oil & Gas, LLLP; Thomaston, LLC; William J. McCaw; XTO Holdings, LLC; and, to the extent necessary, approval of an overlapping spacing unit, 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 January 4, 2024 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at https://www.emnrd.nm.gov/ocd/hearing-info/. Applicant 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.

CASE NO. 24105: CEP Minerals; Collins & Jones Investments, LLC: Crown Oil Partners, LP; David W. Cromwell; Deane Durham; Good News Minerals, LLC; H. Jason Wacker; Kaleb Smith; KMF Land, LLC; LMC Energy, LLC; Luckaloy Limited Company, A New Mexico Limited Liability Company; Marathon Oil Permian, LLC; MCT Energy, Ltd.; Mike Moylett; Oak Valley Mineral and Land, LP; Post Oak Crown IVB, LLC; Post Oak Mavros, II, LLC: SB Land, LLC; Sortida Resources, LLC; State of New Mexico, by and through its Commissioner of Public Lands; Susannah D. Adelson, Trustees of the James Adelson and Family 2015 Trusts; William J. McCaw; Zunis Energy, LLC of the Notice to all affected parties, as well as heirs and devisees of: Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 4, 2024 to consider this application. Information about accessing the electronic hearing is prosted at "OCD NOTICES" at https://www.emirid.nim.gov/ocd/hearing-info/. Applicant seeks an order from 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, and Lot 2, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Alpha State Com 703H and 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 constitute of these costs as well as the actual constitute of these costs as well as the actual constitute of these costs as well as the actual constitute of these costs as well as the actual constitute of these costs as well as the actual conscience of these costs. 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.

(Seal) NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/20
This newspaper is duly qualified to pi legal notices or advertisements withing meaning of Section 3, Chapter 167, 1937 and payment of fees for said pt has been made.

CASE NO. 24106: Notice to all affected parties, as well as heirs and devisees of: Luckaloy Limited Company, a New Mexico Limited Liability Company; State of New Mexico, by and through lits Company, a New Mexico Indicated Liability Company; State of New Mexico, by and through lits Company, a New Mexico Indicated Liability Company; State of New Mexico, by and through lits Company, a New Mexico Indicated Liability Company; State of New Mexico, by and through lits Company, a New Mexico. The State of New Mexico, The State of New Mexico. The State of New Mexico. The State of New Mexico. The State of New Mexico Indicated through lits Compulsory pooling, notice that the Division will conduct a public hearing at 8:15 a.m. on January 4, 2024 to consider this https://www.emnrd.nm.gov/ocd/hearing-info/. Applicant seeks an order from the Division pooling all uncommitted Liability Company; State of New Mexico, by and through lits Company; State of New Mexico, by and through lits Company; State of New Mexico, by and through lits Company; State of New Mexico, by and through lits Company; State of New Mexico, by and through lits Company; State of New Mexico, by and through lits Company; State of New Mexico, by and through lits Company; State of New Mexico, the Alpha State of New Mexico. The State of New Mexico and Indiany. The State of New Me

CASE NO. 24107: Notice to all affected parties, as well as heirs and dev Collins & Jones Investments, LTC: Crown Oil Partners, LP; David W. Cromv Released to Imaging: 1/16/2024 4:47:3 Colling Limited Company Agents (Sec. 1997)

Rease No. 2007: White 102-64: affected parties, as well as heirs and devisees of: CEP Minerals; Coilins & Jones investments, LLC: Crown Oil Partners, LP; David W. Cromwell; Deane Durham; G & C; Good News Minerals, LLC; H. Jason Wacker; Kaleb Smith; KMF Land, LLC; LMC Energy, LLC; Luckaloy Limited Company, A New Mexico Limited Liability Company; Marathon Oil Permian, LLC; MCT Energy, Ltd.; Mike Moylett; Oak Valley Mineral and Land, LP; Post Oak Crown IV, LLC; Post Oak Crown IVB, LLC; Post Oak Mavros, II, LLC: SB Land, LLC; Sortida Resources, LLC; State of New Mexico, by and through its Commissioner of Public Lands; Susannah D. Adelson, Trustees of the James Adelson and Family 2015 Trusts; William J. McCaw; Zunis Energy, LLC of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 4, 2024 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at https://www.emnrd.nm.gov/ocd/hearing-info/. Applicant 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 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.

CASE NO. 24108: Notice to all affected parties, as well as heirs and devisees of: Luckaloy Limited Company, a New Mexico Limited Liability Company; State of New Mexico, by and through its Commissioner of Public Lands; Susannah D. Adelson, Trustees of the James Adelson and Family 2015 Trusts; T.H. McElvain Oil & Gas, LLLP; Thomaston, LLC; William J. McCaw; XTO Holdings, LLC; Zunis Energy, LLC of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on January 4, 2024 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at https://www.emnrd.nm.gov/ocd/hearing-info/. Applicant 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 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.

CASE NO. 24109: Notice to all affected parties, as well as heirs and devisees of: Luckaloy Limited Company, a New Mexico Limited Llability Company; State of New Mexico, by and through its Commissioner of Public Lands; Susannah D. Adelson, Trustees of the James Adelson and Family 2015 Trusts; T.H. McElvain Oil & Gas, LLLP; Thomaston, LLC; William J. McCaw; Zunis Energy, LLC of the 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. 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 January 4, 2024 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at https://www.emnrd.nm.gov/ocd/hearing-info/. Applicant 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 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 C ble 19 35 9 State Com #001H well (API 30-025-46140).

All to 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, 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. #00285871