

Before the Oil Conservation Division Examiner Hearing March 21st, 2024

Compulsory Pooling

Case No. 24211: Tag State Com 703H, Tag State Com 704H, Tag State Com 803H, Tag State Com 804H

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. 24211

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS							
Case: 24211	APPLICANT'S RESPONSE						
Date	March 21, 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	Tag State						
Formation/Pool							
Formation Name(s) or Vertical Extent:	Wolfcamp						
Primary Product (Oil or Gas):	Oil						
Pooling this vertical extent:	Wolfcamp						
Pool Name and Pool Code:	Pearl; Wolfcamp South Pool (Code 49870)						
Well Location Setback Rules:	State-Wide Rules Apply						
	State-wide Rules Apply						
Spacing Unit Type (Horizontal/Vertical)							
	Horizontal						
Size (Acres)	641.27-acres						
Building Blocks:	40-Acres						
Orientation:	North/South						
Description: TRS/County	Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular of Section 2 (E/2 equivalent), and the E/2 of Section 11, Township 20 South, Range 3. East, N.M.P.M., Lea County, New Mexico.						
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.						
Other Situations							
Depth Severance: Y/N. If yes, description	N/A						
Proximity Tracts: If yes, description	Yes, the completed interval for the Tag State Com 803H well is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.						
Proximity Defining Well: if yes, description	Tag State Com 803H						
Applicant's Ownership in Each Tract	See Exhibit B.3						
Well(s)							
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed						
Well #1: Tag State Com 703H EXHIBIT Graph A OCD Examine Released to Imaging: 3/20/2024 8:54:15 AM No.	API No. Pending SHL: 266' FNL & 2055' FEL, (Lot 2/Unit B), Section 2, T20S, R35E BHL: 100' FSL & 2290' FEL, (Unit O) Section 11, T20S, R35E Completion Target: Wolfcamp A (Approx. 11,348' TVD) Hearing 3701-24 Vorth/South						

Received by OCD: 3/19/2024 4:25:13 PM Well #2: Tag State Com 704H	API No. Pending
	SHL: 266' FNL & 1156' FEL, (Lot 1/Unit A), Section 2, T20S, R35E BHL: 100' FSL & 980' FEL, (Unit P) Section 11, T20S, R35E Completion Target: Wolfcamp A (Approx. 11,304' TVD) Orientation: North/South
Well #3: Tag State Com 803H	API No. <i>Pending</i> SHL: 266' FNL & 1905' FEL, (Lot 2/Unit B), Section 2, T20S, R35E BHL: 100' FSL & 1490' FEL, (Unit O) Section 11, T20S, R35E Completion Target: Wolfcamp B (Approx. 11,711' TVD) Orientation: North/South
Well #4: Tag State Com 804H	API No. Pending SHL: 266' FNL & 1066' FEL, (Lot 1/Unit A), Section 2, T20S, R35E BHL: 100' FSL & 360' FEL, (Unit P) Section 11, T20S, R35E Completion Target: Wolfcamp B (Approx. 11,654' TVD) Orientation: North/South
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	ACCURATE AND ACCURATE MANAGES
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Pargraph 23
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 & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B.6
List 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 OCD Examin	Exhibit B.7 er Hearing 3-21-24

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Geology					
Summary (including special considerations)	Exhibit C				
Spacing Unit Schematic	Exhibit C.1				
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.1				
Well Orientation (with rationale)	Exhibit C.11				
Target Formation	Exhibit C.3 to C.6; C.7 to C.10				
HSU Cross Section	Exhibit C.4; C.8				
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 and C.7				
Cross Section Location Map (including wells)	Exhibit C.4 and C.8				
Cross Section (including Landing Zone)	Exhibit C.5 and C.9				
Additional Information					
Special Provisions/Stipulations	N/A				
CERTIFICATION: I hereby certify that the information prov	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:	3/19/2024				

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.

CASE	NO.	24211
------	-----	-------

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.



- 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 641.27-acre, more or less, Wolfcamp horizontal spacing unit comprised of Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent), and the E/2 of Section 11, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
 - 9. This spacing unit will be dedicated to the following wells:
 - a. The Tag State Com 703H and Tag State Com 803H wells to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and
 - b. The Tag State Com 704H and Tag State Com 804H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11.
 - 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 Pearl; Wolfcamp, South pool, Pool Code 49870.
 - 13. This pool is an oil pool with 40-acre building blocks.
 - 14. This pool is governed by the state-wide horizontal well rules.
 - 15. The producing areas for the wells are expected to be orthodox.
 - 16. There are no depth severances within the proposed spacing unit.

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17. The completed interval for the Tag State Com 803H well is expected to be less than

330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within

the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.

18. **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.

19. 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.

20. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder of

the unleased mineral interest owners in the proposed wells.

21. **Exhibit B.4** is a summary of my contacts with the working interest owners.

22. **Exhibit B.5** is a list of the parties being pooled for this case.

23. 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.

24. **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.

25. 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.

- 26. Franklin requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
 - 27. Franklin requests that it be designated operator of the wells.
 - 28. The parties Franklin is seeking to pool were notified of this hearing.
- 29. Franklin seeks to pool overriding royalty interest owners, and they were also provided notice of this hearing.
- 30. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.
- 31. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

[Signature page follows]

Dated: March 18, 2024	Don Johnson
State of Colorado	
County of <u>Berver</u>	
This record was acknowledged before	ore me on <u>March 18th</u> , 2024, by
[Stamp] CRYSTAL MCCLAIN NOTARY PUBLIC	
STATE OF COLORADO NOTARY ID 20234007312	Notary Public in and for the State of
MY COMMISSION EXPIRES FEBRUARY 23, 2027	Commission Number: 20234007312
My Commission Expires: 2 23 27	

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. 24211

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 641.27-acre, more or less, Wolfcamp horizontal spacing unit comprised of Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent), and the E/2 of Section 11, Township 20 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 spacing unit to the following wells:
 - a. The Tag State Com 703H and Tag State Com 803H wells to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and
 - b. The Tag State Com 704H and Tag State Com 804H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11.
 - 3. The producing area for the wells is expected to be orthodox.



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4. The completed interval for the **Tag State Com 803H** well is expected to be less

than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts

within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.

5. 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.

6. 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 March 7, 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 Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2

equivalent), and the E/2 of Section 11, Township 20 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
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 Franklin Mountain Energy 3, LLC

CASE NO. 24211: 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 641.27-acre, more or less, Wolfcamp horizontal spacing unit comprising of Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent), and the E/2 of Section 11, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Tag State Com 703H and Tag State Com 803H wells to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and the Tag State Com 704H and Tag State Com 804H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11. The producing area for the wells is expected to be orthodox. The completed intervals for the Tag State Com 803H well is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC. 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 19 miles southwest of Hobbs, New Mexico.

EXHIBIT

| District | 1 | 1625 N. French Dr., Hobbs, NM 88240 | Phone: (375) 393-6161 Faz: (375) 393-0720 | District II | 811 S. First St., Artesia, NM 88210 | Phone: (575) 748-1283 Faz: (575) 748-9720 | District III | 1000 Rio Brazos Road, Azirc, NM 87410 | Phone: (505) 334-6178 Faz: (505) 334-6170 | Patrict IV | 1220 S. 81. Francis Dr., Santa Fe, NM 87505 | Phone: (305) 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

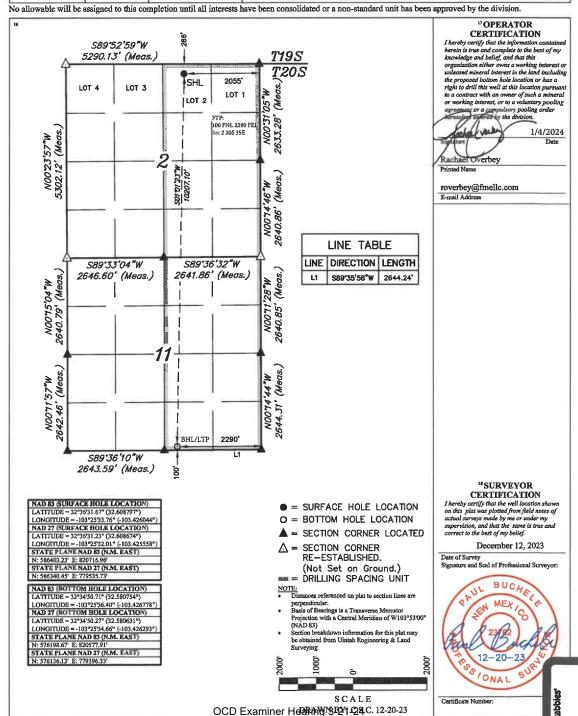
¹ API Number	² Pool Code 49870	ЛН	
4 Property Code	5 Property N TAG STAT		6 Well Number 703H
⁷ OGRID No. 331595	Operator FRANKLIN MOUNTAL	⁹ Elevation 3674.0'	

Surface Location

UL or lot no. 2	Section 2	Township 20S	Range 35E	Lot Idn	Feet from the 266	North/South line NORTH	Feet from the 2055	East/West line EAST	County LEA

ⁿ Bottom Hole Location If Different From Surface

UL or lot no. O	Section 11	Township 20S	Range 35E	Lot Ida	Feet from the 100	North/South line SOUTH	Feet from the 2290	East/West line EAST	County LEA
¹² Dedicated Acre 641,27	13 ,	oint or Infill	14 Consc	lidation Code	15 Order No.				



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170 Phone: (305) 334-6176 Fax: (305) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

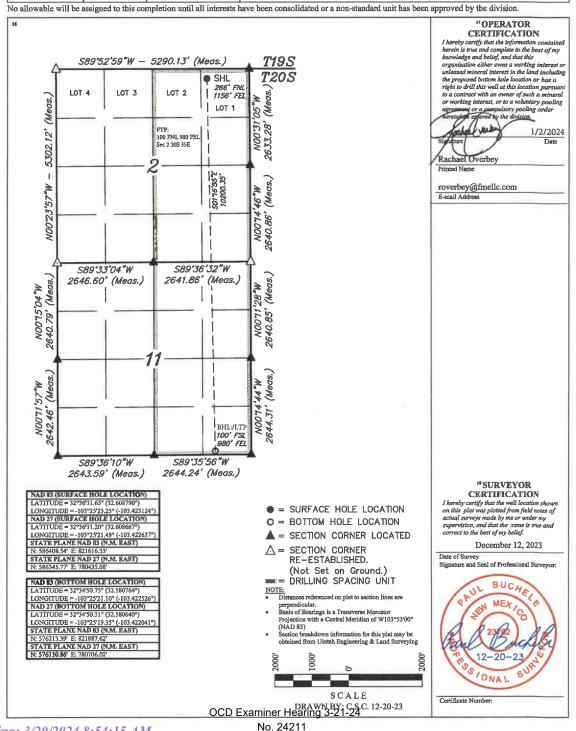
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	Pool Code 49870 PEARL; WOLFCAMP, SOUTH	
Property Code	5 Property TAG STA	
⁷ OGRID No. 331595	Operator FRANKLIN MOUNTA	

County Range 35E NORTH **20S** EAST 2 266 1156

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	11	20S	35E		100	SOUTH	980	EAST	LEA
12 Dedicated Acre 641.27	es 13.1	oint or Infill	14 Conse	olidation Code	15 Order No.				



District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 311 S. First St., Artesis, 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 87562 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

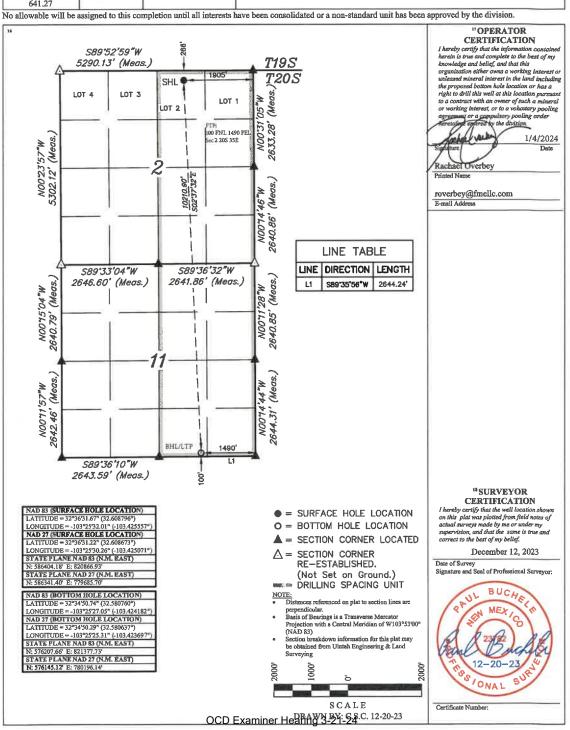
¹ API Number	² Pool Code 49870	AMP, SOUTH			
⁴ Property Code		³ Property Name TAG STATE COM			
OGRID No. 331595	°Ор FRANKLIN MOU	* Elevation 3673.9*			

"Surface Location

UL or lot no. Section' Township Range Lot Idn Feet from the North/South line Feet from the Eart/West line County
2 2 20S 35E 266 NORTH 1905 EAST LEA

"Bottom Hole Location If Different From Surface

UL or lot no.	Section 11	Township 20S	Range 35E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 1490	East/West line EAST	County LEA
Dedicated Acre 641.27	13 J.	olut or Infill	14 Const	Edation Code	15 Order No.				



District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (577) 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 Brazzos Road, Azzec, 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) 476-3465

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

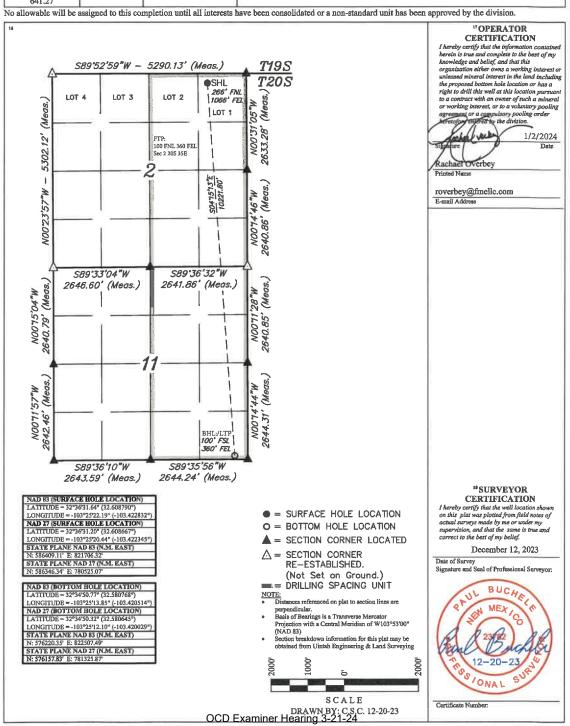
		WEEDE LOCATION 781	D MCKEMOE DEDICATION I DATI		
¹ API Numbe	¹ API Number		¹ Pool Code 49870 PEARL; WOLFCAMP, SC		
4 Property Code			roperty Name STATE COM	6 Well Number 804H	
⁷ OGRID No. 331595		*Operator Name PRANKLIN MOUNTAIN ENERGY 3, LLC 366			

"Surface Location

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the LEAST LEA

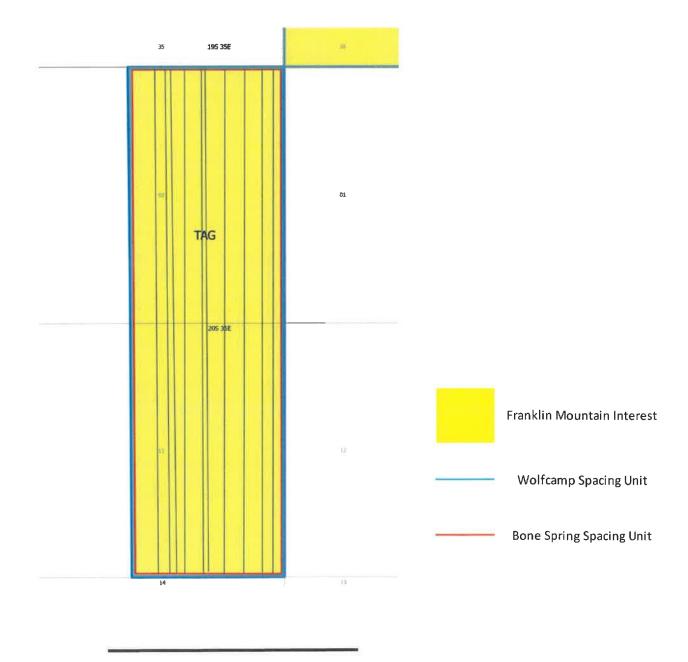
"Bottom Hole Location If Different From Surface

UL or let no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	11	20S	35E		100	SOUTH	360	EAST	LEA
12 Dedicated Acro 641.27	н 13 Д	oint or Infill	14 Come	olidation Code	15 Order No.			,-	



Development Overview

Case Nos. 24211



1 mile

EXHIBIT

B.3

Lease Tract Map Case No. 24211 E/2 of Sections 2 & 11-T20S-R35E, 641.27 Acres Tag State Com 703H, Tag State Com 704H, Tag State Com 803H, Tag State Com 804H

L4 (40.62)	L3 (40.63)	L2(40.63)	L1 (40.64)
		2	
		11	
			=



Summary of Interests Case No. 24211 E/2 of Sections 2 & 11-T20S-R35E, 641.27 Acres Tag State Com 703H, Tag State Com 704H, Tag State Com 803H, Tag State Com 804H

Commited Working In	terest
Franklin Mountain Energy 3, LLC	65.255933%
SITL Energy, LLC	12.943082%
Kastleford Land Company, LLC	3.757427%
R.E.B. Resources, LLC	1.669800%
Uncommited Working	nterest
S&S Inc.	6.237622%
Roy G. Barton, Sr. & Opal Barton Rev Trust	3.898514%
Osprey Oil & Gas II, LLC	3.118811%
Estate of Robert Paul Hord	1.559406%
Roy G. Barton, Jr.	1.169554%
Wing Resources VII, LLC	0.389851%
Total:	100.000000%



Unit Recapitulation Case No. 24211 E/2 of Sections 2 & 11-T20S-R35E, 641.27 Acres Tag State Com 703H, Tag State Com 704H, Tag State Com 803H, Tag State Com 804H

L4 (40.62)	L3 (40.63)	L2(40.63)	L1 (40.64)
		2	
		11	

Tract	Lease	%		
4	VC-0941	50.0990%		
	FEE	49.9010%		

Commited Working In	terest
Franklin Mountain Energy 3, LLC	65.255933%
SITL Energy, LLC	12.943082%
Kastleford Land Company, LLC	3.757427%
R.E.B. Resources, LLC	1.669800%
Uncommited Working I	nterest
S&S Inc.	6.237622%
Roy G. Barton, Sr. & Opal Barton Rev Trust	3.898514%
Osprey Oil & Gas II, LLC	3.118811%
Estate of Robert Paul Hord	1.559406%
Roy G. Barton, Jr.	1.169554%
Wing Resources VII, LLC	0.389851%
Total:	100.000000%



Summary of Contacts (Case No. 24211)

- Franklin retained a broker who conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin searched public records, phone directory, and various different types of internet searches.
- Franklin sent well proposal letters to the working interest owners on or around January 4, 2024.
- 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
SITL Energy	WI	Signed JOA		Signed JOA 11/7/2023
Kastleford Land Company, LLC	WI	Signed JOA		Signed JOA 11/7/2023
R.E.B. Resources, LLC	WI	Signed JOA		Signed JOA 11/7/2023
Osprey Oil & Gas III, LLC	WI	10/30/2023	11/1/2023	
S&S, Inc.	WI	10/30/2023	11/1/2023	
Estate of Robert Paul Hord	WI	10/30/2023	11/2/2023	Sent Leasing Information
Roy G. Barton, Jr.	WI	10/30/2023	11/2/2023	Elections received 11/15/2023
Roy G. Barton, Sr. and Opal Barton Rev Trust	WI	10/30/2023		Elections received 11/15/2023
Wing Resources VII, LLC	WI	10/30/2023	11/1/2023	Sent Leasing Information



Case No. 24211 E/2 Wolfcamp Case

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

The Estate of Robert Paul Hord, deceased Osprey Oil and Gas II, LLC Roy G. Barton, Sr. and Opal Barton Rev Trust Roy G. Barton, Jr. S&S, Inc. Wing Resources VII, LLC

ORRI to Be Pooled

Benjamin Keith Williams and wife, Allison Claire Tull Williams
Charles Wilkins McLaughlin and wife, Hayley Wright McLaughin
Jerry H. McCullar, III and wife, Jennifer G. McCuller
Keith Williams and wife, Becky Williams
Osprey Oil and Gas III, LLC
Paul E. Casseb, III and wife, Bonnie Rae Casseb
Ventura Oil & Gas, LLC
R.E.B. Resources, LLC
SITL Energy, LLC
Kastleford Land Company, LLC





Sent via USPS: 9405509205568141307341

October 30, 2023

Osprey Oil & Gas III, LLC 707 N. Carrizo St. Midland, TX 79701

Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 20 South, Range 35 East Section 2: Lots 1, 2, S2NE, SE Township 20 South, Range 35 East

Section 11: E2

Lea County, New Mexico 641.27 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
Tag State Com 302H	1BS	9,398'	21,898'	Sec 2- T20S- R35E 240 FNL 1995 FEL	Sec 11- T20S- R35E 100 FSL 2290 FEL	\$11,355,549.08	N/A
Tag State Com 303H	1BS	9,371'	18,371'	Sec 2- T20S- R35E 240 FNL 1965 FEL	Sec 11- T20S- R35E 100 FSL 1490 FEL	\$11,355,549.08	N/A
Tag State Com 304H	1BS	9,333'	18,333'	Sec 2- T20S- R35E 240 FNL 660 FEL	Sec 11- T20S- R35E 100 FSL 360 FEL	\$11,355,549.08	N/A

EXHIBIT

B.G



				Sec 2-	Sec 11-		
Tag State				T20S-	T20S-		
Com	2BS	10,298'	19,298'	R35E	R35E	\$11,355,549.08	N/A
503H			,	240 FNL	100 FSL		
				2025 FEL	2290 FEL		
				Sec 2-	Sec 11-		
Tag State				T20S-	T20S-		
Com	2BS	10,254'	20,254'	R35E	R35E	\$11,355,549.08	N/A
504H				240 FNL	100 FSL		
				720 FEL	980 FEL		
				Sec 2-	Sec 11-		
Tag State				T20S-	T20S-		
Com	3BS	10,596'	20,596'	R35E	R35E	\$11,650,592.43	N/A
603H				240 FNL	100 FSL		
				1935 FEL	1490 FEL		
				Sec 2-	Sec 11-		
Tag State				T20S-	T20S-		
Com	3BS	10,558'	20,558'	R35E	R35E	\$11,650,592.43	N/A
604H				240 FNL	100 FSL		
				630 FEL	360 FEL		
				Sec 2-	Sec 11-		
Tag State				T20S-	T20S-		
Com	WCA	11,348'	21,348'	R35E	R35E	\$11,650,592.43	N/A
703H				240 FNL	100 FSL		
				2055 FEL	2290 FEL		
				Sec 2-	Sec 11-		
Tag State				T20S-	T20S-		
Com	WCA	11,304'	21,304'	R35E	R35E	\$11,650,592.43	N/A
704H				240 FNL	100 FSL		
				690 FEL	980 FEL		
				Sec 2-	Sec 11-		
Tag State				T20S-	T20S-	=02 002 05	/.
Com	WCB	11,711'	21,711'	R35E	R35E	\$11,783,083.07	N/A
803H				240 FNL	100 FSL		
				1905 FEL	1490 FEL		
				Sec 2-	Sec 11-		
Tag State	*****	11.000	01.554	T20S-	T20S-	#11 #02 002 0F	3.77.4
Com	WCB	11,654'	21,654'	R35E	R35E	\$11,783,083.07	N/A
804H				240 FNL	100 FSL		
				600 FEL	360 FEL		

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:

44 Cook Street | Suite 1000 | Denver, CO 80206

- 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.

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

E . . . □



Tag State Com 302H:
I/We hereby elect to participate in the Tag State Com 302H well. I/We hereby elect NOT to participate in the Tag State Com 302H well.
Tag State Com 303H:
I/We hereby elect to participate in the Tag State Com 303H well. I/We hereby elect NOT to participate in the Tag State Com 303H well.
Tag State Com 304H:
I/We hereby elect to participate in the Tag State Com 304H well. I/We hereby elect NOT to participate in the Tag State Com 304H well.
Tag State Com 503H:
I/We hereby elect to participate in the Tag State Com 503H well. I/We hereby elect NOT to participate in the Tag State Com 503H well.
Tag State Com 504H:
I/We hereby elect to participate in the Tag State Com 504H well. I/We hereby elect NOT to participate in the Tag State Com 504H well.
Tag State Com 603H:
I/We hereby elect to participate in the Tag State Com 603H well. I/We hereby elect NOT to participate in the Tag State Com 603H well.
Tag State Com 604H:
I/We hereby elect to participate in the Tag State Com 604H well. I/We hereby elect NOT to participate in the Tag State Com 604H well.
Tag State Com 703H:
I/We hereby elect to participate in the Tag State Com 703H wellI/We hereby elect NOT to participate in the Tag State Com 703H well.
Tag State Com 704H:
I/We hereby elect to participate in the Tag State Com 704H well. I/We hereby elect NOT to participate in the Tag State Com 704H well.

44 Cook Street | Suite 1000 | Denver, CO 80206



Tag State Com 803H:
I/We hereby elect to participate in the Tag State Com 803H wellI/We hereby elect NOT to participate in the Tag State Com 803H well.
Tag State Com 804H:
I/We hereby elect to participate in the Tag State Com 804H wellI/We hereby elect NOT to participate in the Tag State Com 804H well.
Owner: Osprey Oil & Gas III, LLC
By:
Printed Name:
Title:
Date:



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

Amount \$8,200

Well#: 703H SHL: See 2-720S-R35E 240 FNL 2055 FEL BHL: See 11-720S-R35E 100 FSL 2290 FEL Franklin Mountain Energy 3, LLC County/State: Lea Co., NM Date Prepared: 10/25/2023 Operator: Drill and complete a 10,000' WCA well. TVD 11,348', MD 21,348'. DCE231018 AFE#: Purpose:

		Intangible Drilling Costs				Intangible Completic
Major	Minor	Description	Amount	Major		Description
225	5	ADMINISTRATIVE OVERHEAD	\$4,500	240	5	ADMINISTRATIVE OVERHEAD
225	10	CASING CREW & EQPT	\$50,000	240	10	CASED HOLE LOGS & SURVEYS
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT
225	16	CEMENTING PRODUCTION CASING	\$80,000	240	20	COILED TUBING/SNUBBING UNI
225	20	CEMENTING SUFACE CASING	\$36,000	240	25	COMMUNICATIONS
225	25	COMMUNICATIONS	\$21,000	240	30	COMPANY DIRECT LABOR
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOU
225	40	CONTRACT LABOR	\$55,000	240	50	DAMAGES/RECLAMATION
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS
225	50	DAYWORK CONTRACT	\$585,000	240	60	ELECTRICAL POWER\GENERATI
225	55	DRILLING - DIRECTIONAL	\$220,000	240	62	ENGINEERING
225	60	DRILLING - FOOTAGE	\$90,000	240	65	ENVIRONMENTAL/CLEANUP
225	65	DRILLING BITS	\$100,000	240	70	FISHING TOOLS / SERVICES
225	70	ELECTRICAL POWER/GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL
225	75	ENGINEERING	\$21,000	240	72	FRAC WATER/COMPLETION FLU
225	80	ENVIRONMENTAL SERVICES	\$210,000	240	75	FUEL, POWER/DIESEL
225	84	EOUIPMENT RENTAL DOWNHOLE	\$50,000	240	80	HEALTH & SAFETY
225	85	EOUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICE
225	90	FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES
225	95	HEALTH & SAFETY	\$9,000	240	95	MISCELLANEOUS
225	100	HOUSING AND SUPPORT SERVICES	\$19,000	240	100	MUD & CHEMICALS
225	105	INSURANCE	\$1,900	240	110	P&A/TA COSTS
225	106	INSPECTIONS	\$17,000	240	115	PERFORATING/WIRELINE SERVI
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS
225	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RE
225	130	MUD & CHEMICALS	\$190,000	240	140	SUPERVISION
225		OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL
225	141	CASED HOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING
225		PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER
225		POWER FUEL & WATER HAULING	\$170,000	240	160	WELDING SERVICES
225	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK
225	160	RIG UP TEAR OUT & STANDBY	50	240	148	TAXES
225	163	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%
225	165	STAKING & SURVEYING	\$6,000			Total Insungible Completion Costs:
225	170	SUPERVISION	\$75,600			
225	175	SUPERVISION - GEOLOGICAL	\$41,400	100		Tanzible Completio
225	180	TRANSPORTATION/TRUCKING	\$22,000	Major	Minor	Description
225	178	TAXES	\$134,057	245	5	ARTIFICIAL LIFT
225	35	CONTINGENCY COSTS 5%	\$121,870	245	15	FLOWLINES
		Total Intangible Deilling Costs:	\$2,691,327	245	25	FRAC STRING
_			_	245	40	PACKERS/SLEEVES/PLUGS/GL N

240	10	CASED HOLE LOGS & SURVEYS	\$6,635
240	15	CASING CREW & EOPT	\$0
240	20	COILED TUBING/SNUBBING UNIT	\$194,313
240	25	COMMUNICATIONS	\$1,896
240	30	COMPANY DIRECT LABOR	\$0
240	35	COMPLETION/WORKOVER RIG	\$75,000
	45	CONTRACT LABOR/ROUSTABOUTS	\$23,697
240	43 50	DAMAGES/RECLAMATION	\$1,896
240 240	55	DISPOSAL SOLIDS	\$2,844
		ELECTRICAL POWER\GENERATION	50
240	60	ENGINEERING	\$5,687
240	62 65	ENVIRONMENTAL/CLEANUP	\$0,00
240	70	FISHING TOOLS / SERVICES	\$(
240		FLUIDS/HAULING/DISPOSAL	\$180,000
240	71		\$470,000
240	72	FRAC WATER/COMPLETION FLUID	\$550,000
240	75	FUEL, POWER/DIESEL	\$4,700
240	80	HEALTH & SAFETY	\$14,00
240	85	HOUSING AND SUPPORT SERVICES	\$14,00
240	90	MATERIALS & SUPPLIES	S 5
240	95	MISCELLANEOUS	\$10,000
240	100	MUD & CHEMICALS	\$10,00
240	110	P&A/TA COSTS	\$265,40°
240	115	PERFORATING/WIRELINE SERVICE	3203,40. \$
240	120	PIPE INSPECTION	\$2,00
24D	125	ROAD, LOCATIONS REPAIRS	
240	130	STIMULATION	\$2,616,00
240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,91
240	140	SUPERVISION	\$90,04
240	145	SURFACE EQUIP RENTAL	\$189,57
240	150	TRANSPORTATION/TRUCKING	\$2,84
240	155	WATER TRANSFER	\$56,87
240	160	WELDING SERVICES	\$
240	165	WELL TESTING/FLOWBACK	\$165,00
240	148	TAXES	\$273,599
240	40	CONTINGENCY COSTS 5%	\$248,720
_		Total Integrible Completion Costs:	35,490,84
		Tangible Completion Costs	
Major	Minor	Description	Amount

Intangible Completion Costs

Tangible Drilling Costs					
Major	Minor	Description	Amount		
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758		
230	20	PACKERS/SLEEVES/PLUGS	\$66,000		
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,144,050		
230	35	SURFACE CASING & ATTACHMENTS	\$169,740		
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000		
230	40	TAXES	\$89,295		
		Total Tangible Drilling Costs:	\$1,712,843		

Major 245 245 245 245 245 245	5 15 25	ARTIFICIAL LIFT FLOWLINES FRAC STRING	\$175,000 \$20,000
245 245 245	25		
245		FRAC STRING	
			\$0
745	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	20
	45	PRODUCTION LINER	\$(
245	50	PRODUCTION PROCESSING FACILITY	S
245	55	PRODUCTION TUBING	\$150,000
245	60	RODS/PUMPS	SI
245	65	SUBSURFACE EQUIPMENT	\$50,000
245	75	WELLHEAD EQUIPMENT	\$125,000
245	70	TAXES	\$28,600
		Total Tangible Completion Costs:	\$548,600
		Intangible Facility Costs	

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

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
		Total Intengible Facility Costs:	\$131,053
_		Office Use Only:	

Total Drill	\$4,406,170.14
Total Completion:	\$6,045,445.54
Total Faculty:	\$1, 198, 976, 75
Total DC Intangable;	\$8,190,172.54
Total DC Tangible:	12,261,443.14
Total AFE:	\$1,650,592.43

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

Franklin Sugain ner 3 LC Operator: 10/25/2023 Date WI Owner: Date: 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 FME3

Total Alta:



Franklin Mountain Energy 3, I.I.C 44 Cook Street, Suite 1000 Denver, CO 80206 Phone: 720-414-7868 franklinmountaineer by corn

		Drill and complete a 10,000' WCA well. TVD 11,304', MD 21,304'.		AFE#:		DCE231019	
_	_				_		
		intangible Drilling Costs	Amount	Major	Minor	Intensible Completion Costs	Amount
Anjor N	Minor 5	Description ADMINISTRATIVE OVERHEAD	Amount \$4,500	Major 240	Minor 5	ADMINISTRATIVE OVERHEAD	\$8,2
225	10	CASING CREW & EQPT	\$50,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,6
225	15	CEMENTING INTERMEDIATE CASING	\$40,000 \$80,000	240 240	15 20	CASING CREW & EQPT COILED TUBING/SNUBBING UNIT	\$194,3
225 225	16 20	CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING	\$36,000	240	25	COMMUNICATIONS	\$1,8
225 225	25	COMMUNICATIONS	\$21,000	240	30	COMPANY DIRECT LABOR	
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,0
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45 50	CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION	\$23,6 \$1,8
225	40 45	CONTRACT LABOR	\$55,000 \$15,000	240	55	DISPOSAL SOLIDS	\$2,8
225 225	50	DAMAGES DAYWORK CONTRACT	\$585,000	240	60	ELECTRICAL POWER\GENERATION	
225	55	DRILLING - DIRECTIONAL	\$220,000	240	62	ENGINEERING	\$5,6
225	60	DRILLING - FOOTAGE	\$90,000	240	65	ENVIRONMENTAL/CLEANUP	
225	65	DRILLING BITS	\$100,000 \$0	240 240	70 71	FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL	\$180,0
225	70 75	ELECTRICAL POWER\GENERATION ENGINEERING	\$21,000	240	72	FRAC WATER/COMPLETION FLUID	\$470,0
225 225	80	ENVIRONMENTAL SERVICES	\$210,000	240	75	FUEL, POWER/DIESEL	\$550,0
225	84	EQUIPMENT RENTAL DOWNHOLE	\$50,000	240	80	HEALTH & SAFETY	\$4,7
225	85	EQUIPMENT RENTAL	\$50,000	240	8.5 90	HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES	\$14,0
225	90	FISHING TOOLS/SERVICES	000,02	240 240	95	MISCELLANEOUS	
225 225	95 100	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$19,000	240	100	MUD & CHEMICALS	\$10,0
225	105	INSURANCE	\$1,900	240	110	P&A/TA COSTS	
225	106	INSPECTIONS	\$17,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,4
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$2,0
225	115	MATERIALS & SUPPLIES	\$5,000 \$5,000	240 240	125	ROAD, LOCATIONS REPAIRS STIMULATION	\$2,616,0
225	120	MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,9
225 225	125 130	MUD & CHEMICALS	\$190,000	240	140	SUPERVISION	\$90,0
225	140	OPENHOLE LOGGING	50	240	145	SURFACE EQUIP RENTAL	\$189,5
225	141	CASED HOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING	\$2,8 \$56.6
225	145	PERMITS, LICENSES, ETC	\$20,000	240 240	155 160	WATER TRANSFER WELDING SERVICES	\$56,8
225	150	POWER FUEL & WATER HAULING	\$170,000 \$130,000	240	165	WELL TESTING/FLOWBACK	\$165,0
225 225	155 160	RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	\$130,000	240	148	TAXES	\$273,5
225	163	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$248,7
225	165	STAKING & SURVEYING	\$6,000			Total Intemplete Completion Costs:	\$3,496,8
225	170	SUPERVISION	\$75,600			Tang ble Completion Costs	
225	175	SUPERVISION - GEOLOGICAL	\$41,400 \$22,000	Major	Mino	Description	Amount
225	180	TRANSPORTATION/TRUCKING TAXES	\$134,057	245	5	ARTIFICIAL LIFT	\$175,0
225 225	178 35	CONTINGENCY COSTS 5%	\$121,870	245	15	FLOWLINES	\$20,0
		Total Intangible Drilling Costs:	\$1,601,327	245	25	FRAC STRING	
				245 245	40 45	PACKERS/SLEEVES/PLUGS/GL MANDRELS PRODUCTION LINER	
		Tangible Drilling Costs	Amount	245	50	PRODUCTION PROCESSING FACILITY	
	Minor 10	Description INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	55	PRODUCTION TUBING	\$150,0
230 230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS	
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,144,050	245	65	SUBSURFACE EQUIPMENT	\$50,0
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$125,6 \$28,6
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000 \$89,295	245	70	TAXES Total Tangible Completion Costs:	\$3.48,6
230	40	TAXES Total Tangible Drilling Costs:	\$1,712,843				
				Major	Mino	Intangible Facility Costs Procription	Amount
lajor	Minor	Tanzible Facility Costs Description	Amount	265	5	CONSULTING	\$18,
270	10	FACELITY PIPE/VALVES/FITTINGS	\$180,000	265	12	COMPANY DIRECT LABOR	***
270		CONTAINMENT	\$0	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,0 \$50,0
	15		\$0	265	22	PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE	
270	25	DEHYDRATION	244 250	200	0.6		\$221
270	25 30	PRIMARY POWER MATERIALS	\$56,000	265	25		\$22,0
270 270	25 30 50	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$47,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$22,0
270 270 270	25 30 50 60	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$47,000 \$0				\$3,
270 270	25 30 50	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$47,000 \$0 \$125,000 \$0	265 265 265 265	40 45 60 80	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS	
270 270 270 270	25 30 50 60 65	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP HSS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	\$47,000 \$0 \$125,000 \$0 \$0	265 265 265 265 265 265	40 45 60 80 85	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	\$3, \$1,
270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROADILOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT	\$47,000 \$0 \$125,000 \$0 \$0 \$137,000	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$3, \$1, \$6,
270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$47,000 \$0 \$125,000 \$0 \$0 \$0 \$137,000 \$4,000	265 265 265 265 265 265	40 45 60 80 85	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$3, \$1,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, FLOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROADILOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA	\$47,000 \$0 \$125,000 \$0 \$0 \$137,000	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$47,000 \$125,000 \$0 \$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, FLOOGUP 12S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADALOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PACILITY SURFACE EQUIPMENT 12S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIGE BATTERY BUILD	\$47,000 \$0 \$125,000 \$0 \$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$45,000	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, FLOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD	\$47,000 \$47,000 \$125,000 \$0 \$137,000 \$4,000 \$90,000 \$154,000 \$45,000 \$5,000	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 136	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, FLOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLO.CATION, FENCHORICATE PACILITY SUFFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. FONTEUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$47,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$90,000 \$154,000 \$45,000 \$56,000	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 138	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCINOR/REPAIRS PRE-PABBICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIGE BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FRIMARY POWER BUILD FLOWLINE RISTALLATION	\$47,000 \$125,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$86,000 \$154,000 \$154,000 \$5,000 \$55,000 \$56,000	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 138	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADILOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL, INSTRUMENT / METERS / SCADA TANKS & WALKWAY'S MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROL, AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE	\$47,000 \$125,000 \$0 \$175,000 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$5,000 \$55,000 \$27,000 \$255,674	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 138	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCINOR/REPAIRS PRE-PABBICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIGE BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FRIMARY POWER BUILD FLOWLINE RISTALLATION	\$47,000 \$0 \$125,000 \$0 \$177,000 \$4,000 \$86,000 \$90,000 \$154,000 \$45,000 \$5,000 \$27,000	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 138	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADALOCATION/FENCINOR/REPAIRS PRE-BABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES	\$47,000 \$125,000 \$0 \$175,000 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$5,000 \$55,000 \$27,000 \$255,674	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 110 130 132 134 136 125	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, FLOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLO.CATION, FENCHORICATE PACILITY SUFFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. FONTEUMENT / METERS / SCADA TANKS & WALKWAYS MICHANICAL BATTERY BUILD ELIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TANGIBLE FACILITY COSTS:	\$47,000 \$125,000 \$0 \$1125,000 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$55,000 \$55,000 \$27,000 \$27,000 \$255,674 \$1,067,924	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 1130 132 134 140 125	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, FLOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLO.CATION, FENCHORICATE PACILITY SUFFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. FONTEUMENT / METERS / SCADA TANKS & WALKWAYS MICHANICAL BATTERY BUILD ELIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TANGIBLE FACILITY COSTS:	\$47,000 \$01 \$125,000 \$01 \$137,000 \$4,000 \$45,000 \$154,000 \$45,000 \$55,000 \$27,000 \$27,000 \$25,600 \$25,600 \$25,600 \$25,600 \$27,000 \$25,600 \$25,	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 113 132 134 136 140 125	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL, FINSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL Tenglike Facility Costs:	\$47,000 \$125,000 \$0 \$1125,000 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$55,000 \$55,000 \$27,000 \$27,000 \$255,674 \$1,067,924	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 113 132 134 138 140 125	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, FLOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SOADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PACILITY SIRRACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAKES TOTAL TANGIBLE FACILITY COSTS:	\$47,000 \$41 \$125,000 \$00 \$117,000 \$4000 \$46,000 \$154,000 \$154,000 \$5,000 \$55,000 \$27,000 \$27,000 \$25,674 \$1,007,723 \$4,406,170,14 \$6,043,445,41 \$1,198,976,73	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 113 132 134 138 140 125	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, FLOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SOADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PACILITY SIRRACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAKES TOTAL TANGIBLE FACILITY COSTS:	\$47,000 \$01 \$125,000 \$00 \$137,000 \$4,000 \$45,000 \$154,000 \$154,000 \$55,000 \$27,000 \$27,000 \$255,674 \$1,067,924 \$1,067,924 \$1,108,976,75 \$1,108,976,75 \$1,108,976,75 \$1,108,976,75	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 125	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, FLOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SOADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PACILITY SIRRACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAKES TOTAL TANGIBLE FACILITY COSTS:	\$47,000 \$01 \$125,000 \$00 \$137,000 \$4,000 \$45,000 \$154,000 \$154,000 \$55,000 \$27,000 \$27,000 \$255,674 \$1,067,924 \$1,067,924 \$1,108,976,75 \$1,108,976,75 \$1,108,976,75 \$1,108,976,75	265 265 265 265 265 265 265	40 45 60 80 85 83	HEALTH/SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$3, \$1, \$6, \$5,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 140 125	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL, FINSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL Templike Facility Costs:	\$47,000 \$125,000 \$0 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$154,000 \$55,000 \$27,000 \$27,000 \$55,674 \$1,007,723 \$4,406,170.14 \$6,045,445,44 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723	265 265 265 265 265 265 265 265	40 45 60 80 85 83 10	HEALTHASAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs: Office Use Only:	\$3, \$1, \$6, \$5, \$131,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 140 125	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SOADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. FOR STANDARY SWEET MECHANICAL BATTERY BUILD EIGE BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL Tangible Facility Custs: DECEMBER OF TAXES TOTAL TANGIBLE FACILITY CUSTS MICHANICAL STAND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL Tangible Facility Custs:	\$47,000 \$125,000 \$0 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$154,000 \$55,000 \$27,000 \$27,000 \$55,674 \$1,007,723 \$4,406,170.14 \$6,045,445,44 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723	265 265 265 265 265 265 265 265	40 45 60 80 85 83 10	HEALTHASAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs: Office Use Only:	\$3, \$1, \$6, \$5, \$1337/
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 140 125	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL, FINSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL Templike Facility Costs:	\$47,000 \$125,000 \$0 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$154,000 \$55,000 \$27,000 \$27,000 \$55,674 \$1,007,723 \$4,406,170.14 \$6,045,445,44 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723	265 265 265 265 265 265 265 265	40 45 60 80 85 83 10	HEALTHASAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs: Office Use Only:	\$3, \$1, \$6, \$5, \$1337/
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 67 75 86 90 110 130 132 134 136 140 125	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SOADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. FOR STANDARY SWEET MECHANICAL BATTERY BUILD EIGE BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL Tangible Facility Custs: DECEMBER OF TAXES TOTAL TANGIBLE FACILITY CUSTS MICHANICAL STAND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL Tangible Facility Custs:	\$47,000 \$125,000 \$0 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$154,000 \$55,000 \$27,000 \$27,000 \$55,674 \$1,007,723 \$4,406,170.14 \$6,045,445,44 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723	265 265 265 265 265 265 265 265	40 45 60 80 85 83 10	HEALTHASAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs: Office Use Only:	\$3, \$1, \$6, \$5, \$131,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 67 75 86 90 110 130 132 134 136 140 125	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS CONTROL. FOR STANDARD AND THE SAFETY SYSTEM CONTROL. FOR STANDARD AND THE SAFETY SYSTEM RECHANICAL BATTERY BUILD EIGE BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TRANSIME Facility Costs: TAKES TOTAL TRANSIME FACILITY COSTS TAKES TOTAL TRANSIME FACILITY TO LC CTRICKS TO STAND SCADA BATTERY BUILD TO STANDARD SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TRANSIME FACILITY COSTS:	\$47,000 \$125,000 \$0 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$154,000 \$55,000 \$27,000 \$27,000 \$55,674 \$1,007,723 \$4,406,170.14 \$6,045,445,44 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723	265 265 265 265 265 265 265 265 265	40 45 60 80 85 83 10	HEALTHASAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs: Office Use Only:	\$3, \$1, \$6, \$5, \$131,
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 67 75 86 90 110 130 132 134 136 140 125	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADILOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL, INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EL&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL Tangible Facility Costs: AUTHORITY FOR EXPENDITURE IS BASED ON COST IS FRINKLING MOUSTAIN ENGINE TO COST IN THE COS	\$47,000 \$125,000 \$0 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$154,000 \$55,000 \$27,000 \$27,000 \$55,674 \$1,007,723 \$4,406,170.14 \$6,045,445,44 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723	265 265 265 265 265 265 265 265 265	40 45 60 80 85 83 10	HEALTHASAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs: Office Use Only:	\$3, \$1, \$6, \$5, \$131,
270 270 270 270 270 270 270 270 270 270	25 30 60 65 66 67 75 86 90 100 132 134 140 125 Interest Templetic lifty:	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS CONTROL. FOR STANDARD AND THE SAFETY SYSTEM CONTROL. FOR STANDARD AND THE SAFETY SYSTEM RECHANICAL BATTERY BUILD EIGE BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TRANSIME Facility Costs: TAKES TOTAL TRANSIME FACILITY COSTS TAKES TOTAL TRANSIME FACILITY TO LC CTRICKS TO STAND SCADA BATTERY BUILD TO STANDARD SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TRANSIME FACILITY COSTS:	\$47,000 \$125,000 \$0 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$154,000 \$55,000 \$27,000 \$27,000 \$55,674 \$1,007,723 \$4,406,170.14 \$6,045,445,44 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723	265 265 265 265 265 265 265 265 265	40 45 60 80 85 83 10	HEALTHASAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs: Office Use Only:	\$3, \$1, \$6, \$5, \$131,
270 270 270 270 270 270 270 270 270 270	25 30 60 65 66 75 86 90 100 130 131 134 136 125 118 118 119 119 119 119 119 119 119 119	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS CONTROL. FOR STANDARD AND THE SAFETY SYSTEM CONTROL. FOR STANDARD AND THE SAFETY SYSTEM RECHANICAL BATTERY BUILD EIGE BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TRANSIME Facility Costs: TAKES TOTAL TRANSIME FACILITY COSTS TAKES TOTAL TRANSIME FACILITY TO LC CTRICKS TO STAND SCADA BATTERY BUILD TO STANDARD SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TRANSIME FACILITY COSTS:	\$47,000 \$125,000 \$0 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$154,000 \$55,000 \$27,000 \$27,000 \$55,674 \$1,007,723 \$4,406,170.14 \$6,045,445,44 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723	265 265 265 265 265 265 265 265 265 265	40 45 60 80 85 83 10	HEALTHASAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs: Office Use Only:	\$3, \$1, \$6, \$5, \$131,
270 270 270 270 270 270 270 270 270 270	25 30 60 65 66 75 86 90 100 130 131 134 136 125 118 118 119 119 119 119 119 119 119 119	PRIMARY POWER MATERIALS FLOWLINES, PIPELINE, HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS CONTROL. FOR STANDARD AND THE SAFETY SYSTEM CONTROL. FOR STANDARD AND THE SAFETY SYSTEM RECHANICAL BATTERY BUILD EIGE BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TRANSIME Facility Costs: TAKES TOTAL TRANSIME FACILITY COSTS TAKES TOTAL TRANSIME FACILITY TO LC CTRICKS TO STAND SCADA BATTERY BUILD TO STANDARD SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TRANSIME FACILITY COSTS:	\$47,000 \$125,000 \$0 \$137,000 \$4,000 \$46,000 \$154,000 \$154,000 \$154,000 \$55,000 \$27,000 \$27,000 \$55,674 \$1,007,723 \$4,406,170.14 \$6,045,445,44 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723 \$1,1007,723	265 265 265 265 265 265 265 265 265	40 45 60 80 85 83 10	HEALTHASAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs: Office Use Only:	\$3, \$1, \$6, \$5, \$131,

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME3



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

County/State: Lea Co., NM Date Prepared: 10/25/2023

Minor 5 10 15 16 20 25 30 34 40 45 55 60 65 70 75 80 84 85 99 95 100 105 105 106	Drill and complete a 10,000° WCB well. TVD 11,711°, MD 21,711°. Intangible Drilling Costs Description ADMINISTRATIVE OVERHEAD CASING CREW & EQPT CEMENTING INTERMEDIATE CASING CEMENTING SUPACE CASING COMMUNICATIONS COMPLETION SUPACE CASING COMPLETION FLUIDS CONSTRUCTIONALOCATION & ROAD CONTRACT LABOR DAMAGES DAYWORK CONTRACT DRILLING - PROTAGE BUILLING - PROTAGE ELECTRICAL POWERENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL FISHING TODOWSHOLES	Amount \$5,200 \$5,5,000 \$40,000 \$35,000 \$36,000 \$316,000 \$45,000 \$45,000 \$45,000 \$50,000 \$15,000 \$50,000 \$110,000 \$10,000 \$10,000 \$10,000 \$10,000 \$10,000	Major 240 240 240 240 240 240 240 240 240 240	Minor 5 10 15 20 25 30 35 45 50 55 60	DCE231020 Intangible Completion Costs Description ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS CASING CREW & EOPT COILED TUBINGSNUBBING UNIT COMMUNICATIONS COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABORROUST ABOUTS DAMAGES/RECLAMATION	Amount \$8.4 \$6,6 \$194.2 \$1,5 \$75.6
5 10 15 16 20 25 30 34 40 45 50 60 65 70 75 80 84 85 90 90 100 105	Description ADMINISTRATIVE OVERHEAD CASING CREW & EOPT CEMENTING INTERMEDIATE CASING CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING COMMUNICATIONS COMMUNICATIONS COMMUNICATIONS CONSTRUCTIONALOCATION & ROAD CONTRACT LABOR DAMAGES DAYWORK CONTRACT DRILLING - DIRECTIONAL DRILLING - DIRECTIONAL DRILLING - POOTAGE DRILLING BITS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL	\$5,200 \$5,500 \$40,000 \$85,000 \$16,000 \$22,000 \$6,000 \$45,000 \$15,000 \$210,000 \$90,000 \$11,000 \$90,000	240 240 240 240 240 240 240 240 240 240	5 10 15 20 25 30 35 45 50 55	Description ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS CASING CREW & EOPT COILED TUBING/SNUBBING UNIT COMMUNICATIONS COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUST ABOUTS	\$8,2 \$6,6 \$194,3 \$1,8 \$75,0 \$23,6
5 10 15 16 20 25 30 34 40 45 50 60 65 70 75 80 84 85 90 90 100 105	Description ADMINISTRATIVE OVERHEAD CASING CREW & EOPT CEMENTING INTERMEDIATE CASING CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING COMMUNICATIONS COMMUNICATIONS COMMUNICATIONS CONSTRUCTIONALOCATION & ROAD CONTRACT LABOR DAMAGES DAYWORK CONTRACT DRILLING - DIRECTIONAL DRILLING - DIRECTIONAL DRILLING - POOTAGE DRILLING BITS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL	\$5,200 \$5,500 \$40,000 \$85,000 \$16,000 \$22,000 \$6,000 \$45,000 \$15,000 \$210,000 \$90,000 \$11,000 \$90,000	240 240 240 240 240 240 240 240 240 240	5 10 15 20 25 30 35 45 50 55	Description ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS CASING CREW & EOPT COILED TUBING/SNUBBING UNIT COMMUNICATIONS COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUST ABOUTS	\$8,2 \$6,6 \$194,3 \$1,8 \$75,0 \$23,6
5 10 15 16 20 25 30 34 40 45 50 60 65 70 75 80 84 85 90 90 100 105	ADMINISTRATIVE OVERHEAD CASING CREW & EOPT CEMENTING INTERMEDIATE CASING CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING COMMUNICATIONS COMPLETION FLUIDS CONSTRUCTIONIA, OCATION & ROAD CONTRACT LABOR DAMAGES DAYWORK CONTRACT DRILLING - DIRECTIONAL DRILLING - PROCTAGE DRILLING - FOOTAGE BUILLING - FOOTAGE ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL	\$5,200 \$5,500 \$40,000 \$85,000 \$16,000 \$22,000 \$6,000 \$45,000 \$15,000 \$210,000 \$90,000 \$11,000 \$90,000	240 240 240 240 240 240 240 240 240 240	5 10 15 20 25 30 35 45 50 55	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS CASING CREW & EQPT COILED TUBINO/SNUBBING UNIT COMMUNICATIONS COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABORROUST ABOUTS	\$8,2 \$6,6 \$194,3 \$1,8 \$75,0 \$23,6
15 16 20 25 30 34 40 45 55 60 65 70 75 80 84 85 90 95 100 105	CEMENTING INTERMEDIATE CASING CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING COMMUNICATIONS COMPLETION FLUIDS CONSTRUCTIONIA. CATION & ROAD CONTRACT LABOR DAMAGES DATWORK CONTRACT DRILLING - DIRECTIONAL DRILLING - FOOTAGE DRILLING - FOOTAGE DRILLING - FOOTAGE BUILLING - FOOTAGE BUILLING - BUILLING BUTS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$40,000 \$15,000 \$16,000 \$22,000 \$6,000 \$45,000 \$15,000 \$550,000 \$230,000 \$110,000 \$110,000 \$110,000	240 240 240 240 240 240 240 240 240 240	15 20 25 30 35 45 50 55	CASING CREW & EQPT COILED TUBING/SNUBBING UNIT COMMUNICATIONS COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUST ABOUTS	\$194,3 \$1,8 \$75,0 \$23,6
16 20 25 30 34 40 45 50 55 60 65 70 75 80 84 85 90 95 100 105	CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING COMMUNICATIONS COMPLETION FLUIDS CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR DAMAGES DAYWORK CONTRACT DRILLING - DIRECTIONAL DRILLING - FROOTAGE DRILLING SITS ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$85,000 \$16,000 \$22,000 \$6,000 \$45,000 \$60,000 \$115,000 \$050,000 \$2210,000 \$110,000 \$110,000 \$325,200	240 240 240 240 240 240 240 240 240 240	20 25 30 35 45 50 55	COILED TUBING/SNUBBING UNIT COMMUNICATIONS COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS	\$194,: \$1,6 \$75,0 \$23,0
20 25 30 34 40 45 50 55 60 65 70 75 80 84 85 90 95 100 105	COMMUNICATIONS COMPLETION FLUIDS CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR DAMAGES DAYWORK CONTRACT PRILLING - PORECTIONAL DRILLING - FOOTAGE DRILLING BITS ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$36,000 \$22,000 \$6,000 \$45,000 \$15,000 \$550,000 \$210,000 \$90,000 \$110,000 \$0	240 240 240 240 240 240 240 240 240	30 35 45 50 55	COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS	\$1,; \$75,; \$23,;
30 34 40 45 50 55 60 65 70 75 80 84 85 90 95 100 105	COMPLETION FLUIDS CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR DAMAGES DAYWORK CONTRACT DRILLING - DIRECTIONAL DRILLING - FOOTAGE DRILLING BITS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL	\$6,000 \$45,000 \$60,000 \$15,000 \$550,000 \$210,000 \$90,000 \$110,000 \$0	240 240 240 240 240 240 240 240	35 45 50 55	COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUST ABOUTS	\$23,0
34 40 45 50 55 60 65 70 75 80 84 85 90 95 100 105	CONSTRUCTIONALOCATION & ROAD CONTRACT LABOR DAMAGES DAYWORK CONTRACT DRILLING - DIRECTIONAL DRILLING - FOOTAGE DRILLING BITS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$45,000 \$60,000 \$15,000 \$550,000 \$230,000 \$90,000 \$110,000 \$0 \$55,200	240 240 240 240 240 240 240	45 50 55	CONTRACT LABOR/ROUSTABOUTS	\$23,0
40 45 50 55 60 65 70 75 80 84 85 90 95 100 105	CONTRACT LABOR DAMAGES DAYWORK CONTRACT DRILLING - DIRECTIONAL DRILLING BTIS DRILLING BTIS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$60,000 \$15,000 \$650,000 \$230,000 \$90,000 \$110,000 \$9	240 240 240 240 240 240	50 55		
45 50 55 60 65 70 75 80 84 85 90 95 100 105	DAMAGES DAYWORK CONTRACT DRILLING - DIRECTIONAL DRILLING - FOOTAGE DRILLING BY B	\$15,000 \$650,000 \$270,000 \$90,000 \$110,000 \$25,200	240 240 240 240			\$1,7
55 60 65 70 75 80 84 85 90 95 100 105	DRILLING - PORECTIONAL DRILLING - POOTAGE DRILLING BITS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$210,000 \$90,000 \$110,000 \$0 \$25,200	240 240		DISPOSAL SOLIDS	\$2,
60 65 70 75 80 84 85 90 95 100 105	DRILLING - FOOTAGE DRILLING BITS ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$90,000 \$110,000 \$0 \$25,200	240		ELECTRICAL POWER\GENERATION	40
65 70 75 80 84 85 90 95 100 105	DRILLING BITS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$110,000 \$0 \$25,200		62 65	ENGINEERING ENVIRONMENTAL/CLEANUP	\$5,
70 75 80 84 85 90 95 100 105	ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$0 \$25,200		70	FISHING TOOLS / SERVICES	
80 84 85 90 95 100 105	ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL		240	71	FLUIDS/HAULING/DISPOSAL	\$180,
84 85 90 95 100 105	EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL		240 240	72 75	FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL	\$470, \$550,
85 90 95 100 105	EQUIPMENT RENTAL	\$60,000	240	80	HEALTH & SAFETY	\$4,
95 100 105	FISHING TOOLS/SERVICES	\$60,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,
100 105		02	240	90	MATERIALS & SUPPLIES	
105	HEALTH & SAFETY	\$11,000	240	95 100	MISCELLANEOUS	ein
	HOUSING AND SUPPORT SERVICES INSURANCE	\$21,000 \$2,200	240 240	110	MUD & CHEMICALS P&A/TA COSTS	\$10,
	INSPECTIONS	\$20,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,
110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	
115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,
120 125	MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE	\$5,000 \$31,000	240 240	130 135	STIMULATION SUBSURFACE EQUIPMENTAL RENTAL	\$2,616, \$37,
130	MUD & CHEMICALS	\$200,000	240	140	SUPERVISION	\$90,
140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$189,
141						\$2,
	PERMITS, LICENSES, ETC DOWER FIEL & WATER HALLING					\$56,
155						\$165,0
160	RIG UP TEAR OUT & STANDBY	\$0	240	148	TAXES	\$269,
163			240	40		\$244,
				_	Total Intanguate Completion Costs:	33,400,
175		\$48,300			Tangible Completion Costs	
180	TRANSPORTATION/TRUCKING	\$25,000				Авноизв
178			245		ARTIFICIAL LIFT	\$175, \$20.
35						a20,1
	Total Traing ore Training Costs.	82,007,470	245			
	Taurible Drilling Costs		245	45	PRODUCTION LINER	
	Description	Amount				
						\$150,0
						\$50,0
35	SURFACE CASING & ATTACHMENTS	\$173,758	245	75	WELLHEAD EQUIPMENT	\$125,0
45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,6
40					Total Tangible Completion Costs:	\$540,6
					Intangible Facility Costs	
L FI						Amuna
	EACH ITY PIPE/VALVES/FITTINGS					\$18,
15	CONTAINMENT	50	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,0
25	DEHYDRATION	\$0	265	22	PAD/ROAD CONSTRUCTION	\$50,0
30		\$56,000				\$22,6
				60		\$3,
66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1,
75	PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	
						\$6, \$5,
100			203	10	Total Intangible Facility Costs:	3131,
110	TANKS & WALKWAYS	\$90,000			The state of the s	
130	MECHANICAL BATTERY BUILD	\$154,000			Office Use Only:	
132						
			1			
138			1			
140	SIGNAGE	\$250	1			
125	TAXES Total Taxable Facility Cortes	\$55,674	1			
	Tom Tanginie Paciniy Costs:	\$1,007,924				
			1			
mation			1			
ny.			1			
	ole;	\$8,295,921.04	1			
		\$2,288,185.28				
			1			
		\$11,783,083 07				
HIS AT	THORITY FOR EXPENDITIBLE IS BASED ON COST	ESTIMATES BULLING	AILT BEE	ECTV	OUR PROPORTINATE SHARE OF THE ACTUAL IN	VOICE COSTS
		WINTER DU. DILLENU V	· state PARFI	1 I	BOX 1 NOT ONLY HAVE BURNE OF THE WOTONE IN	. 0.00 00313.
	Franklin Mountain Emergy 1.15					
Ru	Cales 111		Date		10	25/2023
Ву:	Craig Walters		Date:		10	25/2023
	130 140 141 145 155 160 163 163 163 163 163 163 163 163 175 180 175 180 175 180 175 180 175 180 175 180 175 180 175 180 175 180 175 180 175 180 175 180 180 180 180 180 180 180 180 180 180	JIO MUD & CHEMICALS 40 OPENHOLE LOGGING 141 CASED HOLE LOGGING 142 CASED HOLE LOGGING 143 PERMITS, LICENSES, ETC 150 POWER FUEL & WATER HAULING 151 RIG MOVE & RACKING COSTS 152 RIG MOVE & RACKING COSTS 153 STAKING & SURVEYING 153 SITE RESTORATION 155 STAKING & SURVEYING 150 SUPERVISION - GEOLOGICAL 180 TRANSPORTATION/TRUCKING 178 TAXES 155 CONTINGENCY COSTS 5% Total Intungible Drilling Costs 161 TREMEDIATE CASING & ATTACHMENTS 162 PACKERS/LIEVES/PLI/UGS 25 PRODUCTION CASING & ATTACHMENTS 15 SURFACE CASING & ATTACHMENTS 15 CONTAINMENT 16 TAMES 17 TAMES 18 TAMES 18 TAMES 19 PACKERS/LIEVES/PLI/UGS 25 PRODUCTION CASING & ATTACHMENTS 18 SURFACE CASING & ATTACHMENTS 19 PACKERS/LIEVES/PLI/UGS 25 PRODUCTION CASING & ATTACHMENTS 19 SURFACE CASING & ATTACHMENTS 10 FACILITY PIPE/VALVES/PITINGS 10 FACILITY PIPE/VALVES/PITINGS 10 FACILITY SURFACE BOULPMENT 10 DEHYDRATION 10 PRIMARY POWER MATERIALS 10 FLOWLINES / PIPELINE / HOOKUP 11 ST TREATING EQUIPMENT 10 SEPARATION EQUIPMENT 10 FEADRICATED SKIDS 10 FACILITY SURFACE EQUIPMENT 10 SEPARATION EQUIPMENT 10 PRIMARY POWER BUILD 11 TANKS & WALKWAYS 11 MECHANICAL BATTERY BUILD 12 (CONTROL) INSTRUMENT / METERS / SCADA 13 MECHANICAL BATTERY BUILD 14 CONTROL INSTRUMENT / METERS / SCADA 16 PRIMARY POWER BUILD 17 MINER SAFETY SYSTEM 18 CONTROL INSTRUMENT / METERS / SCADA 19 PRIMARY POWER BUILD 19 FACILITY SURFACE EQUIPMENT 10 FACILITY SURFACE EQUIPMENT 11 TANKS & WALKWAYS 11 MINER SAFETY SYSTEM 11 TANKS & WALKWAYS 12 PRIMARY POWER BUILD 13 FLOWLING INSTRUMENT / METERS / SCADA 14 CONTROL INSTRUMENT / METERS / SCADA 15 TAMES 16 FACILITY SURFACE EQUIPMENT 17 PRIMARY POWER BUILD 18 FACILITY SURFACE EQUIPMENT 19 PRIMARY POWER BUILD 19 PRIMARY POWER BUILD 10 PRIMARY POWER BUILD 11	130 MUD & CHEMICALS \$200,000	130 MUD & CHEMICALS \$200,000 240	130 MUD & CHEMICALS \$200,000 240 140 140 OPENHOLE LOGGING \$0 240 145 1	130 MUD & CHEMICALS

ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME3

Date:

Title

Approved By.

Printed Name:



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

Operati	or:	Franklin Mountain Energy 1, LLC		Date P	repared:	10/25/2023	
Purposi	No.	Drill and complete a 10,000' WCB well. TVD 11,654', MD 21,654'.		AFE#:		DCE231021	
		1 VD (1,034), MID 21,034.					
		Intangible Drilling Costs				Intangible Completion Costs	
Major		r Description	Amount	Major		Description	Amount
225 225	5 10	ADMINISTRATIVE OVERHEAD CASING CREW & EQPT	\$5,200 \$55,000	240 240	5 10	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS	\$8,200 \$6,635
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT	\$0
225 225	16 20	CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING	\$85,000 \$36,000	240 240	20 25	COILED TUBING/SNUBBING UNIT COMMUNICATIONS	\$194,313 \$1,896
225	25	COMMUNICATIONS	\$22,000	240	30	COMPANY DIRECT LABOR	\$0
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,000
225 225	34 40	CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR	\$45,000 \$60,000	240 240	45 50	CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION	\$23,697 \$1,896
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$2,844
225 225	50 55	DAYWORK CONTRACT DRILLING - DIRECTIONAL	\$650,000 \$230,000	240 240	60 62	ELECTRICAL POWER\GENERATION ENGINEERING	\$0 \$5,687
225	60	DRILLING - FOOTAGE	\$90,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	65 70	DRILLING BITS ELECTRICAL POWER/GENERATION	\$110,000	240 240	70 71	FISHING TOOLS / SERVICES	\$0
225 225	75	ENGINEERING	\$25,200	240	72	FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID	\$180,000 \$470,000
225	80	ENVIRONMENTAL SERVICES	\$220,000	240	75	FUEL, POWER/DIESEL	\$550,000
225 225	84 85	EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$60,000 \$60,000	240	80 85	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$4,700 \$14,000
225	90	FISHING TOOLS/SERVICES	02	240	90	MATERIALS & SUPPLIES	\$0
225	95	HEALTH & SAFETY	\$11,000	240	95	MISCELLANEOUS	\$0
225 225	100	HOUSING AND SUPPORT SERVICES INSURANCE	\$21,000 \$2,200	240	100	MUD & CHEMICALS P&A/TA COSTS	\$10,000
225	106	INSPECTIONS	\$20,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,403
225	110	LEGAL, TITLE SERVICES	\$6,000 \$5,000	240 240	120 125	PIPE INSPECTION ROAD, LOCATIONS REPAIRS	\$0 \$2,000
225 225	115	MATERIALS & SUPPLIES MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,616,900
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,915
225 225	130 140	MUD & CHEMICALS OPENHOLE LOGGING	\$200,000	240	140	SUPERVISION SURFACE EQUIP RENTAL	\$90,047 \$189,573
225	141	CASED HOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING	\$2,844
225	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,872
225 225	150 155	POWER FUEL & WATER HAULING RIG MOVE & RACKING COSTS	\$180,000 \$130,000	240	160 165	WELLING SERVICES WELL TESTING/FLOWBACK	\$0 \$165,000
225	160	RIG UP TEAR OUT & STANDBY	\$0	240	148	TAXES	\$269,199
225 225	163 165	SITE RESTORATION STAKING & SURVEYING	\$6,000	240	40	CONTINGENCY COSTS 5% Total Intangible Completion Costs:	\$244,726 \$5,408,446
225	170	SUPERVISION	\$88,200	_	_	Total Intial time Completion Coass	\$3,408,446
225	175	SUPERVISION - GEOLOGICAL	\$48,300	_		Tangible Completion Costs	
225 225	180 178	TRANSPORTATION/TRUCKING TAXES	\$25,000 \$143,721	Major 245	Minor 5	Description ARTIFICIAL LIFT	Amount \$175,000
225	35	CONTINGENCY COSTS 5%	\$130,655	245	15	FLOWLINES	\$20,000
		Total Intungible Drilling Costs:	\$2,887,476	245	25	FRAC STRING	\$0
		Tangible Drilling Costs		245 245	40 45	PACKERS/SLEEVES/PLUGS/GL MANDRELS PRODUCTION LINER	\$0 \$0
Major	Mison	Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	\$0
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,548	245	55 60	PRODUCTION TUBING	\$150,000
230 230	20 25	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$66,000 \$1,165,590	245 245	65	RODS/PUMPS SUBSURFACE EQUIPMENT	\$0 \$50,000
230	35	SURFACE CASING & ATTACHMENTS	\$173,758	245	75	WELLHEAD EQUIPMENT	\$125,000
230	45 40	WELLHEAD EQUIPMENT/CASING BOWL TAXES	\$70,000 \$90,689	245	70	TAXES Total Tangible Completion Costs:	\$28,600 \$\$48,600
		Total Tangible Drilling Costs:	\$1,739,583				
		Tangible Facility Costs		Major	Minor	Intangible Facility Costs Description	Amount
Major		Description	Amount	265	5	CONSULTING	\$18,100
270 270	10 15	FACILITY PIPE/VALVES/FITTINGS CONTAINMENT	\$180,000	265 265	12 20	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC	\$0 \$24,000
270	25	DEHYDRATION	\$0	265	22	PAD/ROAD CONSTRUCTION	\$50,000
270	30	PRIMARY POWER MATERIALS	\$56,000	265	25	ENGINEERING / SCIENCE	\$22,000
270 270	50 60	FLOWLINES / PIPELINE / HOOKUP 112S TREATING EQUIPMENT	\$47,000 \$0	265 265	40 45	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	\$0 \$0
270	65	SEPARATION EQUIPMENT	\$125,000	265	60	OVERHEAD	\$3,000
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265 265	80 85	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	\$1,500 \$0
270 270	75 86	PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT	\$137,000	265	83	TAXES	\$6,523
270	90	H2S SAFETY SYSTEM	\$4,000	265	10	CONTINGENCY COSTS 5%	\$5,930
270 270	100	CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$86,000			Total Intangible Facility Costs:	\$131,053
270	130	MECHANICAL BATTERY BUILD	\$154,000			Office Use Only:	
270	132	EI&C BATTERY BUILD	\$45,000				
270	134 135	CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$5,000 \$56,000	1			
270	138	PRIMARY POWER BUILD PLOWLINE INSTALLATION	\$27,000	1			
270	140	SIGNAGE	\$250	1			
270	125	TAXES Total Tangible Facility Costs:	\$55,674	1			
				1			
Total Dri	al-		\$4,627,060.78	1			
Total Co		n:	\$5,957,045.54	1			
Total Fac	ility:		\$1,198,976.75	1			
Total DC			\$8,295,921.04 \$2,288,185.28	1			
T OILL D'C	Tungi		02,200,100,20	1			
Total AF			\$11,783,083.07]	1			
I DIM AF	-		\$11,703,003.07				
	THIS A	UTHORITY FOR EXPENDITURE IS BASED ON COST E	STIMATES BILLING W	ILL REF	LECT Y	OUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS.
Operator	:	Franklin Mountain Epote 3, LLC					
•		11.12/11	-				
Approve	d By:	Craig Walters		Date:			10/25/2023
		Chief Executive Officer					
WI Owne	er:						
Approve	By:			Date:			

 $\textbf{ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME3 ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME3 ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME3 ALL PARTICIPANTS AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME3 ALL PARTICIPANTS AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME3 ALL PARTICIPANTS AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME3 ALL PARTICIPANTS AND ATTACH A CERTIFICATE OF INSURANCE AND ATTACH A CERTIFICATE AND ATTACH A CERTIFICATE AND ATTACH A CERTIFICATE AND$

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.

CA	SE	NO	. 24211	
	1.7	1 4 4 7		

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.
- 6. Exhibit C.3 through Exhibit C.6 are the geology study I prepared for the Tag State Com 703H and Tag State Com 704H wells, which will target the Wolfcamp A.
- 7. **Exhibit C.3** is a structure map of the Wolfcamp A formation. The proposed spacing unit is identified by a blue box. The Wolfcamp A wells proposed in this case are identified by the

1

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 Tag State Com 703H and Tag State Com 704H wells, 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 Wolfcamp A 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 Wolfcamp A formation. The gross interval thickness increases slightly to the south.
- 11. Exhibit C.7 through Exhibit C.10 are the geology study I prepared for the Tag

 State Com 803H and Tag State Com 804H wells, which will target the Wolfcamp B.
- 12. **Exhibit C.7** is a structure map of the Wolfcamp B formation. The proposed spacing unit is identified by a blue box. The Wolfcamp B wells proposed in this case are 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 Tag State Com 803H and Tag State Com 804H wells, 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 Wolfcamp B 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** is an Isopach map of the Wolfcamp B formation. The gross interval thickness decreases slightly to the south.
 - 16. 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.
- 17. **Exhibit C.11** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.
- 18. 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.
- 19. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.
- 20. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

[Signature page follows]

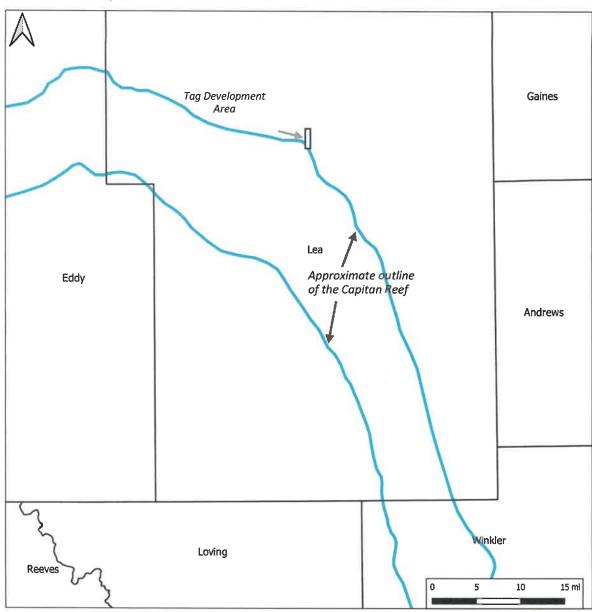
My Commission Expires: 2 23 27

Dated: March	1 19, 2024	
	Ben	Kessel
State of Co	slorado	
County of	Senirer	
This r	record was acknowledged before me	e on March 19th, 2024, by
Ben Kessel.		
[Stamp]	CRYSTAL MCCLAIN NOTARY PUBLIC	a
	STATE OF COLORADO NOTARY ID 20234007312	Notary Public in and for the
	MY COMMISSION EXPIRES FEBRUARY 23, 2027	State of Colorado
		Commission Number: 20234007312

Tag Development



Locator Map



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

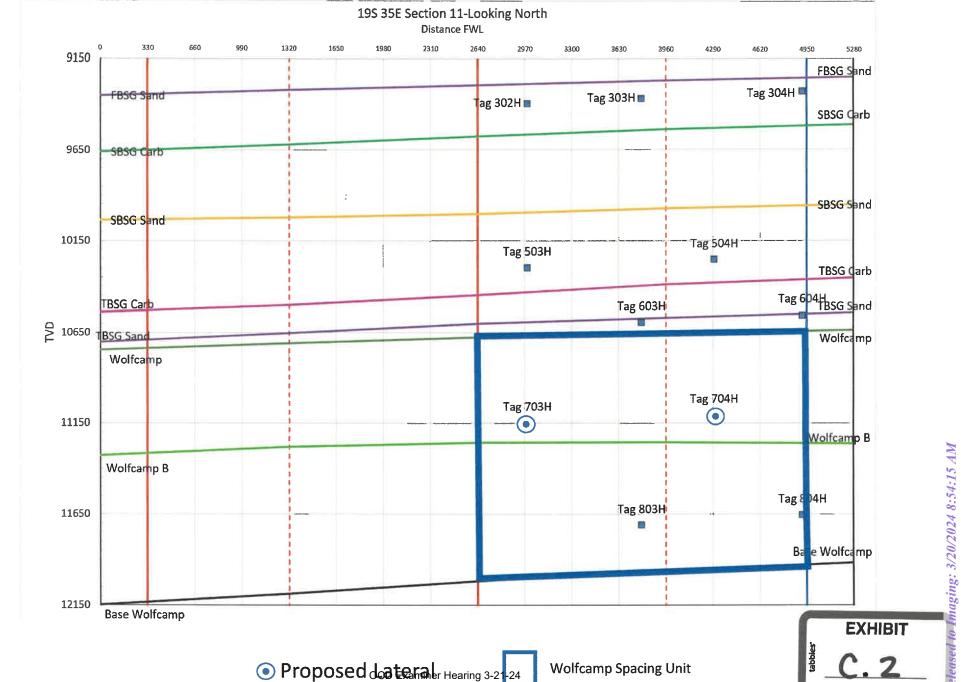
EXHIBIT

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 $\label{lem:https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794 Capitan Reef/Final \% 20 Revised \% 20 Capitan \% 20 PDF \% 20 w_Seals.pdf OCD Examiner Hearing 3-21-24$

Wellbore Schematic





No. 24211 37

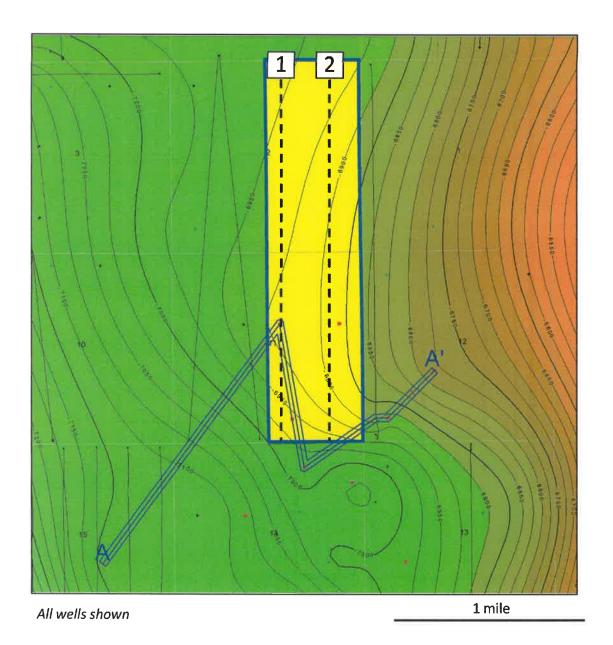
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19S 35E Section 11-Looking North
Distance FWL

Wolfcamp A Structure Map





Franklin Mountain
Acreage

Wolfcamp Spacing
Unit

Proposed Horizontal Location

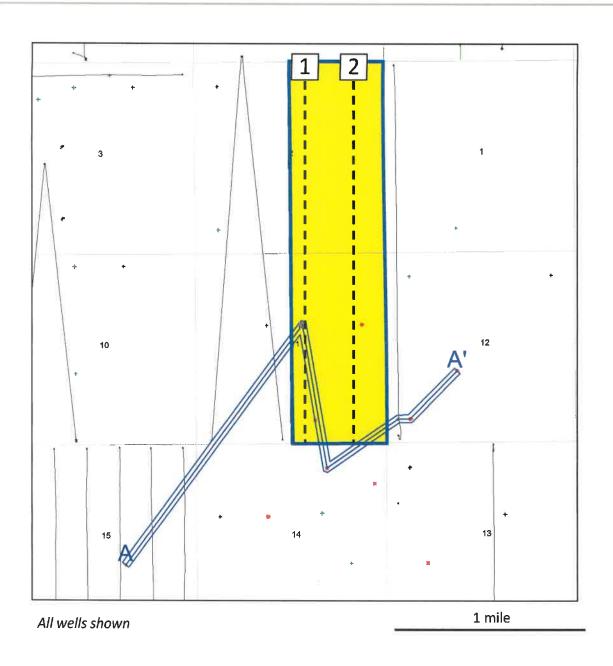
1 Tag State Com 703H

2 Tag State Com 704H

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Cross Section Reference Map







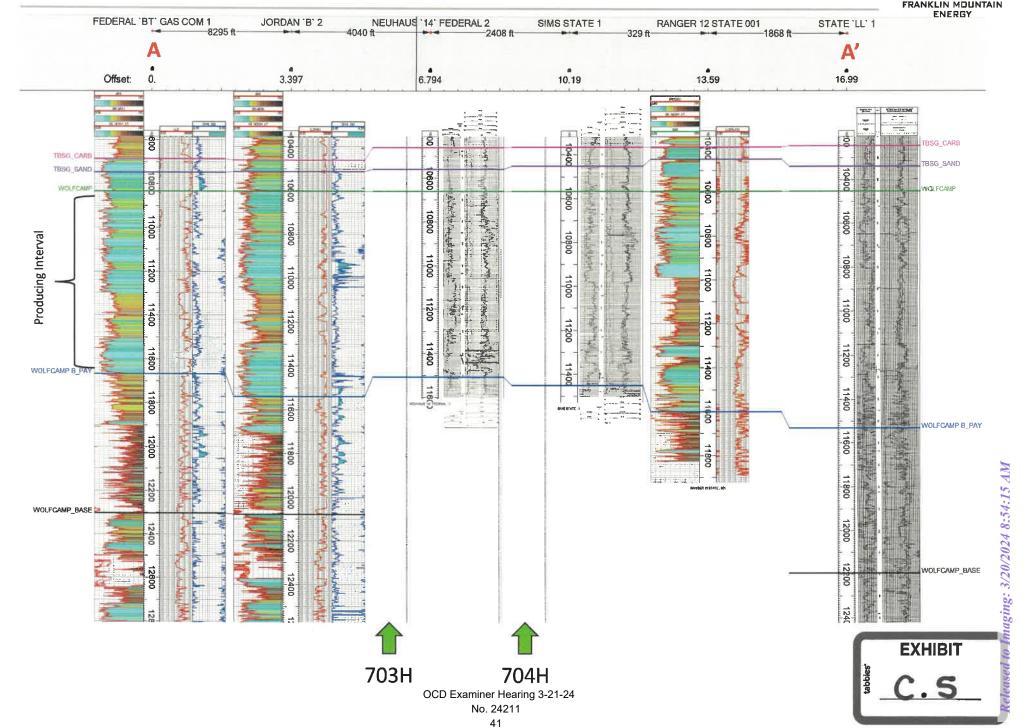
EXHIBIT

C.4

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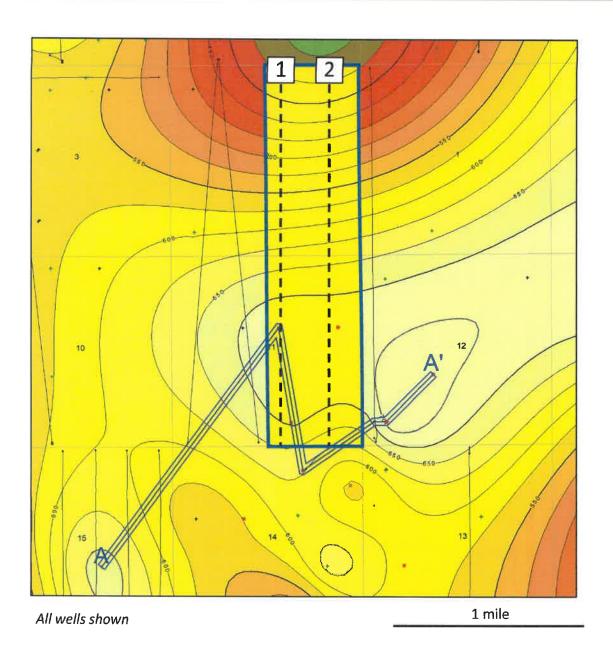
Wolfcamp Cross Section





Wolfcamp A Isochore Map



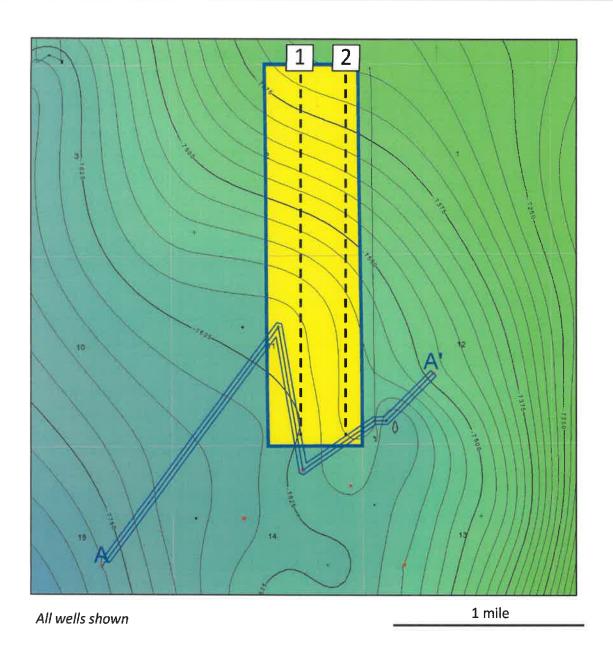


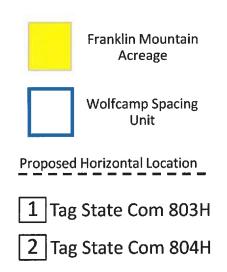




Wolfcamp B Structure Map



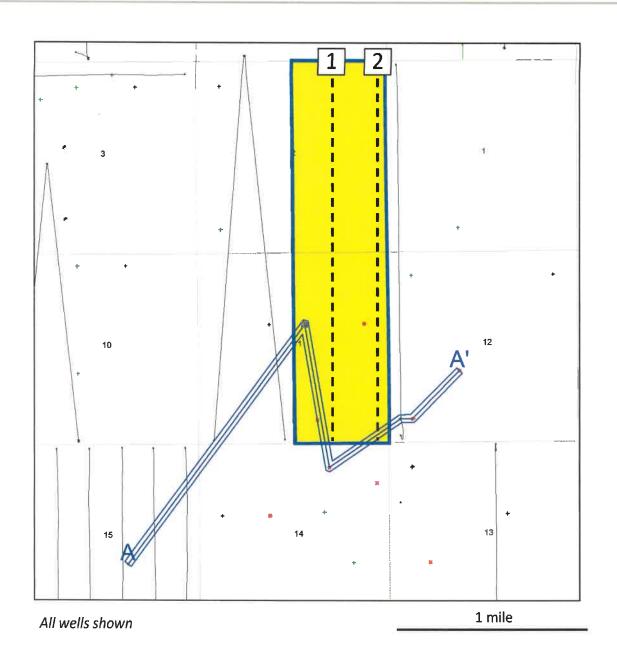






Cross Section Reference Map





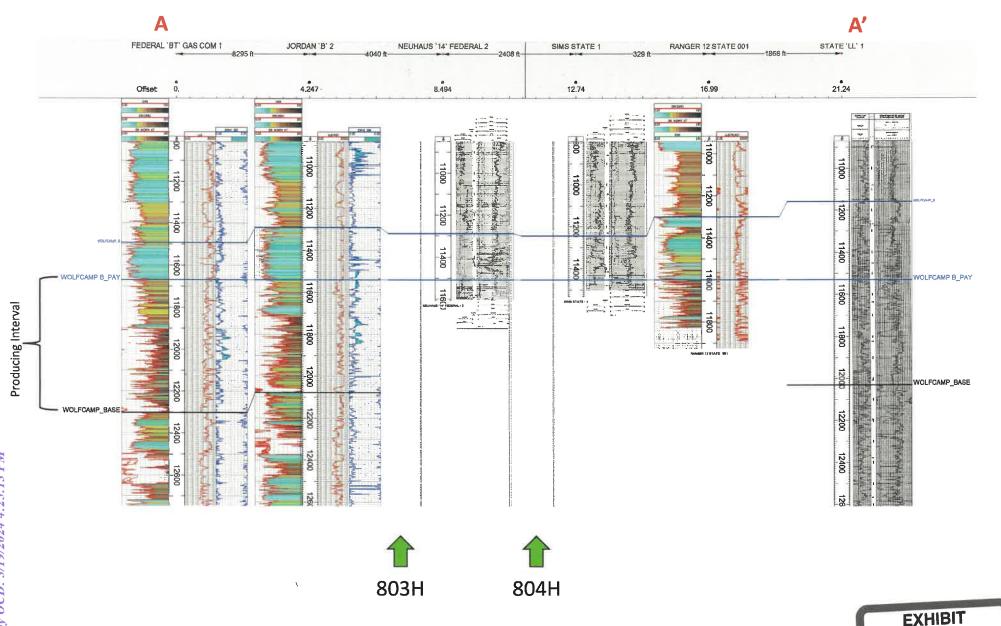




Wolfcamp B Cross Section

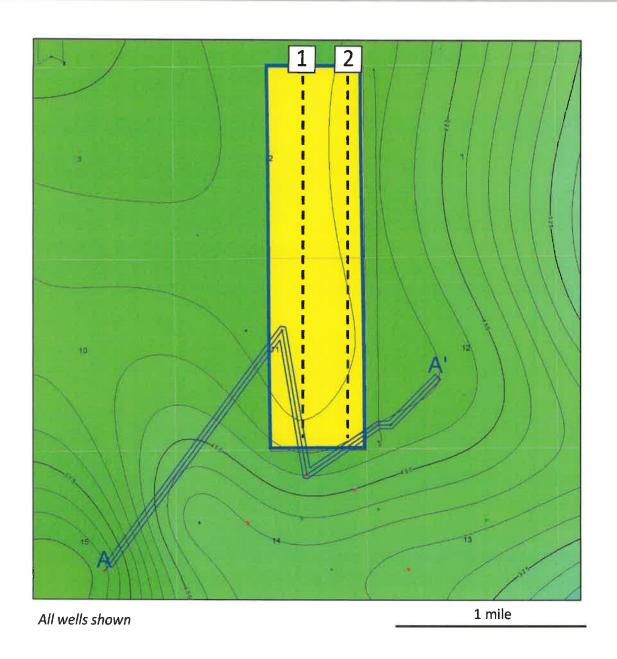


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Wolfcamp B Isochore Map









- Red box shows the approximate location of the Tag development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 255°
- The Tag State 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

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. 24211

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

CASE NO. 24213

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 March 1, 2024, and attached hereto, as Exhibit D.1.
- 2) Exhibit D.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on March 1, 2024.
- 3) Exhibit D.3 is the certified mailing tracking information, which is automatically complied 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.4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the March 21, 2024 hearing was published on March 5, 2024.
- 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: March 18, 2024

Deana M. Bennett

Deena M. Bennett

EXHIBIT



March 1, 2024

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, LEA COUNTY, NEW MEXICO

CASE NO. 24211

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

CASE NO. 24213

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. 24211, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 641.27-acre, more or less, Wolfcamp horizontal spacing unit comprising of Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent), and the E/2 of Section 11, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Tag State Com 703H and Tag State Com 803H wells to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and the Tag State Com 704H and Tag State Com 804H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11. The producing area for the wells is expected to be orthodox. The completed intervals for the Tag State Com 803H well is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC. 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

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Sulte 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com



Page 2

the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 19 miles southwest of Hobbs, New Mexico.

In Case No. 24213, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 641.27-acre, more or less, Bone Spring horizontal spacing unit comprising of Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent), and the E/2 of Section 11, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Tag State Com 302H, Tag State Com 303H, Tag State Com 503H, and Tag State Com 603H wells to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and the Tag State Com 304H, Tag State Com 504H, and Tag State Com 604H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11. The producing area for the wells is expected to be orthodox. The completed intervals for the Tag State Com 303H and Tag State Com 603H wells are expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC. 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 19 miles southwest of Hobbs, New Mexico.

The hearing is set for March 21, 2024 beginning at 8:15 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. 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/.

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

Page 3

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, LEA COUNTY, NEW MEXICO.

CASE NO. ________

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 641.27-acre, more or less, Wolfcamp horizontal spacing unit comprised of Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent), and the E/2 of Section 11, Township 20 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 spacing unit to the following wells:
 - a. The Tag State Com 703H and Tag State Com 803H wells to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and
 - b. The Tag State Com 704H and Tag State Com 804H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11.
 - 3. The producing area for the wells is expected to be orthodox.

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4. The completed interval for the **Tag State Com 803H** well is expected to be less

than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts

within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.

5. 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.

6. 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 March 7, 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 Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2

equivalent), and the E/2 of Section 11, Township 20 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
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Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24211: 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 641.27-acre, more or less, Wolfcamp horizontal spacing unit comprising of Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent), and the E/2 of Section 11, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Tag State Com 703H and Tag State Com 803H wells to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and the Tag State Com 704H and Tag State Com 804H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11. The producing area for the wells is expected to be orthodox. The completed intervals for the Tag State Com 803H well is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC. 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 19 miles southwest 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.

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 641.27-acre, more or less, Bone Spring horizontal spacing unit comprised of Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent), and the E/2 of Section 11, Township 20 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 spacing unit to the following wells:
 - a. The Tag State Com 302H, Tag State Com 303H, Tag State Com 503H, and Tag State Com 603H wells to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and
 - b. The Tag State Com 304H, Tag State Com 504H, and Tag State Com 604H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11.

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3. The producing area for the wells is expected to be orthodox.

4. The completed intervals for the Tag State Com 303H and Tag State Com 603H

wells are expected to be less than 330 feet from the adjoining tracts thereby allowing for the

inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b)

NMAC.

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 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 March 7, 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 Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2

equivalent), and the E/2 of Section 11, Township 20 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

2

Setting a 200% charge for the risk involved in drilling and completing the wells in E. 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 Franklin Mountain Energy 3, LLC

CASE NO. 24213: 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 641.27-acre, more or less, Bone Spring horizontal spacing unit comprising of Lots 1 and 2, S/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent), and the E/2 of Section 11, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Tag State Com 302H, Tag State Com 303H, Tag State Com 503H, and Tag State Com 603H wells to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 11; and the Tag State Com 304H, Tag State Com 504H, and Tag State Com 604H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 2 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 11. The producing area for the wells is expected to be orthodox. The completed intervals for the Tag State Com 303H and Tag State Com 603H wells are expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC. 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 19 miles southwest of Hobbs, New Mexico.

PS Form 3877

Type of Mailing: CERTIFIED MAIL 03/01/2024

Carlene Schi		PS For	m 3877				
Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102 Line USPS Article Number 1 9314 8699 0430 0117 9824 91 2 9314 8699 0430 0117 9825 07		Type of Mailing: C 03/01	500				
			Firm Mailing Book ID: 261380				
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0117 9824 91	The Estate of Robert Paul Hord, deceased 4403 Edinburgh Place	\$1.63	\$4.40	\$2.32	\$0.00 1606 1 0	10154.0001tag Notice
2	9314 8699 0430 0117 9825 07	College Station TX 77845 Benjamin Keith Williams and wife, Allison Claire Tull Williams 2207 Seaboard Avenue	\$1.63	\$4.40	\$2.32	SO.00 WW. JUDAS	10154.0001tag
3	9314 8699 0430 0117 9825 14	Midland TX 79705 Charles Wilkins McLaughlin and wife, Hayley Wright McLaughlin 2300 Sinclair Midland TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
4	9314 8699 0430 0117 9825 21	Jerry H. McCullar, III & wife, Jennifer McCuller 2204 Boyd Avenue Midland TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
5	9314 8699 0430 0117 9825 38	Keith Williams and wife, Becky Williams 2015 Coleman Court Midland TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
6	9314 8699 0430 0117 9825 45	Osprey Oil and Gas II, LLC 707 North Carrizo Street Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
7	9314 8699 0430 0117 9825 52	Osprey Oil and Gas III, LLC 707 North Carrizo Street Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
8	9314 8699 0430 0117 9825 69	Paul E. Casseb, III and wife, Bonnie Rae Casseb 2209 Gulf Avenue Midland TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
9	9314 8699 0430 0117 9825 76	Roy G. Barton, Sr. and Opal Barton Rev Trust 1919 North Turner Street Hobbs NM 88240	\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
10	9314 8699 0430 0117 9825 83	Roy G. Barton, Jr. 1919 North Turner Street Hobbs NM 88240	\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
11	9314 8699 0430 0117 9825 90		\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
12	9314 8699 0430 0117 9826 06	State of New Mexico, by and through its Commissioner of Public Lands P.O. Box 1148 Santa Fe NM 87504	\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
13	9314 8699 0430 0117 9826 13	Ventura Oil & Gas, LLC 308 North Colorado, Suite 200 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
14	9314 8699 0430 0117 9826 20	Wing Resources VII, LLC 2100 McKinney Avenue, Suite 1540 Dallas TX 75201	\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice

OCD Examiner Hearing 3-21-24

No. 24211 60

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

PS Form 3877

Type of Mailing: CERTIFIED MAIL 03/01/2024

Firm Mailing Book ID: 261380

	Line	USPS Article Number	Name, Street, City, State, Zip		Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
/c0c/	15	9314 8699 0430 0117 9826 37	R.E.B. Resources, LLC 308 North Colorado Street, Suite 200 Midland TX 79701		\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
0.54.1	16	9314 8699 0430 0117 9826 44	SITL Energy, LLC 308 North Colorado Street, Suite 200 Midland TX 79701		\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
MA	17	9314 8699 0430 0117 9826 51	Kastleford Land Company, LLC P.O. Box 51540 Midland TX 79710		\$1.63	\$4.40	\$2.32	\$0.00	10154.0001tag Notice
				Totals:	\$27.71	\$74.80	\$39.44	\$0.00	
						Grand Total:		\$141.95	

List Number of Pieces	Total Number of Pieces	Postmaster:	Dated:
Listed by Sender	Received at Post Office	Name of receiving employee	



Transaction Report Details - CertifiedPro.net Firm Mail Book ID = 261380 Generated: 3/18/2024 8:16:40 AM													
USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Postage	Fees	Firm MailBook ID	Mailing Status	Service Options	Mail Delivery Date
9314869904300117982651	2024-03-01 7:14 AM	10154.0001tag	Kastleford Land Company, LLC		Midland	TX	79710	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-07 12:02 PM
9314869904300117982644	2024-03-01 7:14 AM	10154.0001tag	SITL Energy, LLC		Midland	TX	79701	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-04 12:53 PM
9314869904300117982637	2024-03-01 7:14 AM	10154.0001tag	R.E.B. Resources, LLC		Midland	TX	79701	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-04 12:53 PM
9314869904300117982620	2024-03-01 7:14 AM	10154.0001tag	Wing Resources VII, LLC		Dallas	TX	75201	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-08 10:52 AM
9314869904300117982613	2024-03-01 7:14 AM	10154.0001tag	Ventura Oil & Gas, LLC		Midland	TX	79701	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-04 12:53 PM
9314869904300117982606	2024-03-01 7:14 AM	10154.0001tag	State of New Mexico, by and through its	Commissioner of Public Lands	Santa Fe	NM	87504	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-04 10:52 AM
9314869904300117982590	2024-03-01 7:14 AM	10154.0001tag	\$&\$, Inc.		Eunice	NM	88231	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-06 8:20 AM
9314869904300117982583	2024-03-01 7:14 AM	10154.0001tag	Roy G. Barton, Jr.		Hobbs	NM	88240	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-05 11:06 AM
9314369904300117982576	2024-03-01 7:14 AM	10154.0001tag	Roy G. Barton, Sr. and Opal Barton Rev Trust		Hobbs	NM	88240	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-05 11:06 AM
9314869904300117982569	2024-03-01 7:14 AM	10154.0001tag	Paul E. Casseb, III and wife, Bonnie Rae Casseb		Midland	TX	79705	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-04 3:28 PM
9314869904300117982552	2024-03-01 7:14 AM	10154.0001tag	Osprey Oil and Gas III, LLC		Midland	TX	79701	1.63	6.72	261380	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300117982545	2024-03-01 7:14 AM	10154.0001tag	Osprey Oil and Gas II, LLC		Midland	TX	79701	1.63	6.72	261380	Undelivered	Return Receipt - Electronic, Certified Mail	
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9314869904300117982521	2024-03-01 7:14 AM	10154.0001tag	Jerry H. McCullar, III & wife, Jennifer McCuller		Midland	TX	79705	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-05 10:34 AM
9314869904300117982514	2024-03-01 7:14 AM	10154.0001tag	Charles Wilkins McLaughlin and wife,	Hayley Wright McLaughin	Midland	TX	79705	1.63	6.72	261380	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300117982507	2024-03-01 7:14 AM	10154.0001tag	Benjamin Keith Williams and wife,	Allison Claire Tull Williams	Midland	TX	79705	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-09 2:50 PM
9314869904300117982491	2024-03-01 7:14 AM	10154.0001tag	The Estate of Robert Paul Hord, deceased		College S	ta TX	77845	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-05 4:08 PM



Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated March 05, 2024 and ending with the issue dated March 05, 2024.

Publisher

Sworn and subscribed to before me this 5th day of March 2024.

Business Manager

My commission expires January 29, 2027

STATE OF NEW MEXICO **NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087528** COMMISSION EXPIRES 01/29/2027

his newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL NOTICE March 5, 2024

CASE NO. 24211: Notice to all affected parties, as well as heirs and devisees of: The Estate of Robert Paul Hord, deceased; Benjamin Keith Williams and wife, Alison Claire Tuli Williams; Charles Wilkins McLaughlin and wife, Hayley Wright McLaughlin; Jerry H. McCuller, Ill and wife, Jennifer G. McCuller; Keith Williams and wife, Becky Williams; Ozprey Oil and Ges III, LLC; Osprey Oil and Ges III, LLC; Paul E. Casseb, Ill and wife. Bonnte Rae Casseb; Roy G. Barton, Sr. and Opal Barton Rev Trust; Roy G. Barton, Jr.; 383 Inc.; State of New Mexico, by and through its Commissioner of Public Lands; Ventura Oil & Gas, LLC; Wing Resources VII, LLC; R.E.S. Resources, LLC; STIE Energy, LLC; Kastleford Land Company, LLC of the Application of Franklin Mountain Energy 3, LLC for computeory 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 March 21, 2024 to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions p osted on the docket for the hearing, see the instructions posted on the docket for the hearing, See the instructions provided the programment of the Control of Lost 1 and 2, 8/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent), and the E/2 of Section 11, Township 20 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Tag State Com 703H and Tag State Com 803H wells to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 2 to a bottom hole location in the NE/4 Section 2 to a bottom hole location in the NE/4 Section 2 to a bottom hole location in the SE/4 Section 11. The producing area for t

operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 19 miles southwest of Hobbs, New Mexico.

CASE NO. 24213: Notice to all effected parties, as well as heirs and devisees of: The Estate of Robert Paul Hord, deceased; Benjamin Kelth Williams and wife, Allison Claire Tull Williams; Charles Wilkins McLaughlin and wife, Hayley Wright McLaughlin; Jerry H. McCullar, Ill and wife, Jennifer G. McCuller, Kelth Williams and wife, Becky Williams; Osprey Oll and Gas III, LLC; Paul E. Casseb, III and wife, Bonnie Rae Casseb; Roy G. Barton, Sr. and Opal Barton Rev Trust; Roy G. Barton, Jr.; 9&6 Inc.; State of New Mexico, by and through its Commissioner of Public Lands; Ventura Oll & Gas, LLC; Wing Resources VII, LLC; R.E.B. Resources, LLC; SITL Energy, LLC; Kestleford Land Company, LLC of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oll Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on March 21, 2024 to consider this application. The hearing will be conducted in a hybrid fashlon, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the Instructions posted on the dock of for the hearing see the Instructions posted on the dock of the Hearing Interests within a 641,27-acre, more or less, Bone Spring horizontal spacing unit comprising of Lote 1 and 2, 8/2 NE/4 and the SE/4 of irregular Section 2 (E/2 equivalent), and the E/2 of Section 11, Township 20 South Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Tag State Com 303H, Tag State Com 503H, and Tag State Com 603H wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit B) of S

P. O. BOX 2168 ALBUQUERQUE, NM 87103-2168