

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

Compulsory Pooling

Case No. 24213: Tag State Com 302H, Tag State Com 303H, Tag State Com 304H, Tag State Com 503H, Tag State Com 504H, Tag State Com 603H, Tag State 604H

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. 24213

TABLE OF CONTENTS

Tab A: Compulsory Pooling Checklist

Tab B: Affidavit of Don Johnson, Land Professional

- Exhibit B.1: Application for Case No. 24213
- Exhibit B.2: C-102s
- Exhibit B.3: Lease Tract Map, Summary of Interests and Unit Recapitulation
- Exhibit B.4: Summary of Contacts
- Exhibit B.5: Pooled Parties List
- Exhibit B.6: Well Proposal Letter
- Exhibit B.7: AFEs

Tab C: Affidavit of Ben Kessel, Geologist

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

Tab D: Declaration of Deana M. Bennett

- Exhibit D.1: Sample Notice Letter
- Exhibit D.2: Mailing List of Interested Parties
- Exhibit D.3: Certified Mailing Tracking List
- Exhibit D.4: Affidavit of Publication

COMPULSORY POOLING APPLICAT			
ALL INFORMATION IN THE APPLICATION MUST BI			
Case: 24213	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:	Bone Spring		
Primary Product (Oil or Gas):	Oil		
Pooling this vertical extent:	Bone Spring		
Pool Name and Pool Code:	Wildcat G-06 S203511G; Bone Spring Pool (Code 96585)		
Well Location Setback Rules:	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 35 East, N.M.P.M., Lea County, New Mexico.		
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and approval of non-standard unit requested in this application?			
Other Situations			
Depth Severance: Y/N. If yes, description	N/A		
Proximity Tracts: If yes, description	Yes, 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.		
Proximity Defining Well: if yes, description	Tag State Com 303H and Tag State Com 603H		
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 302H EXHIBIT	API No. Pending SHL: 266' FNL & 1995' FEL, (Lot 2/Unit B), Section 2, T20S, R35E BHL: 100' FSL & 2290' FEL, (Unit O) Section 11, T20S, R35E Completion Target: First Bone Spring (Approx. 9,398' TVD) Orientation: North/South		

Orientation: North/South
OCD Examiner Hearing 3-21-24 No. 24213

1

Received by OCD: 3/19/2024 4:26:53 PM	Page 4 of			
Well #2: Tag State Com 303H	API No. Pending SHL: 266' FNL & 1965' FEL, (Lot 2/Unit B), Section 2, T20S, R35E BHL: 100' FSL & 1490' FEL, (Unit O) Section 11, T20S, R35E Completion Target: First Bone Spring (Approx. 9,371' TVD) Orientation: North/South			
Well #3: Tag State Com 304H	API No. Pending SHL: 266' FNL & 1126' FEL, (Lot 1/Unit A), Section 2, T20S, R35E BHL: 100' FSL & 360' FEL, (Unit P) Section 11, T20S, R35E Completion Target: First Bone Spring (Approx. 9,333' TVD) Orientation: North/South			
Well #4: Tag State Com 503H	API No. Pending SHL: 266' FNL & 2025' FEL, (Lot 2/Unit B), Section 2, T20S, R35E BHL: 100' FSL & 2290' FEL, (Unit O) Section 11, T20S, R35E Completion Target: Second Bone Spring (Approx. 10,298' TVD) Orientation: North/South			
Well #5: Tag State Com 504H	API No. Pending SHL: 266' FNL & 1186' FEL, (Lot 1/Unit A), Section 2, T20S, R35E BHL: 100' FSL & 980' FEL, (Unit P) Section 11, T20S, R35E Completion Target: Second Bone Spring (Approx. 10,254' TVD) Orientation: North/South			
Well #6: Tag State Com 603H	API No. Pending SHL: 266' FNL & 1935' FEL, (Lot 2/Unit B), Section 2, T20S, R35E BHL: 100' FSL & 1490' FEL, (Unit O) Section 11, T20S, R35E Completion Target: Third Bone Spring (Approx. 10,596' TVD) Orientation: North/South			
Well #7: Tag State Com 604H	API No. <i>Pending</i> SHL: 266' FNL & 1096' FEL, (Lot 1/Unit A), Section 2, T20S, R35E BHL: 100' FSL & 360' FEL, (Unit P) Section 11, T20S, R35E Completion Target: Third Bone Spring (Approx. 10,558' 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				
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			
(including lease numbers and owners) of Tracts subject to notice	N/A			
Pooled Parties (including ownership type)	Exhibit B.5			
Unlocatable Parties to be Pooled	N/A			
Ownership Depth Severance (including percentage above &	N/A			
	iner Hearing 3-21-24 Io. 24213			
Released to Imaging: 3/20/2024 8:58:09 AM	2			

Received by OCD: 3/19/2024 4:26:53 PM	Page 5 of
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	Exhibit B.7
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.15
Target Formation	Exhibit C.3 to C.6; C.7 to C.10; C.11 to C.14
HSU Cross Section	Exhibit C.4; C.8; C.12
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	See Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.2
Structure Contour Map - Subsea Depth	Exhibit C.3; C.7; and C.11
Cross Section Location Map (including wells)	Exhibit C.4; C.8; and C.12
Cross Section (including Landing Zone)	Exhibit C.5; C.9; and C.13
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provi	ided 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.

CA	SE	NO.	2421	3
-		110		

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, 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.
 - 9. This spacing unit will be dedicated 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.
 - 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 WILDCAT G-06 S203511G; BONE SPRING pool, Pool Code 96585.
 - 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.
- 17. 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.
- 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 Jo	Day Authorities of the Company of th
State of Colorado	
County of Berver	
This record was acknowledged before me or	March 18th, 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: 223 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. 24213

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.

EXHIBIT

B. I

Received by OCD: 3/19/2024 4:26:53 PM Received by OCD: 2/6/2024 10:46:37 AM Page 12 of 77

Page 2 of 4

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

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. 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.

UL or lot 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 Phone: (5/5) 748-1283 Fax: (5/5) 748-9/20 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

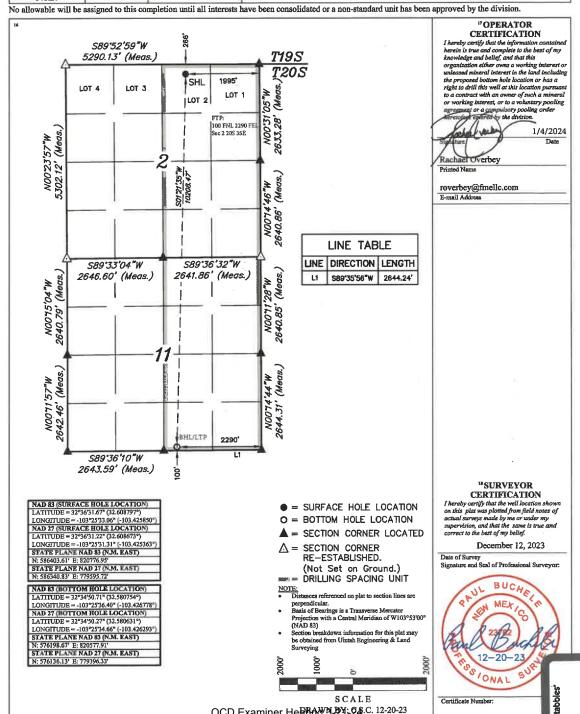
WELL LOCATION AND ACREAGE DEDICATION DLAT

¹ API Number	² Pool Code 96585	WILDCAT G-06 \$203511G; BON	G-06 S203511G; BONE SPRING	
Property Code	5 Proper TAG ST	6 Well Number 302H		
⁷ OGRID No. 331595	Operat FRANKLIN MOUNT	⁹ Elevation 3673.7'		

"Surface Location Range 35E County 20S 266 NORTH 1995 EAST

"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 2290	EAST	County LEA
Dedicated Acre	13	Joint or Infill	14 Cons	didation Code	15 Order No.				



OCD Examiner Health & D. 24-24-C. 12-20-23

SCALE

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 311 S. Frat St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3460

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

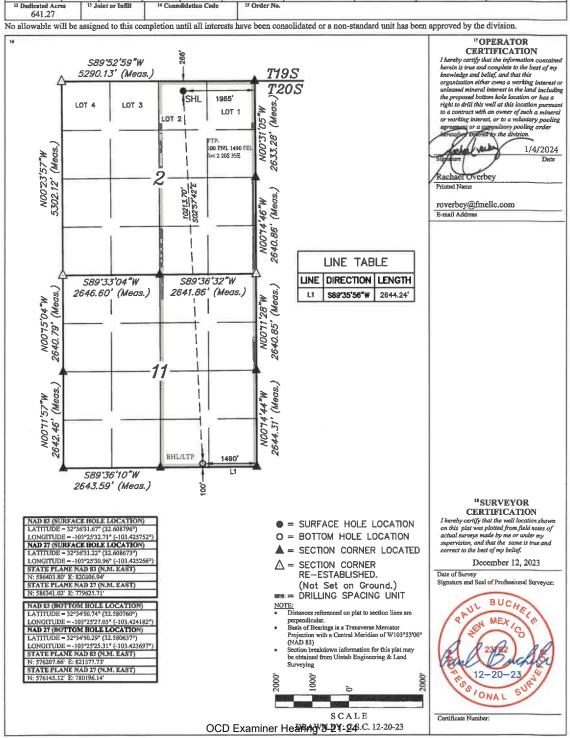
¹ API Number	² Pool Code 96585	WILDCAT G-06 \$203511G; BONE SPRING	
4 Property Code	⁵ Propert TAG STA	* Well Number 303H	
OGRID No. 331595	Operato FRANKLIN MOUNTA	⁹ Elevation 3673.5	

**Surface Location

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County
2 2 20S 35E 266 NORTH 1965 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
¹² Dedicated Acre 641.27	13 J.	oint or Infill	14 Const	didation Code	15 Order No.				



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 Phone: (373) 393-0161 Fax: (375) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 96585	WILDCAT G-06 S203511G;BONE SPRING	
Property Code		⁵ Property Name TAG STATE COM	
⁷ OGRID No. 331595	* Operato FRANKLIN MOUNTA	9 Elevation 3669.6'	

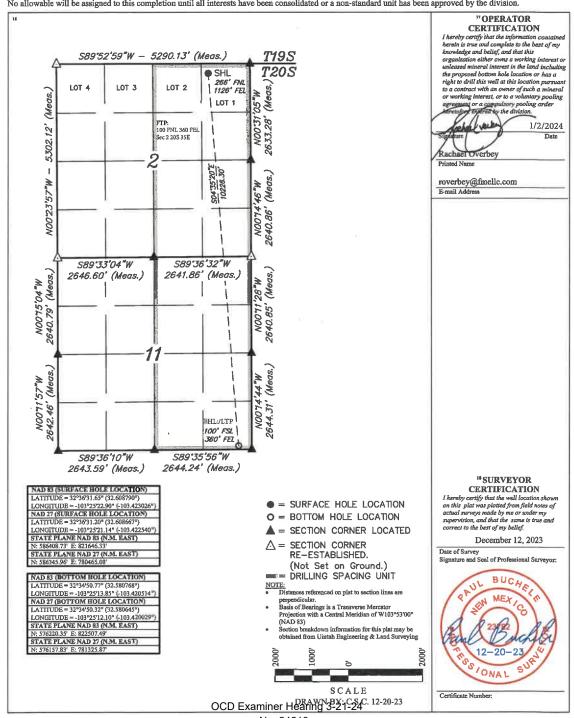
"Surface	Location
----------	----------

UL or lot no.	Section 2	Township 20S	Range 35E	Lot Ida	Feet from the 266	North/South line NORTH	Feet from the 1126	East/West line EAST	County LEA

¹¹ Bottom Hole Location If Different From Surface

	UL or lot no. P	Section 11	om	Township 20S	Range 35E	Lot Idn	IR	ect from the 100	North/South line SOUTH	Feet from the 360	East/West line EAST	County LEA
ĺ	12 Dedicated Acres 15 Joint or Infill 641.27		int or Infill	14 Совзо	lidation Code		15 Order No.		3			

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



<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 Phone: (3/3) 746-1263 Fax: (3/3) 746-9/20 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

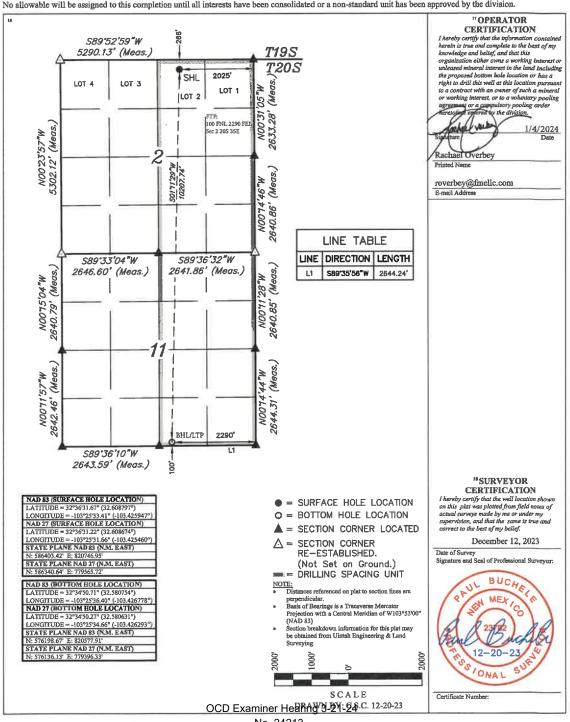
¹ API Number	² Pool Code 96585	WILDCAT G-06 S20351	
Property Code	5 Property TAG STA		6 Well Number 503H
7 OGRED No. 331595	* Operato FRANKLIN MOUNTA	* Elevation 3674.5'	

Surface Location County UL or lot no. Range 35E NORTH EAST 2 208 266 2025

"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 2290	East/West line EAST	County LEA
¹² Dedicated Acre 641.27	es 15 J	oint or Infill	14 Const	didation Code	15 Order No.				

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



District I
1623 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, Azize, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV,
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

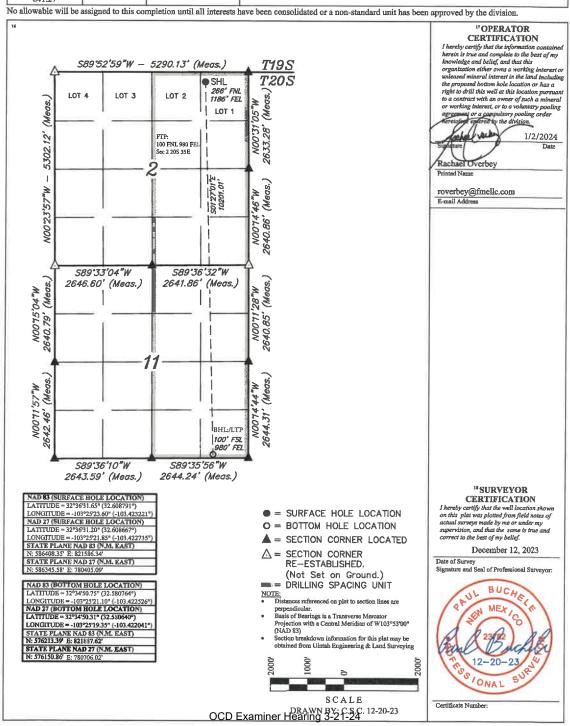
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APJ Number	² Pool Code 96585	WILDCAT G-06 S2035	
4 Property Code		operty Name STATE COM	6 Well Number 504H
7 OGRIÐ №. 331595	°0p FRANKLIN MOU	⁹ Elevation 3670.1°	

					Surface	Location			
UL or lot no.	Section 2	Township 20S	Range 35E	Lot Idn	Feet from the 266	North/South line NORTH	Feet from the 1186	East/West line EAST	County LEA

"Bottom Hole Location If Different From Surface

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



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

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

■ AMENDED REPORT

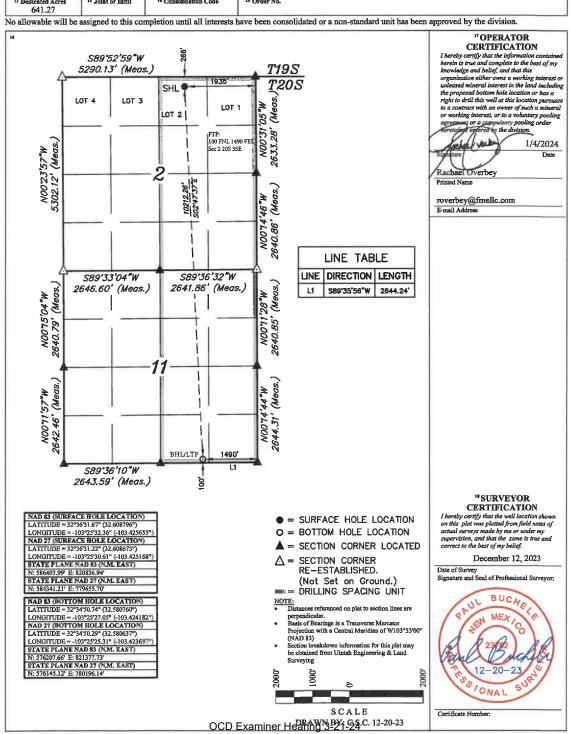
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	² Pool Code 96585	WILDCAT G-06 S2033				
4 Property Code		⁵ Property Name TAG STATE COM	6 Well Number 603H			
7 OGRID No. 331595	FRANKLIN	Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC				

					"Surface	Location			
UL er lot no. 2	Section 2	Township 20S	Range 35E	Lot Idn	Feet from the 266	North/South line NORTH	Feet from the 1935	East/West line EAST	County LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. O	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
12 Dedicated Acres 641.27		¹³ Joint or Infill	14 Cons	didation Code	15 Order No.				



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

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

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

AMENDED REPORT

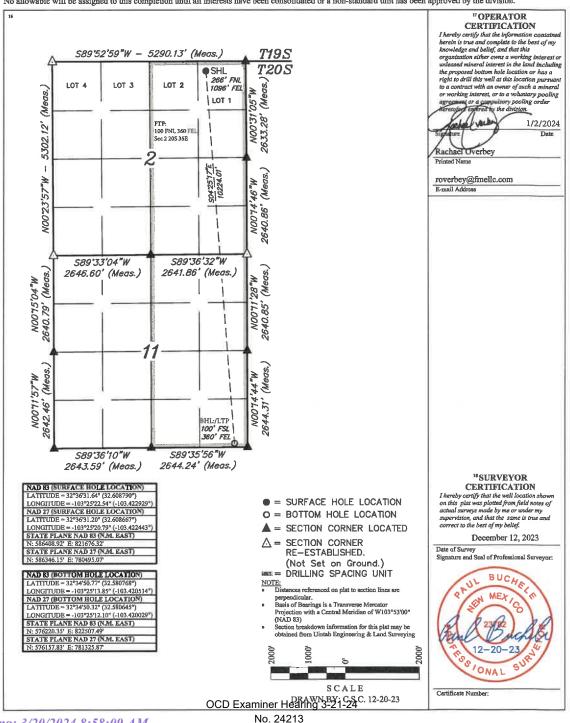
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 96585	³ Pool No WILDCAT G-06 S2035	
Property Code	5 Property TAG STA		6 Well Number 604H
7 OGRID No. 331595	Operator FRANKLIN MOUNTA		9 Elevation 3669.71
		e Location	

1 2 200 335 200 1100011 1000 12401 12201		UL or lot no. 1	Section 2	Township 20S	Range 35E	Lot Idn	Feet from the 266	North/South line NORTH	Feet from the 1096	East/West line EAST	County LEA
--	--	--------------------	--------------	-----------------	--------------	---------	-------------------	---------------------------	-----------------------	------------------------	---------------

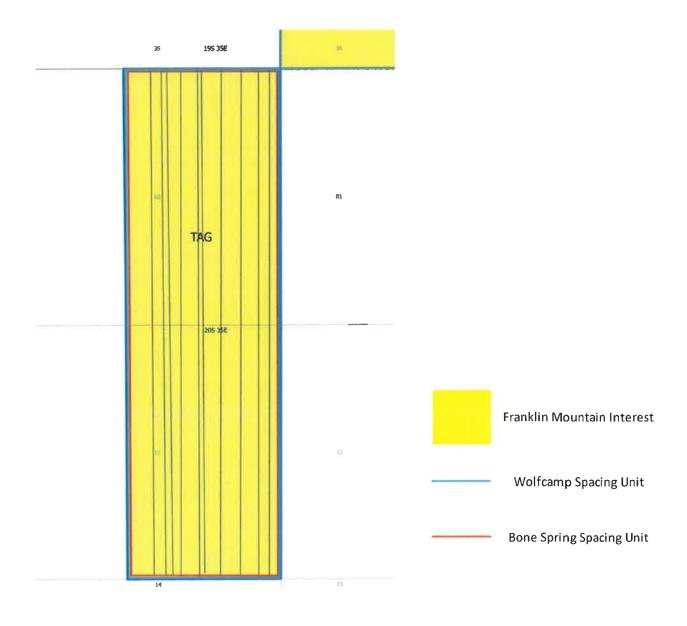
"Bottom Hole Location If Different From Surface North/South In SOUTH Feet from the 100 East/West line Township 20S Range 35E County EAST 13 Joint or Infill 15 Order No 641.27

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



Development Overview

Case Nos. 24213



1 mile

EXHIBIT

B. 3

Lease Tract Map Case No. 24213 E/2 of Sections 2 & 11-T20S-R35E, 641.27 Acres Tag State Com 302H, Tag State Com 303H, Tag State Com 304H, Tag State Com 503H, Tag State Com 504H, Tag State Com 603H, Tag State Com 604H

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



Summary of Interests Case No. 24213

E/2 of Sections 2 & 11-T20S-R35E, 641.27 Acres
Tag State Com 302H, Tag State Com 303H,
Tag State Com 304H, Tag State Com 503H,
Tag State Com 504H, Tag State Com 603H, Tag State Com 604H

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. 24213

E/2 of Sections 2 & 11-T20S-R35E, 641.27 Acres
Tag State Com 302H, Tag State Com 303H,
Tag State Com 304H, Tag State Com 503H,
Tag State Com 504H, Tag State Com 603H, Tag State Com 604H

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

Tract	Lease	%
1	VC-0941	50.0990%
2	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. 24213)

- 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. 24213 E/2 Bone Spring 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





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

FME3 reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns.

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

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



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



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

	hat.	Intangible Drilling Costs	Amount	Major	Minor	Intangible Completion Costs Description	Amount
Major		Description ADMINISTRATIVE OVERHEAD	\$4,000	240	5	ADMINISTRATIVE OVERHEAD	\$8,200
225 225	5 10	CASING CREW & EQPT	\$45,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,635
225	10	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT	\$0
225	16	CEMENTING INTERMEDIATE CASING	\$80,000	240	20	COILED TUBING/SNUBBING UNIT	\$194,313
225	20	CEMENTING SUFACE CASING	\$36,000	240	25	COMMUNICATIONS	\$1,896
225	25	COMMUNICATIONS	\$19,000	240	30	COMPANY DIRECT LABOR	\$0
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,697 \$1,896
225	40	CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	\$2,844
225	45	DAMAGES	\$15,000	240	55 60	DISPOSAL SOLIDS ELECTRICAL POWER\GENERATION	\$2,044
225	50	DAYWORK CONTRACT	\$520,000 \$200,000	240 240	62	ENGINEERING	\$5,687
225	55	DRILLING - DIRECTIONAL	\$200,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	60 65	DRILLING BITS	\$90,000	240	70	FISHING TOOLS / SERVICES	\$0
225	70	ELECTRICAL POWER/GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
225	75	ENGINEERING	\$20,000	240	72	FRAC WATER/COMPLETION FLUID	\$470,000
225	80	ENVIRONMENTAL SERVICES	\$200,000	240	75	FUEL, POWER/DIESEL	\$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$40,000	240	80	HEALTH & SAFETY	\$4,700
225	85	EQUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,000
225	90	FISHING TOOLS/SERVICES	02	240	90	MATERIALS & SUPPLIES	\$0
225	95	HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$18,000	240	100	MUD & CHEMICALS	\$10,000 \$0
225	105	INSURANCE	\$1,700	240	110 115	P&A/TA COSTS PERFORATING/WIRELINE SERVICE	\$265,403
225	106	INSPECTIONS	\$15,000	240	115 120	PIPE INSPECTION	\$203,403
225	110	LEGAL, TITLE SERVICES	\$6,000 \$5,000	240	120	ROAD, LOCATIONS REPAIRS	\$2,000
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	STIMULATION	\$2,616,000
225	320	MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	130	SUBSURFACE EQUIPMENTAL RENTAL	\$37,915
225	125		\$180,000	240	140	SUPERVISION	\$90,047
225	130 140	MUD & CHEMICALS OPENHOLE LOGGING	\$180,000	240	145	SURFACE EOUIP RENTAL	\$189,573
	140 141	CASED HOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING	\$2,844
225	141	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,872
225	150	POWER FUEL & WATER HAULING	\$160,000	240	160	WELDING SERVICES	\$0
225	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,000
225	160	RIG UP TEAR OUT & STANDBY	\$0	240	148	TAXES	\$273,599
225	163	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$248,726
225	165	STAKING & SURVEYING	\$6,000			Total Intangible Completion Costs:	\$3,430,840
225	170	SUPERVISION	\$71,400	_		Total II Completion Corte	
225	175	SUPERVISION - GEOLOGICAL	\$39,000	Fac.	2.01	Tangible Completion Costs	Amount
225	180	TRANSPORTATION/TRUCKING	\$20,000	Major		ARTIFICIAL LIFT	\$175,000
225	178	TAXES	\$125,[31	245	5 15	ARTIFICIAL LIFT FLOWLINES	\$20,000
225	35	CONTINGENCY COSTS 5%	\$113,755	245	25	FRAC STRING	\$0
		Total Intangible Drilling Costs:	49,213,100	245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
		Tangible Drilling Costs		245	45	PRODUCTION LINER	20
Main	Minor	Destription	Amount	245	50	PRODUCTION PROCESSING FACILITY	\$0
Major 230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	55	PRODUCTION TUBING	\$150,000
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS	\$0
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,034,380	245	65	SUBSURFACE EQUIPMENT	\$50,000
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$125,000 \$28,600
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,600
230	40	TAXES	\$83,263			Total Tangible Completion Costs:	3290,000
_		Total Tangible Drilling Casts:	\$1,597,141			Intangible Facility Costs	
		and the second second		Major	Minor		Amount
_		Tangible Facility Costs	Amount	265	5	CONSULTING	\$18,100
Major	Minor	FACILITY PIPE/VALVES/FITTINGS	\$180,000	265	12	COMPANY DIRECT LABOR	20
270	10	CONTAINMENT	\$190,000	265	20	DAMAGES/ROW/PERMITS, ETC	\$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	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$0
270	60	112S TREATING EQUIPMENT	\$0	265	45	CONTRACT LABOR & SERVICES	\$0
	44			265	60	OVERHEAD	\$3,000
270	65	CEDAR ATION FOLHPMENT	\$125,000				
270	65	SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS	\$125,000 \$0	265	80	SURVEY / PLATS / STAKINGS	
270	65 66 75	ROAD/LOCATION/FENCING/REPAIRS	\$0 \$0	265 265	85	TRANSPORTATION / TRUCKING	\$0
270 270	66 75	ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	\$0 \$0 \$137,000	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES	\$6,523
270	66 75 86 90	ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$0 \$0 \$137,000 \$4,000	265 265	85	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$6,523 \$5,930
270 270 270	66 75 86	ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT	\$0 \$0 \$137,000 \$4,000 \$86,000	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES	\$6,523 \$5,930
270 270 270 270 270 270 270	66 75 86 90 100 110	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$0 \$0 \$137,000 \$4,000 \$86,000 \$90,000	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$6,523 \$5,930
270 270 270 270 270 270 270 270	66 75 86 90 100 110 130	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$0 \$0 \$17,000 \$4,000 \$86,000 \$90,000 \$154,000	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$6,523 \$5,930
270 270 270 270 270 270 270 270 270	56 75 86 90 100 110 130	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD	\$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	56 75 86 90 100 110 130 132 134	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	\$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$45,000	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$45,000 \$5,000	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134 136	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTRUMENT LOWING INSTRUMENT FOR STATEMENT STALLATION	\$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$45,000 \$5,000 \$27,000	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	56 75 86 90 100 110 130 132 134 136 138	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAY'S MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE	\$0 \$137,000 \$4,000 \$86,000 \$154,000 \$154,000 \$45,000 \$5,000 \$27,000	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134 136	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE FQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECIIANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWILINE INSTALLATION SIGNAGE TAXES	\$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$25,6000	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	56 75 86 90 100 110 130 132 134 136 138	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAY'S MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE	\$0 \$137,000 \$4,000 \$86,000 \$154,000 \$154,000 \$45,000 \$5,000 \$27,000	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	56 75 86 90 100 110 130 132 134 136 138	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE FQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECIIANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWILINE INSTALLATION SIGNAGE TAXES	\$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$45,000 \$5,000 \$27,000 \$250 \$55,674 \$1,067,924	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$1,500 \$0.523 \$6,523 \$5,930 \$131,833
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 132 134 136 138 140 125	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE FQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECIIANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWILINE INSTALLATION SIGNAGE TAXES	\$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$25,056,000 \$25,674 \$1,067,924	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134 136 138 140 125	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAY'S MECHANICAL BATTERY BUILD EIÆC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$0 \$137,000 \$4,000 \$36,000 \$90,000 \$154,000 \$45,000 \$5,000 \$37,7000 \$250 \$5,674 \$1,067,933	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 132 134 136 138 140 125	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAY'S MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROL. FAND SCADA BATTERY BUILD FINARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$45,000 \$5,000 \$27,000 \$27,000 \$25,000 \$35,674 \$1,067,924	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134 136 138 140 125	ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE FOUIDMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$0 \$137,000 \$4,000 \$36,000 \$90,000 \$154,000 \$45,000 \$5,000 \$37,7000 \$250 \$5,674 \$1,067,933	265 265 265	85 83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intungible Facility Costs:	\$6,523 \$5,930

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

 Operator.
 Franklin Moretget Energy: LLF
 Date: 10/25/2023

 Approved By: Craig Walter Chief Executive Officer
 Date: 10/25/2023

 WI Owner
 Approved By: Date: 10/25/2023

 Printed Name
 Title: 10/25/2023

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

B.7

Total AFE



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

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

TVD 9,371', MD 18,371'. Intangible Drilling Costs OF Description ADMINISTRATIVE OVERHEAD CASING CREW & EQPT CEMENTING INTERMEDIATE CASING CEMENTING PRODUCTION CASING CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING COMMUNICATIONS COMPLETION FLUIDS COMMUNICATIONS COMPLETION FLUIDS CONSTRUCTIONAL DAYWORK CONTRACT DRILLING -FOOTAGE DRILLING -FOOTAGE DRILLING BITS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DRISHING TOOLSSERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	Amount \$4,000 \$45,000 \$40,000 \$80,000 \$19,000 \$5,000	Major 240 240 240 240 240 240 240 240 240 240	5 10 15 20 25 30 35 45 50 62 63 70 71 72 75 80 85 90	Intangible Completion Costs T. Description ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS CASING CERW & EQPT COILED TUBING/SNUBBING UNIT COMMUNICATIONS COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMA/TION DISPOSAL SOLIDS ELECTRICAL POWERVENERATION ENGINEERING ENVIRONMENTA/JCLEANUP FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	Amount \$3,7 \$5,6 \$194,3 \$1,8 \$75,6 \$23,6 \$1,8 \$23,6 \$1,8 \$2,8 \$2,8 \$2,8 \$3,8 \$3,8 \$3,8 \$3,8 \$3,8 \$3,8 \$3,8 \$3
OF DESCRIPTION ADMINISTRATIVE OVERHEAD ADMINISTRATIVE OVERHEAD CASING CREW & EQPT CEMENTING INTERMEDIATE CASING CEMENTING PRODUCTION CASING CEMENTING SET OF COMMUNICATIONS COMPLETION FLUIDS COMMUNICATIONS COMPLETION FLUIDS CONSTRUCTIONAL OR OAD CONSTRUCTIONAL OR OAD DAMAGES DAWORK CONTRACT DRILLING -FOOTAGE DRILLING BITS ELECTRICAL POWERIGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL FISHING TOOLSSERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MOSERLATHOLF/CONDUCT PIPE MUD & CHEMICALS OPENIOLE LOGGING CASED HOLE LOGGING	\$4,000 \$40,000 \$30,000 \$19,000 \$19,000 \$6,000 \$45,000 \$15,000 \$70,000 \$200,000 \$200,000 \$200,000 \$200,000 \$70,000 \$10,	240 240 240 240 240 240 240 240 240 240	5 10 15 20 25 30 35 45 50 62 63 70 71 72 75 80 85 90	I. Description ADMINISTRATIVE OVERHEAD CASED HOLE LOCS & SURVEYS CASING CREW & EQPT COLLED TUBING/SNUBBING UNIT COMMUNICATIONS COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABORROUSTABOUTS DAMAGES/RECLAMATION DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FUEL, POWER/DISSEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$8,2 \$6,6 \$194,3 \$1,6 \$2,6 \$1,8 \$5,6 \$180,0 \$470,0 \$470,0 \$440,0 \$440,0 \$440,0
ADMINISTRATIVE OVERHEAD CASING CREW & EOPT CEMENTING INTERMEDIATE CASING CEMENTING PRODUCTION CASING CEMENTING PRODUCTION CASING CEMENTING SUFFACE CASING COMMUNICATIONS COMPLETION FLUIDS CONSTRUCTIONALOCATION & ROAD CONTRACT LABOR DAWORK CONTRACT DRILLING FOOTAGE DRILLING FOOTAGE DRILLING FOOTAGE DRILLING BITS ELECTRICAL POWERVGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RESTAL DOWNHOLE EQUIPMENT RESTAL TESHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MID & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$45,000 \$40,000 \$30,000 \$316,000 \$119,000 \$45,000 \$50,000 \$50,000 \$500,000 \$90,000 \$90,000 \$200,000 \$200,000 \$118,000 \$118,000 \$118,000 \$118,000 \$118,000 \$150,000 \$50,000	240 240 240 240 240 240 240 240 240 240	5 10 15 20 25 30 35 45 50 62 63 70 71 72 75 80 85 90	ADMINISTRATIVE OVERHEAD CASED HOLD LOOS & SURVEYS CASING CREW & EQPT COILED TUBING/SINBBING UNIT COMMUNICATIONS COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAU/LEANUP FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID TUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$8,2 \$6,6 \$194,3 \$1,6 \$2,6 \$1,8 \$5,6 \$180,0 \$470,0 \$470,0 \$440,0 \$440,0 \$440,0
CEMENTING INTERNEDIATE CASING CEMENTING PRODUCTION CASING CEMENTING SUPACE CASING COMMUNICATIONS COMPLETION FLUIDS CONSTRUCTIONAL PRODUCTION & ROAD CONTRACT LABOR DAWORK CONTRACT DRILLING - FOOTAGE DRILLING - FOOTAGE DRILLING - FOOTAGE DRILLING BITS ELECTRICAL POWERSGENERATION ENCINEERING ENVIRONMENTAL SERVICES EQUIPMENT RESTAL DOWNHOLE EQUIPMENT RESTAL TISHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MID & CHEMICALS OPENIOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$40,000 \$80,000 \$19,000 \$19,000 \$45,000 \$50,000 \$15,000 \$200,000 \$90,000 \$90,000 \$200,000 \$10,	240 240 240 240 240 240 240 240 240 240	15 20 25 30 35 45 50 55 60 62 65 70 71 72 75 80 85 90	CASING CREW & EQPT COLLED TUBING'SNUBBING UNIT COMMUNICATIONS COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABORROUSTABOUTS DAMAGESRECLAMATION DISPOSAL SOLIDS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAUCLEANUP FISHING TOOLS / SERVICES FLUIDSHAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$194, \$1; \$75, \$23, \$1; \$2; \$5, \$180, \$470, \$550,
CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING COMMUNICATIONS COMPLETION FLUIDS CONSTRUCTION LUIDS CONSTRUCTION LUIDS CONSTRUCTION LUIDS CONTRACT LABOR DAMACES DAYWORK CONTRACT DRILLING JURECTIONAL DRILLING FOOTAGE DRILLING BITS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL FISHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSTRANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHIOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$80,000 \$15,000 \$19,000 \$45,000 \$45,000 \$15,000 \$200,000 \$90,000 \$90,000 \$90,000 \$200,000 \$200,000 \$10,000 \$10,000 \$10,000 \$10,000 \$11,000 \$15,000 \$15,000 \$15,000 \$15,000 \$15,000 \$15,000	240 240 240 240 240 240 240 240 240 240	20 25 30 35 45 50 62 65 70 71 72 75 80 85 90	COLLED TUBING/SNUBBING UNIT COMMUNICATIONS COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABORROUSTABOUTS DAMAGES/RECLAMATION DISPOSAL SOLIDS ELECTRICAL POWERVENERATION ENGINEERING ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL FRAC WATEN/COMPLETION FLUID FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$1,1 \$75,1 \$23,3 \$1,3 \$2,1 \$5,4 \$180,0 \$470,0 \$550,0 \$1,4,1
CEMENTING SUFACE CASING COMMUNICATIONS COMPLETION FLUIDS COMPLETION FLUIDS CONSTRUCTIONALOCATION & ROAD CONTRACT LABOR DAMAGES DAYWORK CONTRACT DRILLING - DIRECTIONAL DRILLING - FOOTAGE DRILLING FOOTAGE DRILLING BITS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL ESHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MATERIALS & SUPPLIES MOSCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MUD & CRIEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$16,000 \$19,000 \$5,000 \$15,000 \$15,000 \$15,000 \$200,000 \$90,000 \$200,000 \$200,000 \$200,000 \$40,000 \$50,000 \$18,000 \$1,7,000 \$1,7,000 \$1,7,000 \$1,7,000 \$1,7,000 \$1,7,000 \$1,7,000 \$1,7,000 \$1,7,000 \$1,7,000 \$1,7,000 \$1,7,000	240 240 240 240 240 240 240 240 240 240	25 30 35 45 50 55 60 62 65 70 71 72 75 80 85 90	COMMUNICATIONS COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$1,4 \$75,6 \$23,6 \$1,6 \$2,6 \$5,6 \$180,0 \$470,0 \$550,0 \$14,0
COMMUNICATIONS COMPLETION FLUIDS CONSTRUCTION LUIDS CONSTRUCTION LUIDS CONSTRUCTION LOCATION & ROAD CONTRACT LABOR DAMACES DAYWORK CONTRACT DRILLING JURECTIONAL DRILLING JURECTIONAL DRILLING JEDITECTIONAL DRILLING JEDITECTIONAL DRILLING JURECTIONAL DRILLING JURECTIONAL DRILLING JURECTIONAL DRILLING JURECTIONAL DRILLING JURECTIONAL DRILLING JURECTIONAL ENCINERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL TESHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSTRANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$19,000 \$5,000 \$45,000 \$15,000 \$15,000 \$200,000 \$90,000 \$90,000 \$200,000 \$200,000 \$44,000 \$5,000 \$18,000 \$1,700 \$15,000 \$15,000 \$15,000	240 240 240 240 240 240 240 240 240 240	30 35 45 50 55 60 62 65 70 71 72 75 80 85 90	COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMA/TION DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTA/LCLEANLIP FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$75,0 \$23,6 \$1,8 \$2,8 \$5,6 \$180,0 \$470,0 \$550,0 \$414,0
COMPLETION FLUIDS CONSTRUCTIONAL OCATION & ROAD CONTRACT LABOR DAMAGES DAYWORK CONTRACT DRILLING - DIRECTIONAL DRILLING - FOOTAGE DRILLING BITS ELECTRICAL POWERIGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL FISHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MATERIALS & SUPPLIES MOSCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$6,000 \$45,000 \$15,000 \$15,000 \$200,000 \$90,000 \$90,000 \$200,000 \$200,000 \$40,000 \$18,000 \$1,7,000 \$1,7,000 \$1,5,000 \$1,5,000 \$1,5,000 \$5,000 \$5,000 \$5,000	240 240 240 240 240 240 240 240 240 240	35 45 50 55 60 62 65 70 71 72 75 80 85 90	COMPLETION/WORKOVER RIG CONTRACT LABORROUSTABOUTS DAMAGES/RECLAMATION DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAL/CLEANUP HISTIRIO TOOLS/SERVICES FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FUEL, POWER/DISSEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$75,6 \$23,6 \$1,8 \$2,8 \$5,6 \$180,0 \$470,0 \$550,0 \$4,7,3 \$14,0
CONSTRUCTIONALOCATION & ROAD CONTRACT LABOR DAMAGES DAWORK CONTRACT DRILLING - DURECTIONAL DRILLING - FOOTAGE DRILLING - FOOTAGE DRILLING BITS ELECTRICAL FOWER/GENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL FISHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MID & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	345,000 \$50,000 \$15,000 \$200,000 \$200,000 \$70,000 \$20,000 \$200,000 \$200,000 \$40,000 \$50,000 \$18,000 \$1,700 \$15,000 \$5,000	240 240 240 240 240 240 240 240 240 240	50 55 60 62 65 70 71 72 75 80 85 90	CONTRACT LABORROUSTABOUTS DAMAGESRECLAMATION DISPOSAL SOLIDS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAUCLEANUP FISHING TOOLS / SERVICES FLUIDSHAULING/DISPOSAL FACK WATER/COMPLETION FLUID FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$23,6 \$1,8 \$2,8 \$5,6 \$180,0 \$470,0 \$550,0 \$41,0
DAMAGES DAYWORK CONTRACT DRILLING - DIRECTIONAL DRILLING - FOOTAGE DRILLING - FOOTAGE DRILLING BITS ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL FISHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MID & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$15,000 \$520,000 \$200,000 \$70,000 \$70,000 \$200,000 \$200,000 \$40,000 \$50,000 \$18,000 \$1,700 \$15,000 \$6,000 \$5,000	240 240 240 240 240 240 240 240 240 240	55 60 62 65 70 71 72 75 80 85 90	DISPOSAL SOLIDS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$2,8 \$5,6 \$180,0 \$470,0 \$550,0 \$4,0
DAYWORK CONTRACT DRILLING - DURECTIONAL DRILLING - FOOTAGE DRILLING BITS LIECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL FISHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$520,000 \$200,000 \$90,000 \$0,000 \$20,000 \$20,000 \$40,000 \$50,000 \$18,000 \$1,7,000 \$1,5,000 \$5,000 \$5,000	240 240 240 240 240 240 240 240 240 240	60 62 65 70 71 72 75 80 85 90	ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL/CLEARUP FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FUEL, POWER/DISSEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$5,6 \$180,0 \$470,0 \$550,0 \$4,7 \$14,0
DRILLING - DIRECTIONAL DRILLING - FOOTAGE DRILLING BITS ELECTRICAL POWER\GENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL FISHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MID & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$200,000 \$99,000 \$90,000 \$20,000 \$200,000 \$40,000 \$50,000 \$18,000 \$1,500 \$1,500 \$5,000 \$5,000	240 240 240 240 240 240 240 240 240 240	62 65 70 71 72 75 80 85 90	ENGINEERING ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL FAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$5,6 \$180,0 \$470,0 \$550,0 \$4,7 \$14,0
DRILLING - FOOTAGE DRILLING BITS ELECTRICAL POWER\GENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL FISHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$90,000 \$90,000 \$20,000 \$200,000 \$40,000 \$50,000 \$1,000 \$1,7,000 \$1,5,000 \$5,000 \$5,000	240 240 240 240 240 240 240 240 240 240	65 70 71 72 75 80 85 90	ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$180,0 \$470,0 \$550,0 \$4,7 \$14,0
DRILLING BITS ELECTRICAL POWER\GENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL FISHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MID & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$90,000 \$0 \$20,000 \$200,000 \$40,000 \$50,000 \$18,000 \$1,200 \$1,500 \$5,000 \$5,000	240 240 240 240 240 240 240 240 240 240	70 71 72 75 80 85 90 95	FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$180,0 \$470,0 \$550,0 \$4,7 \$14,0
ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL FISHING TOOLS/SERVICES HEALTH, & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MOUSERARHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$00 \$20,000 \$40,000 \$50,000 \$50,000 \$0,000 \$18,000 \$115,000 \$6,000 \$5,000 \$5,000	240 240 240 240 240 240 240 240 240 240	71 72 75 80 85 90	FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$180,0 \$470,0 \$550,0 \$4,7 \$14,0
ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL ISSUING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$20,000 \$200,000 \$40,000 \$50,000 \$5,000 \$18,000 \$17,000 \$15,000 \$6,000 \$5,000	240 240 240 240 240 240 240 240 240	72 75 80 85 90 95	FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$470,0 \$550,0 \$4,7 \$14,0
EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL FISHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$200,000 \$40,000 \$50,000 \$0 \$17,000 \$18,000 \$1,700 \$15,000 \$6,000 \$5,000	240 240 240 240 240 240	75 80 85 90 95	FUEL, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$4,7 \$14,0
EQUIPMENT RENTAL FISHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERARHOLE/CONDUCT PIPE MID & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$50,000 \$0 \$7,000 \$18,000 \$1,700 \$15,000 \$6,000 \$5,000 \$5,000	240 240 240 240 240	85 90 95	HOUSING AND SUPPORT SERVICES	\$14,0
FISHING TOOLS/SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$0 \$7,000 \$18,000 \$1,700 \$15,000 \$6,000 \$5,000 \$5,000	240 240 240 240	90 95		
HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MID & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$7,000 \$18,000 \$1,700 \$15,000 \$6,000 \$5,000 \$5,000	240 240 240	95		
HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$18,000 \$1,700 \$15,000 \$6,000 \$5,000 \$5,000	240 240		MATERIALS & SUPPLIES	
INSTRANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHIOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$1,700 \$15,000 \$6,000 \$5,000 \$5,000	240		MISCELLANEOUS	
INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MID & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$15,000 \$6,000 \$5,000 \$5,000		100	MUD & CHEMICALS	\$10,0
LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLECONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$6,000 \$5,000 \$5,000	240	110 115	P&A/TA COSTS PERFORATING/WIRELINE SERVICE	\$265.4
MATERIALS & SUPPLIES MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$5,000 \$5,000	240	120	PIPE INSPECTION	\$265,4
MISCELLANEOUS MOUSERATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,0
MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING		240	130	STIMULATION	\$2,616,0
MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING		240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,9
OPENHOLE LOGGING CASED HOLE LOGGING	\$180,000	240	140	SUPERVISION	\$90,0
	\$0	240	145	SURFACE EQUIP RENTAL	\$189,5
	\$0	240	150	TRANSPORTATION/TRUCKING	\$2,8
PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,8
POWER FUEL & WATER HAULING	\$160,000	240	160	WELDING SERVICES	
RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,0
RIG UP TEAR OUT & STANDBY SITE RESTORATION	\$0 \$10,000	240 240	148 40	TAXES CONTINGENCY COSTS 5%	\$273,5
STAKING & SURVEYING	\$6,000	240	40	Total Intangible Completion Costs:	\$248,7 \$5,496,8
SUPERVISION	\$71,400	$\overline{}$		Total Hearight Congression Com.	33,490,0
SUPERVISION - GEOLOGICAL	\$39,000			Taugible Completion Costs	
TRANSPORTATION/TRUCKING	\$20,000	Major	Minor	Description	Amount
TAXES	\$125,131	245	5	ARTIFICIAL LIFT	\$175,0
CONTINGENCY COSTS 5%	\$113,755	245	15	FLOWLINES	\$20,0
Total Intangible Drilling Costs:	\$2,513,986	245	25	FRAC STRING	
	- / ·	245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	
Tangible Drilling Costs		245	45	PRODUCTION LINER	
r Description	Amoust	245	50	PRODUCTION PROCESSING FACILITY	
INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	55	PRODUCTION TUBING	\$150,0
PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$66,000	245	60	RODS/PUMPS	\$50,0
					\$125,0
		245	70		\$28,6
TAXES	\$83,263			Total Tangible Completion Costs:	25-48,64
Total Tangible Drilling Costs:	\$1,397,141				
- Tr					
					Amount
					\$18,1
					P74 0
					\$24,00 \$50,00
					\$22,0
					322,0
	\$0		45		
	\$125,000		60		\$3,0
ROAD/LOCATION/FENCING/REPAIRS	\$0	265	BD	SURVEY / PLATS / STAKINGS	\$1,5
PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	91,5
FACILITY SURFACE EQUIPMENT	\$137,000	265	83	TAXES	\$6,5
H2S SAFETY SYSTEM	\$4,000	265	10	CONTINGENCY COSTS 5%	\$5,9
CONTROL / INSTRUMENT / METERS / SCADA	\$86,000			Total Intungible Facility Costs:	\$131,0
TANKS & WALKWAYS	\$90,000			The same of the sa	
MECHANICAL BATTERY BUILD	\$154,000			Office Use Only;	
EI&C BATTERY BUILD	\$45,000				
		1			
		1			
		1			
		1			
	\$1,067,074	1			
0	***************************************	1			
		1			
	\$4,111,126.79	I			
on;	\$6,045,445.54	1			
	\$1,198,976.75	1			
ible:		1			
ble:	\$2,145,741.29	1			
		1			
	11 355 540 001	l .			
	\$11,333,349.08				
UTHORITY FOR EXPENDITURE IS BASED ON COST	ESTIMATES, BILLING W	ILL REFI	ECT Y	OUR PROPORTINATE SHARE OF THE ACTUAL IN	OICE COSTS
	PRODUCTION CASING & ATTACHMENTS SURRACE CASING & ATTACHMENTS WILLHEAD EQUIPMENT/CASING BOWL TAXES TOUR TOUR TOUR TOUR TOUR TOUR TOUR TOUR	PRODUCTION CASING & ATTACHMENTS \$1,004,380 SURRACE CASING & ATTACHMENTS \$165,740 WILLHEAD EQUIPMENT/CASING BOWL \$70,000 TAXES \$32,03 \$1,504,180 CASING & ATTACHMENTS \$15,000 TAXES \$32,043 \$1,504,141 CASING BOWL \$70,000 TAXES \$1,504,141 CASING BOWL \$1,50	PRODUCTION CASING & ATTACHMENTS \$1,034,380 \$245 \$2	PRODUCTION CASING & ATTACHMENTS \$1,044,380 SURPACE CASING & ATTACHMENTS \$169,740 245 65 SURPACE CASING & ATTACHMENTS \$169,740 245 70	PRODUCTION CASING & ATTACHMENTS \$1,034,380 SURRACE CASING & ATTACHMENTS \$150,5740

10/25/2023 WI Owner:

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

Title:



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

304H County/State: Lea Co., NM Date Prepared: 10/25/2023

perator:	Franklin Moumiun Energy 3, LLC		DM10 11	gran cur		
rpose:	Drill and complete a 10,000' IBS well: TVD 9,333', MD 18,333'.		AFE#:		DCE231013	
					Intangible Completion Costs	
	Intangible Drilling Costs	Amount	Major	Minor	Description	Amount
lajor Minor 225 5	Description ADMINISTRATIVE OVERHEAD	\$4,000	240	5	ADMINISTRATIVE OVERHEAD	\$8,2
225 10	CASING CREW & EQPT	\$45,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,6
225 15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT COILED TUBING/SNUBBING UNIT	\$194,3
225 16	CEMENTING PRODUCTION CASING	\$80,000 \$36,000	240 240	20 25	COMMUNICATIONS	\$1,8
225 20 225 25	CEMENTING SUFACE CASING COMMUNICATIONS	\$19,000	240	30	COMPANY DIRECT LABOR	
225 25 225 30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,0
225 34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,6
225 40	CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	\$1,8
225 45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$2,8
225 50	DAYWORK CONTRACT	\$520,000	240	60	ELECTRICAL POWER\GENERATION ENGINEERING	\$5,6
225 55	DRILLING - DIRECTIONAL	\$200,000	240 240	62 65	ENVIRONMENTAL/CLEANUP	45,0
225 60	DRILLING - FOOTAGE	\$90,000	240	70	FISHING TOOLS / SERVICES	
225 65 225 70	DRILLING BITS ELECTRICAL POWER/GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$180,0
225 75	ENGINEERING	\$20,000	240	72	FRAC WATER/COMPLETION FLUID	\$470,0
225 80	ENVIRONMENTAL SERVICES	\$200,000	240	75	FUEL, POWER/DIESEL	\$550,0
225 84	EQUIPMENT RENTAL DOWNHOLE	\$40,000	240	BD	HEALTH & SAFETY	\$4,7
225 85	EOUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,0
225 90	FISHING TOOLS/SERVICES	\$0	240	90 95	MATERIALS & SUPPLIES MISCELLANEOUS	
225 95	HEALTH & SAFETY	\$7,000 \$18,000	240 240	100	MUD & CHEMICALS	\$10,0
225 100	HOUSING AND SUPPORT SERVICES	\$1,700	240	110	P&A/TA COSTS	·
225 105 225 106	INSURANCE INSPECTIONS	\$15,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,4
225 106 225 110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	
225 115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,0
225 120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,616,0
225 125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,9 \$90,0
225 130	MUD & CHEMICALS	\$180,000	240	140	SUPERVISION	\$189,5
25 140	OPENHOLE LOGGING	SO SO	240 240	145 150	SURFACE EQUIP RENTAL TRANSPORTATION/TRUCKING	\$2,
225 141	CASED HOLE LOGGING	\$0 \$20,000	240	155	WATER TRANSFER	\$56,1
25 145	PERMITS, LICENSES, ETC	\$160,000	240	160	WELDING SERVICES	
225 150	POWER FUEL & WATER HAULING	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,
225 155	RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	\$0	240	148	TAXES	\$273,
125 160 125 163	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$248,
25 165	STAKING & SURVEYING	\$6,000			Total Intangible Completion Costs:	\$5,496,3
25 170	SUPERVISION	\$71,400	-			
225 175	SUPERVISION - GEOLOGICAL	\$39,000	Tax :	2.51	Tangible Completion Costs	Amount
25 180	TRANSPORTATION/TRUCKING	\$20,000	Major 245	Minor	Description ARTIFICIAL LIFT	\$175,
25 178	TAXES	\$125,131 \$113,755	245	15	FLOWLINES	\$20,
225 35	CONTINGENCY COSTS 5% Total Intangible Drilling Costs:	\$2,513,986	245	25	FRAC STRING	
	Total Intergrate Intuing Coats.		245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	
	Tangible Drilling Costs		245	45	PRODUCTION LINER	
lajor Minor	r Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	****
230 10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	55	PRODUCTION TUBING	\$150,0
230 20	PACKERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS SUBSURFACE EQUIPMENT	\$50,
230 25	PRODUCTION CASING & ATTACHMENTS	\$1,034,380 \$169,740	245 245	65 75	WELLHEAD EQUIPMENT	\$125,
230 35	SURFACE CASING & ATTACHMENTS WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,
230 45 230 40	TAXES	\$83,263			Total Tangible Completion Costs:	554N,
30 40	Total Tangible Drilling Costs:	\$1,597,141	•		The Party of the Control	
	Tangible Facility Costs		Major		Intensible Facility Costs Description	Amoun
ajor Mino	r Description	Amount	265	5	CONSULTING	\$18
70 10	FACILITY PIPE/VALVES/FITTINGS	\$180,000	265	12	COMPANY DIRECT LABOR	\$24
270 15	CONTAINMENT	\$0	265	20	DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION	\$50
270 25	DEHYDRATION	20	265	22	ENGINEERING / SCIENCE	\$22
70 30	PRIMARY POWER MATERIALS	\$56,000 \$47,000	265 265	25 40	HEALTH/SAFETY/ENVIRONMENTAL	*
70 50	FLOWLINES / PIPELINE / HOOKUP	02,000	265	45	CONTRACT LABOR & SERVICES	
70 60	H2S TREATING EQUIPMENT	\$125,000	265	60	OVERHEAD	\$3
70 65	SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1
70 66	PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	
70 86	FACILITY SURFACE EQUIPMENT	\$137,000	265	83	TAXES	\$6 \$5
70 90	H2S SAFETY SYSTEM	\$4,000	265	10	CONTINGENCY COSTS 5%	5131
70 100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000			Total Intangible Facility Costs:	1 315
70 110		\$90,000	_	_	Office Use Only:	
70 130		\$154,000	\vdash	_	Cities and Cities	
70 132	EI&C BATTERY BUILD	\$45,000 \$5,000				
70 134	CONTROLS AND SCADA BATTERY BUILD	\$56,000				
70 136		\$27,000				
70 138		\$250				
70 125	TAXES	\$55,674	6			
	Total Tangible Facility Costs:	\$1,067,924	8			
WAS ARROW			8			
ual Drill:		\$4,111,126,79	a l			
stal Completic	on:	\$6,045,445.54				
tal Facility:		\$1,198,976,75 \$8,010,831,04	80			
otal DC Intan	pible:	\$2,145,741.20				
tal DC Tang	ANE:	44,170,171.47	10			
rol A EC		\$11,355,549.08				
tal AFE:	AUTHORITY FOR EXPENDITURE IS BASED ON COST		WILLBE	7 P/T	YOUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS
THIS		ESTIMATES, BILLING	WILLRE	LECT.	TOOK ENOUGH HAVE BEINGE OF THE WITONE	
rator.	Franklin Movingain Eftergy 3, LLC	-				
proved By:	COK. CLA		Date:			10/25/2023

Operator: Approved By:	Franklin Montain Edergy, 3, U.C Craig Waltes Chief Executive Officer	Date:	10/25/2023
WI Owner:			
Approved By:		Date:	
Printed Name:		Title:	

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



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

FRANKLIN MOUNTAIN
ENERGY
WINNIE

Tag State Con 503H

SHI:. Sed 1-720S-R35E 240 FNL 2025 FEL
BHI:. Sed 1-720S-R35E 100 FSL 2290 FEL
Operator:

Operator:

Purpose:

Drill and complete 8 10,000* 2BS well.
TVD 11 0.298* MD 19 2.98;

TVD 11 0.298* MD 19 2.98; Well#: County/State: Lea Co., NM Date Prepared: 10/25/2023 DCE231014 AFE#:

Purpose:		Drill and complete a 10,000' 2BS well. TVD 10,298', MD 19,298'.		AFE#:		DCE231014	
		14D 10,258, MD 15,256.					
		Intensible Drilling Costs				Intangible Completion Costs	Amount
		Description Overning A	Amount \$4,000	Major 240	Minor 5	Description ADMINISTRATIVE OVERHEAD	\$8,200
225 225	10	ADMINISTRATIVE OVERHEAD CASING CREW & EQPT	\$45,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,635
225	15	CEMENTING INTERMEDIATE CASING	\$40,000 \$80,000	240 240	15 20	CASING CREW & EQPT COILED TUBING/SNUBBING UNIT	\$0 \$194,313
225	16 26	CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING	\$36,000	240	25	COMMUNICATIONS	\$1,896
225	25	COMMUNICATIONS	\$19,000	240	30	COMPANY DIRECT LABOR	\$0
225	30	COMPLETION FLUIDS	\$6,000 \$45,000	240 240	35 45	COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS	\$75,000 \$23,697
225 225	34 40	CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	\$1,896
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$2,844
225	50	DAYWORK CONTRACT	\$520,000	240 240	60 62	ELECTRICAL POWER/GENERATION ENGINEERING	\$0 \$5,687
225 225	55 60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$200,000 \$90,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	65	DRILLING BITS	\$90,000	240	70	FISHING TOOLS / SERVICES	\$0 \$180,000
225	70	ELECTRICAL POWER\GENERATION	\$0 \$20,000	240 240	71 72	FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID	\$470,000
225 225	75 80	ENGINEERING ENVIRONMENTAL SERVICES	\$200,000	240	75	FUEL, POWER/DIESEL	\$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$40,000	240	80	HEALTH & SAFETY	\$4,700 \$14,000
225	85	EQUIPMENT RENTAL	\$50,000	240 240	85 90	HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES	\$0
225 225	90 95	FISHING TOOLS/SERVICES HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$18,000	240	100	MUD & CHEMICALS	\$10,000
225	105	INSURANCE	\$1,700 \$15,000	240 240	110 115	P&A/TA COSTS PERFORATING/WIRELINE SERVICE	\$265,403
225 225	106	INSPECTIONS LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$0
225	115	MATERIALS & SUPPLIES	000,22	240	125	ROAD, LOCATIONS REPAIRS	\$2,000
225	120	MISCELLANEOUS	\$5,000 \$31,000	240	130 135	STIMULATION SUBSURFACE EQUIPMENTAL RENTAL	\$2,616,000 \$37,915
225 225	125	MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS	\$180,000	240	140	SUPERVISION	\$90,047
225	140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$189,573 \$2,844
225	141	CASED HOLE LOGGING PERMITS, LICENSES, ETC	\$0 \$20,000	240 240	150	TRANSPORTATION/TRUCKING WATER TRANSFER	\$56,872
225 225	145 150	POWER FUEL & WATER HAULING	\$160,000	240	160	WELDING SERVICES	\$0
225	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,000 \$273,599
225	160	RIG UP TEAR OUT & STANDBY	\$00,012	240 240	148	TAXES CONTINGENCY COSTS 5%	\$248,726
225 225	163	SITE RESTORATION STAKING & SURVEYING	\$6,000	2.0		Total Intangible Completion Costs:	\$3,496,846
225	170	SUPERVISION	\$71,400			Totalita Completion Costs	
225	175	SUPERVISION - GEOLOGICAL	\$39,000 \$20,000	Major	Misn	Tangible Completion Costs r Description	Amount
225 225	180 178	TRANSPORTATION/TRUCKING TAXES	\$125,131	245	5	ARTIFICIAL LIFT	\$175,000
225	35	CONTINGENCY COSTS 5%	\$113,755	245	15 25	FLOWLINES FRAC STRING	\$20,000 \$0
		Total Intangible Drilling Costs:	52,513,986	245 245	40	PACKERS/SI.FEVES/PLUGS/GL MANDRELS	\$0
		Tangible Drilling Costs		245	45	PRODUCTION LINER	\$0
Major	Minor	Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	\$0 \$150,000
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758 \$66,000	245 245	55 60	PRODUCTION TUBING RODS/PUMPS	\$130,000
230 230	20 25	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$1,034,380	245	65	SUBSURFACE EQUIPMENT	\$50,000
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT TAXES	\$125,000 \$28,600
230	45 40	WELLHEAD EQUIPMENT/CASING BOWL TAXES	\$70,000 \$83,263	245	70	Total Tangible Completion Costs:	\$548,600
230	40	Total Tangible Drilling Costs:	\$1,597,141	-		Intengible Facility Costs	
		Tangible Facility Costs		Major	Mino	Description	Amount
Major	Minor	Description	Amount	265	5	CONSULTING	\$18,100
270	10	FACILITY PIPE/VALVES/FITTINGS .	\$180,000 \$0	265 265	12 20	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC	\$24,000
270 270	15 25	CONTAINMENT DEHYDRATION	50	265	22	PAD/ROAD CONSTRUCTION	\$50,000
270	30	PRIMARY POWER MATERIALS	\$56,000	265	25	ENGINEERING / SCIENCE	\$22,000 \$0
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000 \$0	265 265	40 45	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	\$0
270	60 65	H2S TREATING EQUIPMENT SEPARATION EQUIPMENT	\$125,000	265	60	OVERHEAD	\$3,000
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1,500
270	75	PRE-FABRICATED SKIDS	\$0	265 265	85 83	TRANSPORTATION / TRUCKING TAXES	\$0 \$6,523
270 270	86 90	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$137,000 \$4,000	265	10	CONTINGENCY COSTS 5%	\$5,930
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000			Total Intangible Facility Costs:	\$131,053
270	110	TANKS & WALKWAYS	\$90,000	r	_	Office Use Only:	
270 270	130 132	MECHANICAL BATTERY BUILD EI&C BATTERY BUILD	\$154,000 \$45,000		_	Contract Contract	
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000				
270	136	PRIMARY POWER BUILD	\$56,000				
270 270	138	FLOWLINE INSTALLATION SIGNAGE	\$27,000 \$250				
270	125	TAXES	\$55,674				
		Total Tangible Facility Costs:	\$1,067,924	1			
				1			
Total Dr Total Co		w.	\$4,111,126.79 \$6,045,445.54				
Total Fac	cility:		\$1,198,976.75	1			
Total DC	Intang		\$8,010,831.04	1			
Total DC	. I angi	DIE:	\$2,145,741.29				
	0		E11 188 840 NB				
Total Al	_		\$11,355,549.08				
	THIS A	AUTHORITY FOR EXPENDITURE IS BASED ON COST	ESTIMATES BILLING	WILL REE	LECT '	YOUR PROPORTINATE SHARE OF THE ACTUA	L INVOICE COSTS.
Operator		Franklin McReguiners pay 3, LLC					
		(Colo (no)		n :			10/25/2023
Approve	d By:	Craig Walten		Date:			CAMPINON P
		Chief Executive Officer					
WI Own	er:						
				Date:			
Approve	o Hy:						
Printed N	Зате :			Title:			

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



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

FRANKLIN MOUNTAIN
ENERGY
AUTHORITY FOR EXPENDITURE
Well Name:
Tag State Com 504H
SHI: Sec 2-7208-R35E 240 FNI. 720 FEL
BHI: Sec 11-7208-R35E 100 FSL 080 FEL
Franklin Mountain Energy 3, LLC
Drill and complete a 10,000° 2BS well
Tranklin Mountain Energy 3, LLC
Drill and complete a 10,000° 2BS well
Tranklin Mountain Energy 3, LLC County/State: Lea Co., NM Date Prepared: 10/25/2023

nrbose:		Drill and complete a 10,000' 2BS well. TVD 10,254', MD 20,254'.		AFE #:		DCE231015	
		115 10,504, 1117 20,507					
		Intangible Drilling Costs	Amount	Major	Minor	Intangible Completion Costs Description	Amount
Major M 225	1inor	Description ADMINISTRATIVE OVERHEAD	\$4,000	240	5	ADMINISTRATIVE OVERHEAD	\$8,200
	10	CASING CREW & EQPT	\$45,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,63.
225	15	CEMENTING INTERMEDIATE CASING	\$40,000 \$80,000	240 240	15 20	CASING CREW & EQPT COILED TUBING/SNUBBING UNIT	\$0 \$194,313
	16 20	CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING	\$36,000	240	25	COMMUNICATIONS	\$1,896
	25	COMMUNICATIONS	\$19,000	240	30	COMPANY DIRECT LABOR	\$0
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS	\$75,000 \$23,697
	34	CONSTRUCTION/LOCATION & ROAD	\$45,000 \$50,000	240 240	45 50	DAMAGES/RECLAMATION	\$1,696
	40 45	CONTRACT LABOR DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$2,844
	50	DAYWORK CONTRACT	\$520,000	240	60	ELECTRICAL POWER\GENERATION	\$0 \$5,687
	55	DRILLING - DIRECTIONAL	\$200,000 \$90,000	240 240	62 65	ENGINEERING ENVIRONMENTAL/CLEANUP	\$5,087
	60 65	DRILLING - FOOTAGE DRILLING BITS	\$90,000	240	70	FISHING TOOLS / SERVICES	SC
	70	ELECTRICAL POWER\GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
	75	ENGINEERING	\$20,000	240	72	FRAC WATER/COMPLETION FLUID	\$470,000 \$550,000
	80	ENVIRONMENTAL SERVICES	\$200,000 \$40,000	240 240	75 80	FUEL, POWER/DIESEL HEALTH & SAFETY	\$4,70
	84 85	EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,000
	90	FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	\$0
225	95	HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	\$(\$10,000
	100	HOUSING AND SUPPORT SERVICES	\$18,000 \$1,700	240 240	100 110	MUD & CHEMICALS P&A/TA COSTS	\$10,000
	105 106	INSURANCE INSPECTIONS	\$15,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,403
	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$1
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,000 \$2,616,000
225	120	MISCELLANEOUS	\$5,000	240 240	130 135	STIMULATION SUBSURFACE EQUIPMENTAL RENTAL	\$2,616,000
	125	MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS	\$31,000 \$180,000	240	140	SUPERVISION	\$90,04
	140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$189,57
	141	CASED HOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING	\$2,84
225	145	PERMITS, LICENSES, ETC	\$20,000	240 240	155	WATER TRANSFER WELDING SERVICES	\$56,87
	150	POWER FUEL & WATER HAULING	\$160,000 \$130,000	240	165	WELLING SERVICES WELL TESTING/FLOWBACK	\$165,000
	155 160	RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	50	240	148	TAXES	\$273,599
	163	SITE RESTORATION	000,012	240	40	CONTINGENCY COSTS 5%	\$248,724 \$5,496,846
225	165	STAKING & SURVEYING	\$6,000		_	Total Intangible Completion Costs:	35,490,84
	170	SUPERVISION	\$71,400 \$39,000			Tangible Completion Costs	
the same in	175 180	SUPERVISION - GEOLOGICAL TRANSPORTATION/TRUCKING	\$20,000	Major	Minor	Description	Amount
	178	TAXES	\$125,131	245	5	ARTIFICIAL LIFT	\$175,00
	35	CONTINGENCY COSTS 5%	\$113,755	245	15 25	FLOWLINES FRAC STRING	\$20,000 \$4
		Total Intaugible Drilling Costs:	\$2,513,986	245 245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	s
		Tangible Drilling Costs		245	45	PRODUCTION LINER	\$
Major N	Minor	Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	\$
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	55	PRODUCTION TUBING	\$150,000 \$1
	20	PACKERS/SLEEVES/PLUGS	\$66,000	245 245	60 65	RODS/PUMPS SUBSURFACE EQUIPMENT	\$50,00
230	25	PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$1,034,380 \$169,740	245	75	WELLHEAD EQUIPMENT	\$125,00
230 230	35 45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,60
230	40	TAXES	\$83,263			Total Tangible Completion Costs:	\$348,60
	_	Total Tangible Drilling Costs:	\$1,397,141			Intangible Facility Costs	
		Taugible Facility Costs		Major		Description CONSULTING	Amouat \$18,30
		Description FACILITY PIPE/VALVES/FITTINGS	Amount \$180,000	265 265	5 12	COMPANY DIRECT LABOR	s
270 270	10	CONTAINMENT	\$0	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,00
270	25	DEHYDRATION	\$0	265	22	PAD/ROAD CONSTRUCTION	\$50,00 \$22,00
270	30	PRIMARY POWER MATERIALS	\$56,000 \$47,000	265 265	25 40	ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	\$
270	50	FLOWLINES / PIPELINE / HOOKUP 112S TREATING EQUIPMENT	02	265	45	CONTRACT LABOR & SERVICES	3
270 270	60 65	SEPARATION EQUIPMENT	\$125,000	265	60	OVERHEAD	\$3,00
270	66	ROAD/LOCATION/FENCING/REPAIRS	20	265	80	SURVEY / PLATS / STAKINGS	\$1,50
270	75	PRE-FABRICATED SKIDS	20	265	85	TRANSPORTATION / TRUCKING	\$ \$6,52
270	86	FACILITY SURFACE EQUIPMENT	\$137,000 \$4,000	265 265	83 10	CONTINGENCY COSTS 5%	\$5,93
270 270	90 100	H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA	\$86,000	203	10	Total Intangible Facility Costs:	\$131,83
	110	TANKS & WALKWAYS	\$90,000				
	130	MECHANICAL BATTERY BUILD	\$154,000			Office Use Only:	
	132	EI&C BATTERY BUILD	\$45,000 \$5,000				
270 270	134 136	CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$56,000 \$56,000				
270	138	FLOWLINE INSTALLATION	\$27,000				
270	140	SIGNAGE	\$250				
270	125	TAXES	\$55,674 \$1,067,924				
	_	Total Tangible Facility Costs:	31,007,924	6			
Total Drill			\$4,111,126.79 \$6,045,445.54				
Total Com Total Facil	ity:	16,	\$1,198,976.75				
Total DC I	Intang	ible:	\$8,010,831.04				
Total DC 1	Tangil	sle:	\$2,145,741.29				
Total AFE			\$11,355,549.08		_		
T	HIS A	UTHORITY FOR EXPENDITURE IS BASED ON COST	ESTIMATES, BILLING	WILL REF	LECT '	OUR PROPORTINATE SHARE OF THE ACTUAL.	INVOICE COSTS.
Operator.		Franklin Mountain Emmo 3, LLC					
Anne	Bo	Cik UA		Date:			10/25/2023
Approved	ωy.	Craig Walt					
		Chief Executive Officer					
_	_						
WI Owner	r:	-					
Approved	Bo-			Date:			
-pp.avea	ay.			- 2.4			
Printed Na	ame:			Title:			
						FIFICATE OF INSURANCE TO THIS ELECTION OF	

504H

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



Franklia Mountain Energy 3, LL.C 44 Cook Street, Suite 1000 Denver, CO 80206 Phone: 720-414-7868 frankliamountainenergy.com

Jpermor:	:	P III A LO ACOLUMN SINCE WAS A COLUMN TO ACOLUMN TO ACO			•		
Ригрозе:		Drill and complete a 10,000' 3BS well. TVD 10,596', MD 20,596'.		AFE#:		DCE231016	
	_			_	_		
		Intaugible Drilling Costs		_		Intangible Completion Costs	
		Description	Amount	Major	Minor 5	Description ADMINISTRATIVE OVERHEAD	Amount \$8,20
225	5 10	ADMINISTRATIVE OVERHEAD CASING CREW & EQPT	\$4,500 \$50,000	240 240	10	CASED HOLE LOGS & SURVEYS	\$6,63
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT	:
225	16	CEMENTING PRODUCTION CASING	\$80,000	240	20	COILED TUBING/SNUBBING UNIT	\$194,3
225	20	CEMENTING SUFACE CASING	\$36,000	240 240	25 30	COMMUNICATIONS COMPANY DIRECT LABOR	\$1,8
225	25	COMMUNICATIONS	\$21,000 \$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,00
225	30 34	COMPLETION FLUIDS CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,69
225	40	CONTRACT LABOR	\$55,000	240	50	DAMAGES/RECLAMATION	\$1,89
225	45	DAMAGES	\$15,000	240 240	55 60	DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION	\$2,84
225	50 55	DAYWORK CONTRACT DRILLING - DIRECTIONAL	\$585,000 \$220,000	240	62	ENGINEERING	\$5,68
225	60	DRILLING - FOOTAGE	\$90,000	240	65	ENVIRONMENTAL/CLEANUP	
225	65	DRILLING BITS	\$100,000	240	70	FISHING TOOLS / SERVICES	#180 D
225	70	ELECTRICAL POWER/GENERATION	\$0 \$21,000	240 240	71 72	FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID	\$180,00 \$470,00
225	75 80	ENGINEERING ENVIRONMENTAL SERVICES	\$210,000	240	75	FUEL, POWER/DIESEL	\$550,0
225	84	EQUIPMENT RENTAL DOWNHOLE	\$50,000	240	80	HEALTH & SAFETY	\$4,70
225	85	EQUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES	\$14,0
225	90	FISHING TOOLS/SERVICES	\$0 \$9,000	240	90 95	MISCELLANEOUS	
225 225	95	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$19,000	240	100	MUD & CHEMICALS	\$10,00
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	240 240	120	PIPE INSPECTION ROAD, LOCATIONS REPAIRS	\$2,0
225 225	115	MATERIALS & SUPPLIES MISCELLANEOUS	\$5,000 \$5,000	240	130	STIMULATION	\$2,616,0
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,9
225	130	MUD & CHEMICALS	\$190,000	240	140	SUPERVISION	\$90,0
225	140	OPENHOLE LOGGING	\$0 \$0	24D 24D	145 150	SURFACE EQUIP RENTAL TRANSPORTATION/TRUCKING	\$189,5 \$2,8
225 225	141	CASED HOLE LOGGING PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,8
225	145	POWER FUEL & WATER HAULING	\$170,000	240	160	WELDING SERVICES	
225	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,0 \$273,5
225	160	RIG UP TEAR OUT & STANDBY	\$0 \$10,000	240 240	148	TAXES CONTINGENCY COSTS 5%	\$248,7
225	163	SITE RESTORATION STAKING & SURVEYING	\$6,000	1 -40	40	Total Intangible Completion Costs:	\$5,496,8
225	170	SUPERVISION	\$75,600			resident to the second	
225	175	SUPERVISION - GEOLOGICAL	\$41,400	_		Tangible Completion Costs	Amount
225	160	TRANSPORTATION/TRUCKING	\$22,000	Major 245	Minor	Description ARTIFICIAL LIFT	\$175,0
225 225	178 35	TAXES CONTINGENCY COSTS 5%	\$134,057 \$121,870	245	15	FLOWLINES	\$20,0
223	33	Total Intangible Drilling Costs:	32,691,327	245	25	FRAC STRING	
				245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	
		Tangible Drilling Costs	4	245 245	45 50	PRODUCTION LINER PRODUCTION PROCESSING FACILITY	
	Minor	Description INTERMEDIATE CASING & ATTACHMENTS	Amoust \$173,758	245	55	PRODUCTION TUBING	\$150,0
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	245 245	75 70	WELLHEAD EQUIPMENT TAXES	\$125,0 \$28,6
230	45	WELLHEAD EQUIPMENT/CASING BOWL TAXES	\$70,000 \$89,295	243	,,,	Total Tangible Completion Costs:	\$\$411,60
230		Total Tangible Drilling Costs:	\$1,7(2,843	-		Y . Call D. Har Com	
		Tangible Facility Costs		Major	Minor	Intangible Facility Costs Description	Amount
Major	Minor	Description	Amount	265	5	CONSULTING	\$18,1
270	10	FACILITY PIPE/VALVES/FITTINGS	\$180,000 \$0	265 265	12 20	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC	\$24,0
270 270	15 25	CONTAINMENT DEHYDRATION	\$0	265	22	PAD/ROAD CONSTRUCTION	\$50,0
270	30	PRIMARY POWER MATERIALS	\$56,000	265	25	ENGINEERING / SCIENCE	\$22,0
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	
270	60	112S TREATING EQUIPMENT	\$0 \$125,000	265 265	45 60	OVERHEAD	\$3,0
270	65 66	SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS	\$123,000	265	80	SURVEY / PLATS / STAKINGS	\$1,5
270	75	PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	
270	86	FACILITY SURFACE EQUIPMENT	\$137,000	265	83	TAXES CONTINGENCY COSTS 5%	\$6,5 \$5,9
270	90	H2S SAFETY SYSTEM	\$4,000 \$86,000	265	10	Total Intangible Facility Costs:	\$131,0
270 270	110	CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$90,000	-			
270	130	MECHANICAL BATTERY BUILD	\$154,000			Office Use Only:	
270	132	EI&C BATTERY BUILD	\$45,000				
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000 \$56,000				
270	136	PRIMARY POWER BUILD FLOWLINE INSTALLATION	\$27,000				
270 270	138 140	SIGNAGE	\$250	4			
270	125	TAXES	\$55,674				
		Total Tangible Facility Costs:	\$1,067,023				
	_						
Total Dri			\$4,406,170.14				
Total Cor	mpletic	on:	\$6,045,445.54 \$1,198,976.75				
Total Fac		ible	\$8,190,172.54				
Total DC			\$2,261,443.14				
otal AF	E:		\$11,650,592.43				
		AND THE POST OF THE PROPERTY OF THE PROPERTY OF THE POST OF THE PO	Perhanter billing	Mari aci	PECT	YOUR BRODONTINATE SHARE OF THE ACTUAL I	NVOICE COSTS
1	THIS A	AUTHORITY FOR EXPENDITURE IS BASED ON COST	ESTIMATES, BILLING	WILL KE	numUT"	TOURTAGE STARE OF THE ACTUAL I	, orch coara,
Operator		Franklin Montain Entry, LLC					
Anne	4 D	Chik Ut		Date:			10/25/2023
Approved	a Dy:	Craig Walter		wate.			
		Chief Executive Officer					
_					_		
VI Owne	er:						
				Deter			
pproved	By:			Date:			

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

Title:



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

Well#: 604H
County/State: Lea Co., NM
Date Prepared: 10/25/2023
AFE #: DCE231017

225 225							
225 225		Intangible Drilling Costs	Amount	Major	Minor	Intangible Completion Costs Description	Amount
225	Misor	Description ADMINISTRATIVE OVERHEAD	\$4,500	240	5	ADMINISTRATIVE OVERHEAD	\$8,2
	10	CASING CREW & EQPT	\$50,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,6
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240 240	15	CASING CREW & EQPT COILED TUBING/SNUBBING UNIT	\$194,3
225 225	16	CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING	\$80,000 \$36,000	240	25	COMMUNICATIONS	\$1,8
	20 25	COMMUNICATIONS	\$21,000	240	30	COMPANY DIRECT LABOR	
	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,0
	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,6
225	40	CONTRACT LABOR	\$55,000	240	50	DAMAGES/RECLAMATION	\$1,8 \$2,8
225	45	DAMAGES	\$15,000 \$585,000	240 240	55 60	DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION	92,0
225	50	DAYWORK CONTRACT	\$220,000	240	62	ENGINEERING	\$5,6
	55 60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$90,000	240	65	ENVIRONMENTAL/CLEANUP	
	65	DRILLING BITS	\$100,000	240	70	FISHING TOOLS / SERVICES	
225	70	ELECTRICAL POWER\GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$180,0
225	75	ENGINEERING	\$21,000	240	72 75	FRAC WATER/COMPLETION FLUID	\$470,0 \$550,0
225	80	ENVIRONMENTAL SERVICES	\$210,000 \$50,000	240	80	FUEL, POWER/DIESEL HEALTH & SAFETY	\$4,0
225	84	EQUIPMENT RENTAL DOWNHOLE	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,0
225 225	85 90	EQUIPMENT RENTAL FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	
225	95	HEALTH & SAFETY	\$9,000	240	95	MISCELLANEOUS	*10.0
	100	HOUSING AND SUPPORT SERVICES	\$19,000	240	100	MUD & CHEMICALS	\$10,0
225	105	INSURANCE	\$1,900	240	110	P&A/TA COSTS	\$265,4
225	106	INSPECTIONS	\$17,000	240	115	PERFORATING/WIRELINE SERVICE	a203,4
	110	LEGAL, TITLE SERVICES	\$6,000	240	120 125	PIPE INSPECTION ROAD, LOCATIONS REPAIRS	\$2,6
	115	MATERIALS & SUPPLIES MISCELLANEOUS	\$5,000 \$5,000	240	130	STIMULATION	\$2,616,0
	120	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,9
	130	MUD & CHEMICALS	\$190,000	240	140	SUPERVISION	\$90,0
	140	OPENITOLE LOGGING	20	240	145	SURFACE EQUIP RENTAL	\$189,
	141	CASED HOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING	\$2,
	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,1
	150	POWER FUEL & WATER HAULING	\$170,000	240	160	WELDING SERVICES WELL TESTING/FLOWBACK	\$165,0
	155	RIG MOVE & RACKING COSTS	\$130,000	240	148	TAXES	\$273,5
	160	RIG UP TEAR OUT & STANDBY SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$248,
	165	STAKING & SURVEYING	\$6,000			Total Intungible Completion Costs:	\$5,496,1
	170	SUPERVISION	\$75,600				
	175	SUPERVISION - GEOLOGICAL	\$41,400			Tangible Completion Costs	
	180	TRANSPORTATION/TRUCKING	\$22,000	Major		Description	Amoun
	178	TAXES	\$134,057	245 245	5 15	ARTIFICIAL LIFT FLOWLINES	\$175, \$20,
225	35	CONTINGENCY COSTS 5%	\$121,870 \$2,693,327	245	25	FRAC STRING	
	_	Total Intangible Drilling Costs:	36,477,047	245	4D	PACKERS/SLEEVES/PLUGS/GL MANDRELS	
		Tangible Drilling Costs		245	45	PRODUCTION LINER	
fains 1	Minor	Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	
fajor N 230	LO	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	55	PRODUCTION TUBING	\$150,0
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS	860
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,144,050	245	65	SUBSURFACE EQUIPMENT	\$50,4 \$125,4
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245 245	75 70	WELLHEAD EQUIPMENT TAXES	\$28,
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000 \$89,295	243	70	Total Tangible Completion Casts:	\$540,
230	40	TAXES Total Tangible Drilling Costs:	\$1,712,843			Talling to the	
				rer :	X41	Intangible Facility Costs	Amoun
		Taugible Facility Costs	Amount	Major 265	5	r Description CONSULTING	\$18,
		FACILITY PIPE/VALVES/FITTINGS	\$180,000	265	12	COMPANY DIRECT LABOR	
270 270	10	CONTAINMENT	02	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,
270	25	DEHYDRATION	\$0	265	22	PAD/ROAD CONSTRUCTION	\$50,
270	30	PRIMARY POWER MATERIALS	\$56,000	265	25	ENGINEERING / SCIENCE	\$22,
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	
270	60	H2S TREATING EQUIPMENT	\$6	265	45	CONTRACT LABOR & SERVICES	\$3,
270	65	SEPARATION EQUIPMENT	\$125,000	265 265	60 80	OVERHEAD SURVEY / PLATS / STAKINGS	\$1.
270	66	ROAD/LOCATION/FENCING/REPAIRS	50	265	85	TRANSPORTATION / TRUCKING	
270	75	PRE-FABRICATED SKIDS	\$137,000	265	83	TAXES	\$6,
270	86 90	PACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$4,000	265	10	CONTINGENCY COSTS 5%	\$5,
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000			Total Intangible Facility Costs:	3131,
270	110	TANKS & WALKWAYS	\$90,000				
270	130	MECHANICAL BATTERY BUILD	\$154,000			Office Use Only:	
270	132	EI&C BATTERY BUILD	\$45,000	1			
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000 \$56,000	1			
270	136	PRIMARY POWER BUILD	\$27,000	1			
270 270	138	FLOWLINE INSTALLATION SIGNAGE	\$250				
270	125	TAXES	\$55,674				
		Total Tangible Facility Costs:	\$1,067,924	1			
	_						
			\$4,406,170.14				
otal Drill	npietre	on:	\$6,045,445.54 \$1,198,976.7				
Mai Com		orba:	\$8,190,172.54				
Ma Com			\$2,261,443.1	1			
tal Com tal Faci tal DC	Intan	ble:		1			
tal Com tal Faci tal DC	Intan	ble:		8			
ial Com ial Faci ial DC l	Intan	ble:	\$11,650,502,251				
(a) Com (a) Faci (a) DC	Intan Tanut		\$11,650,592.41	Ц_		VALUE DE OBODERILIES GUILLE SCALLE LOS	NVOICE COCCO
otal Com otal Faci otal DC otal DC	Intan Tanut	BB: AUTHORITY FOR EXPENDITURE IS BASED ON COST		WILL REI	LECT '	YOUR PROPORTINATE SHARE OF THE ACTUAL I	NVOICE COSTS.
otal Com otal Faci otal DC otal DC	Tanut Tanut E:			WILL RE	LECT '	YOUR PROPORTINATE SHARE OF THE ACTUAL I	NVOICE COSTS.
otal Com otal Faci otal DC otal DC	Intan Tanur E:	AUTHORITY FOR EXPENDITURE IS BASED ON COST			LECT		
otal Com otal Paci otal DC otal DC	Intan Tanur E:	AUTHORITY FOR EXPENDITURE IS BASED ON COST Franklin Mordinia (Repg. 3, LLG.		WILL REP	LECT '		NVOICE COSTS.
Ma Comman Facilities DC International AFE	Intan Tanur E:	AUTHORITY FOR EXPENDITURE IS BASED ON COST Franklin Montain (Report 3, LLC) Craig Walter			LECT		
Ma Communication of the Commun	Intan Tanur E:	AUTHORITY FOR EXPENDITURE IS BASED ON COST Franklin Mordinia (Repg. 3, LLG.			LECT 1		
Ma Communication of the Commun	Intange Tange THIS /	AUTHORITY FOR EXPENDITURE IS BASED ON COST Franklin Montain (Report 3, LLC) Craig Walter			LECT '		
tal AFE Transproved	Intange Tange THIS /	AUTHORITY FOR EXPENDITURE IS BASED ON COST Franklin Montain (Report 3, LLC) Craig Walter			LECT		
Tal AFE Terator:	Intange Tange IHIS /	AUTHORITY FOR EXPENDITURE IS BASED ON COST Franklin Montain (Report 3, LLC) Craig Walter		Date:	LECT '		

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

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.

		TATA	• •	101	13
t.A	3 H.	NO). Z4	6 Z I	1.1

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 302H, Tag State Com 303H, and Tag State Com 304H wells, which will target the First Bone Spring formation.



- 7. **Exhibit C.3** is a structure map of the First Bone Spring formation. The proposed spacing unit is identified by a pink box. The Tag State Com 302H, Tag State Com 303H, and Tag State Com 304H wells proposed in this case are identified by the black-dashed line. The contour
- 8. **Exhibit C.4** is a cross-section reference map that identifies six wells in the vicinity

interval used in this exhibit is 25 feet. This exhibit shows that the structure dips gently to the east.

of the proposed Tag State Com 302H, Tag State Com 303H, and Tag State Com 304H 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 First Bone Spring formation in the area. The target zone

is identified by a bracket and the words "Producing Interval." I have also identified where the

proposed well falls within the wells I used for the cross-section.

10. **Exhibit C.6** an Isopach map of the First Bone Spring formation. The gross interval

thickness increases slightly to the south.

11. Exhibit C.7 through Exhibit C.10 are the geology study I prepared for the Tag

State Com 503H and Tag State Com 504H wells, which will target the Second Bone Spring

formation.

12. **Exhibit C.7** is a structure map of the Second Bone Spring formation. The proposed

spacing unit is identified by a pink box. The Tag State Com 503H and Tag State Com 504H 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 503H and Tag State Com 504H 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 Second Bone Spring formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified where
- 15. **Exhibit C.10** is an Isopach map of the Second Bone Spring formation. The gross interval thickness increases slightly to the south.

the proposed well falls within the wells I used for the cross-section.

- 16. **Exhibit C.11** through **Exhibit C.14** are the geology study I prepared for the Tag State Com 603H and Tag State Com 604H wells, which will target the Third Bone Spring formation.
- 17. **Exhibit C.11** is a structure map of the Third Bone Spring formation. The proposed spacing unit is identified by a pink box. The Tag State Com 603H and Tag State Com 604H 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.
- 18. **Exhibit C.12** is a cross-section reference map that identifies six wells in the vicinity of the proposed Tag State Com 603H and Tag State Com 604H wells, shown by a line of cross-section running from A to A'.
- 19. **Exhibit C.13** is a stratigraphic cross-section, and the well logs shown on the cross-section give a representative sample of the Third Bone Spring formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified where the proposed well falls within the wells I used for the cross-section.
- 20. **Exhibit C.14** is an Isopach map of the Third Bone Spring formation. The gross interval thickness decreases slightly to the south.
 - 21. I conclude from the geology studies referenced above that:

- a. The horizontal spacing unit is justified from a geologic standpoint.
- b. There are no structural impediments or faulting that will interfere with horizontal development.
- Each quarter-quarter section in the proposed unit will contribute more or less equally to production.
- 22. **Exhibit C.15** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.
- 23. The preferred well orientation in this area is either north/south or south/north, nearly orthogonal to S_{Hmax} , optimal for inducted fracture propagation. This is because the S_{Hmax} is at approximately 255 degrees ENE in this area of Lea County.
- 24. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.
- 25. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.

[Signature page follows]

Released to Imaging: 3/20/2024 8:58:09 AM

	th
Dated: March	19, 2024

Ben Kessel

State of

County of Denres

This record was acknowledged before me on Mard Ben Kessel.

[Stamp]

Released to Imaging: 3/20/2024 8:58:09 AM

CRYSTAL MCCLAIN NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20234007312 MY COMMISSION EXPIRES FEBRUARY 23, 2027

Notary Public in and for the State of Colorado

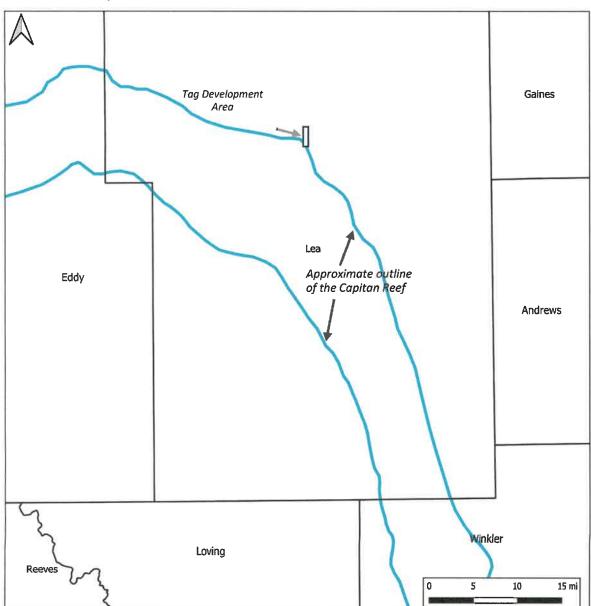
Commission Number: 20234007312

My Commission Expires:

Tag Development



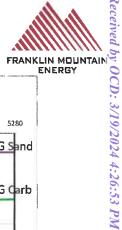
Locator Map

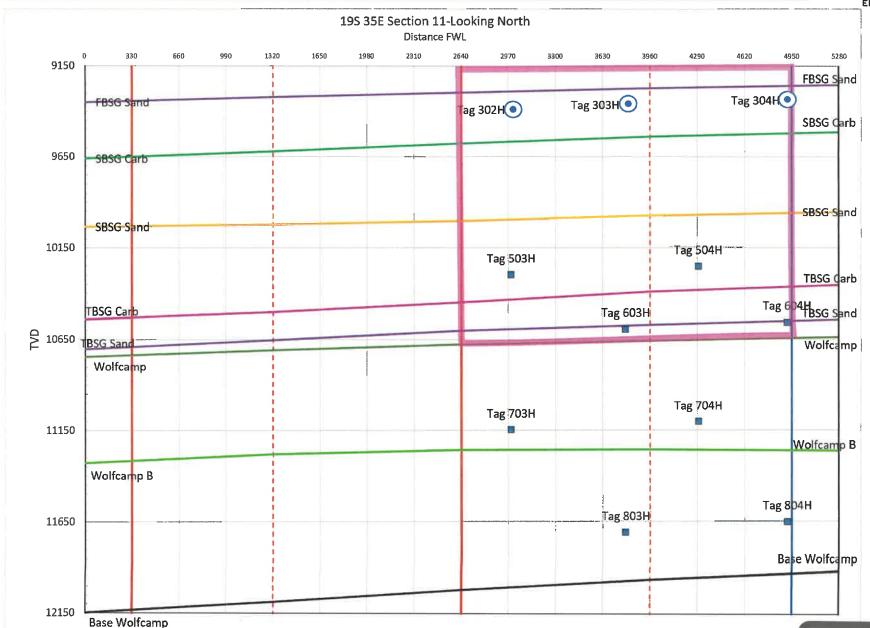


- Black box shows the location of the Tag development area
- Planned wells are located outside of the eastern edge of the Capitan Reef

EXHIBIT Language C. 1

Wellbore Schematic





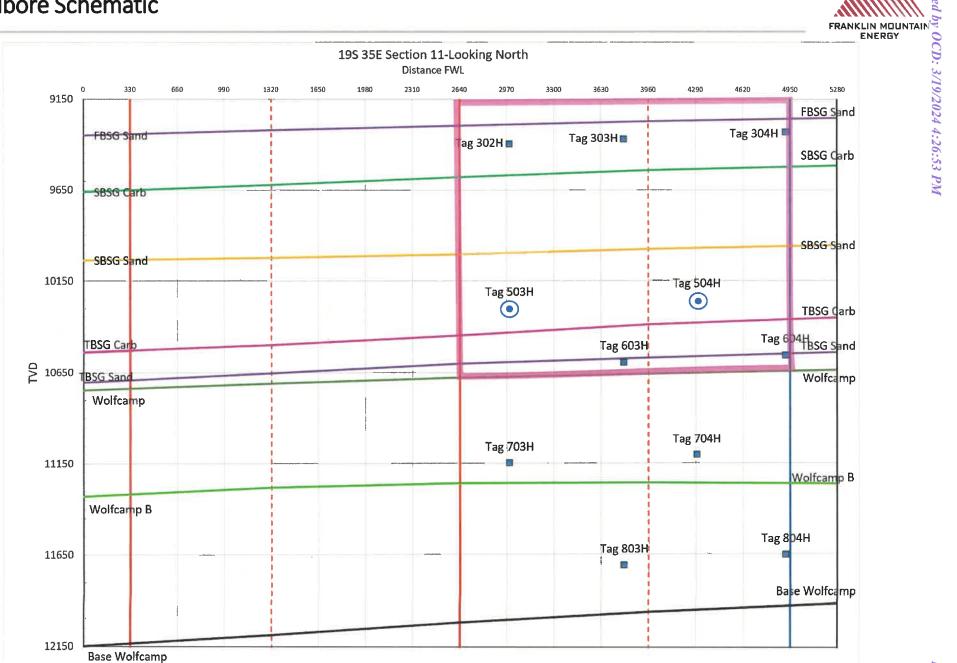
Proposed Lateral er Hearing 3-21-24
No. 24213

Bone Spring Spacing Unit

EXHIBIT Page 46 of 7

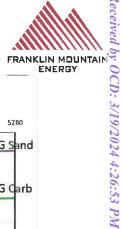
Wellbore Schematic

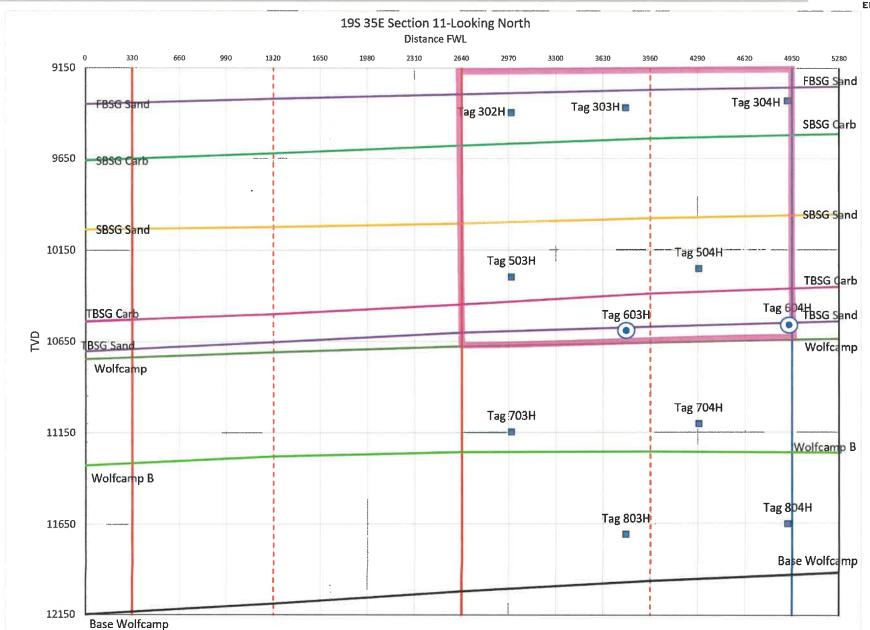




45

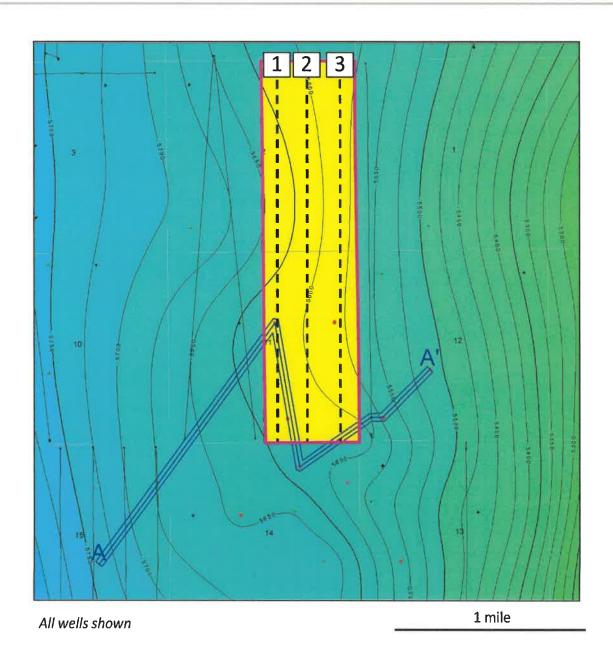
Wellbore Schematic





First Bone Spring Sand Structure Map





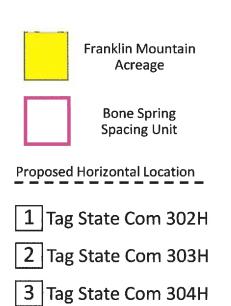
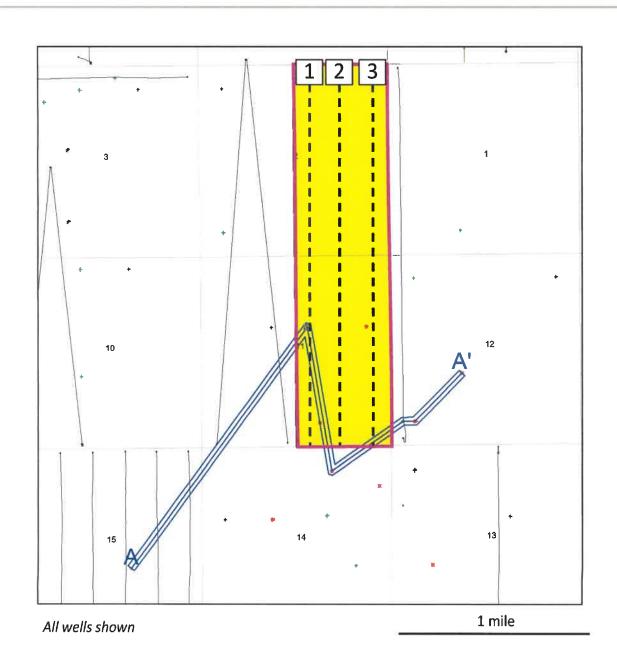


EXHIBIT Page 49 of 77

Cross Section Reference Map







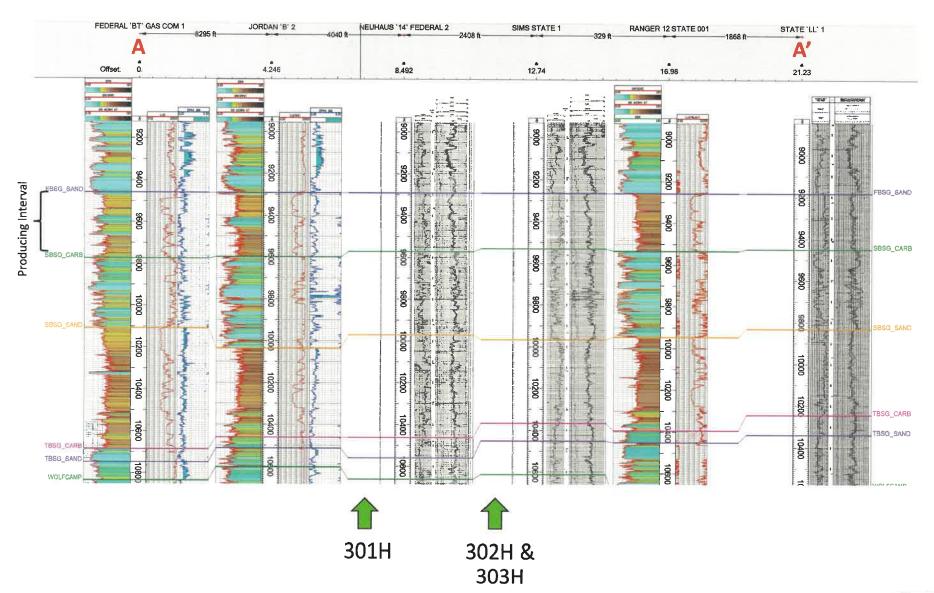


- Tag State Com 302H
- 2 Tag State Com 303H
- Tag State Com 304H



First Bone Spring Cross Section

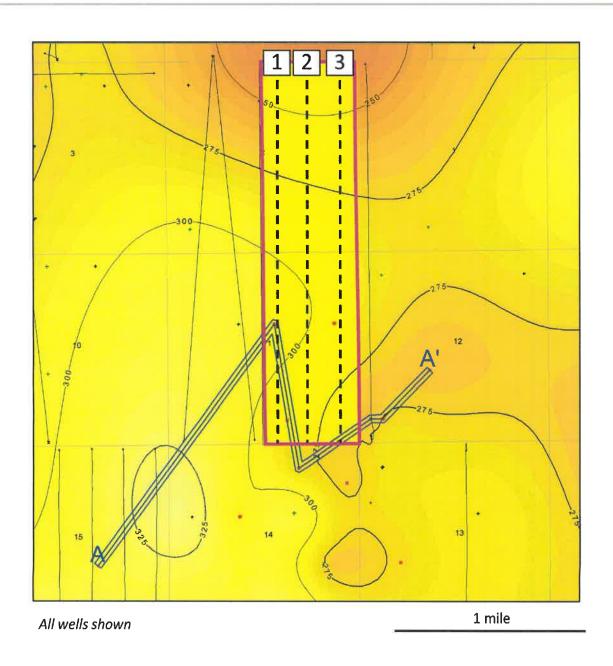


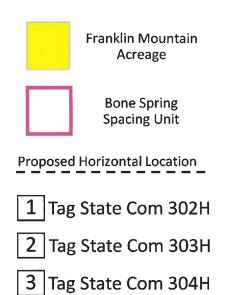




First Bone Spring Sand Isochore Map



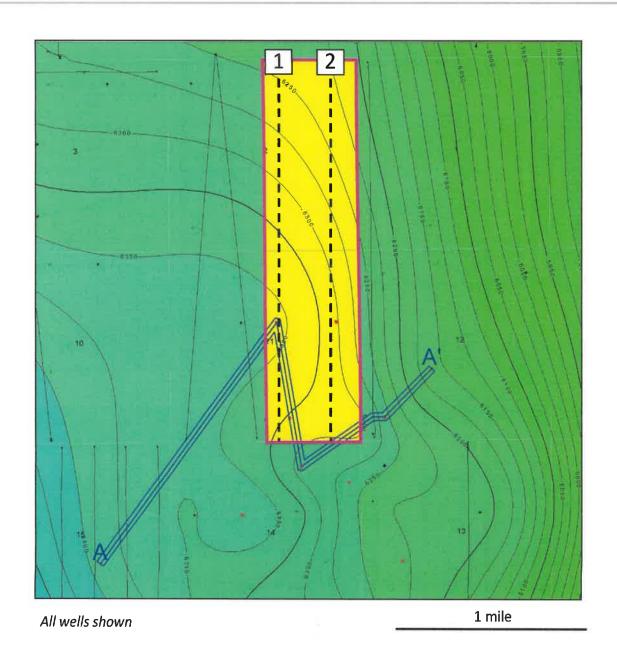




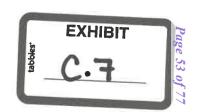


Second Bone Spring Sand Structure Map









Cross Section Reference Map



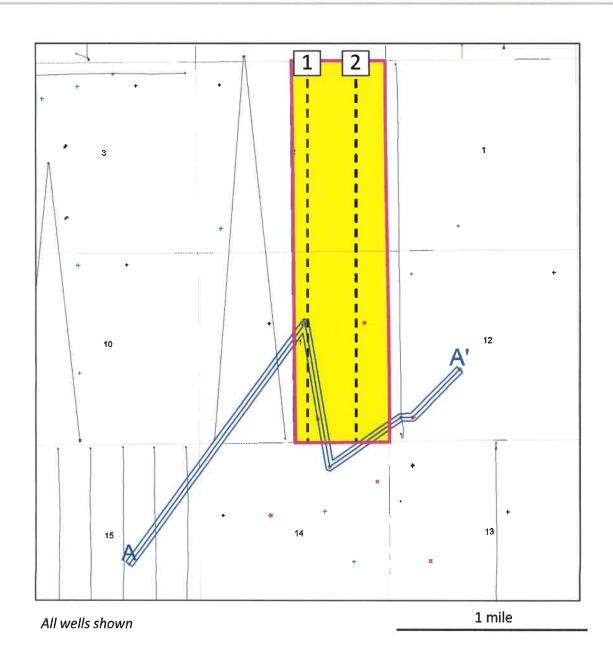
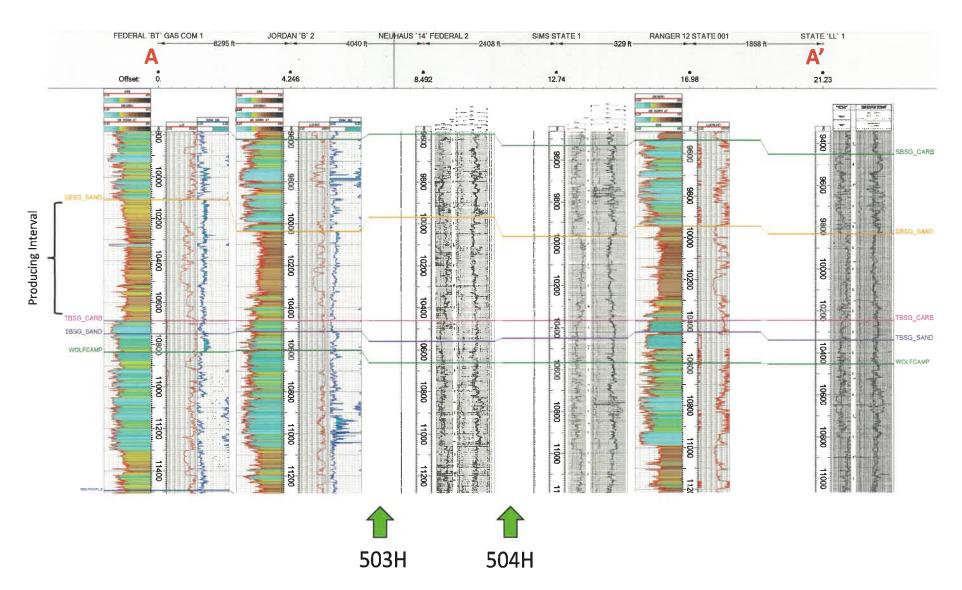




EXHIBIT Page 34 of

Second Bone Spring Cross Section

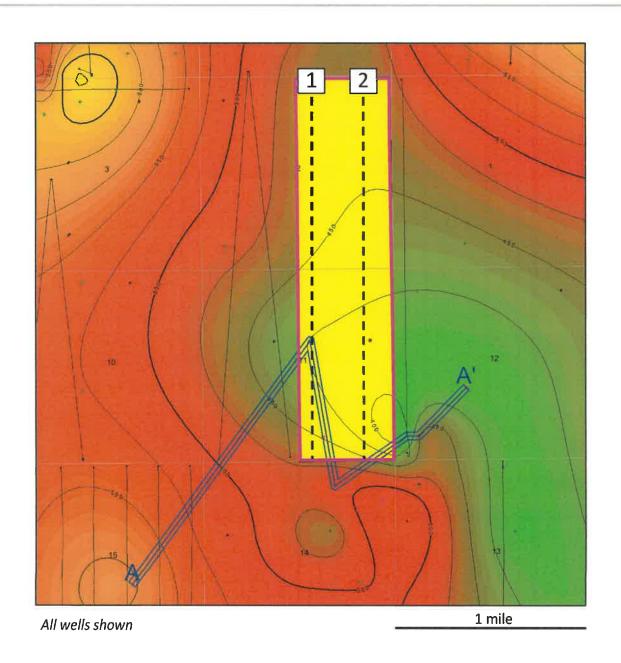


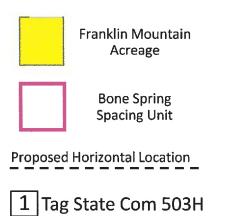




Second Bone Spring Sand Isochore Map





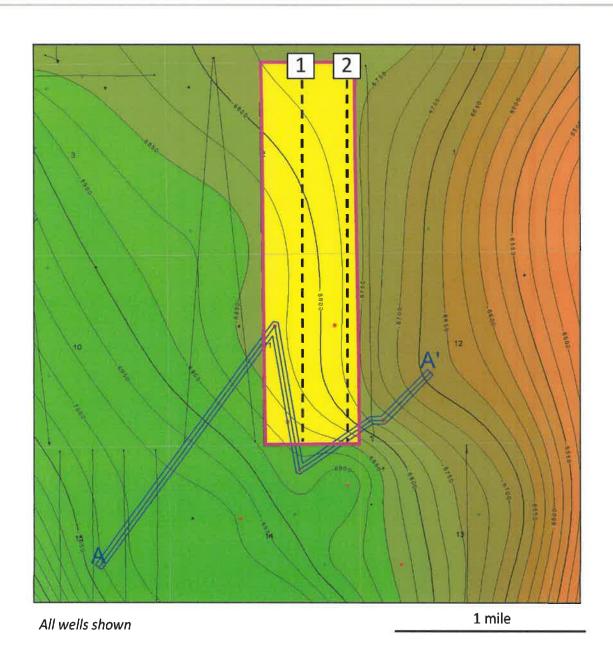


2 Tag State Com 504H



Third Bone Spring Sand Structure Map









Cross Section Reference Map



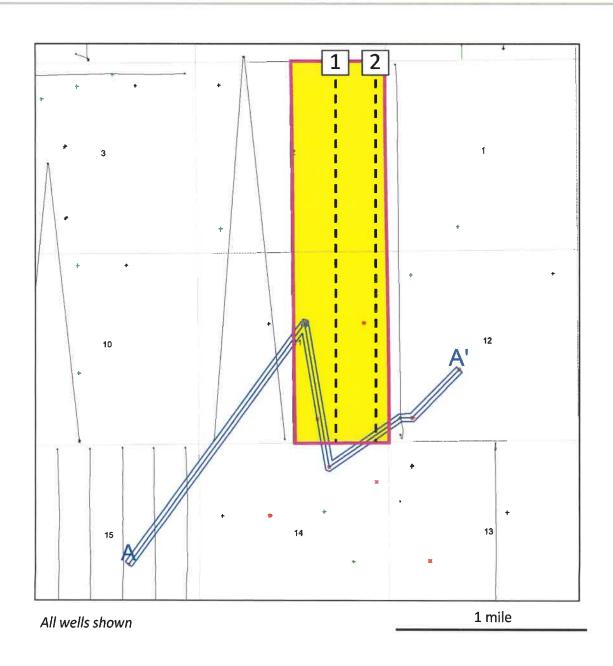
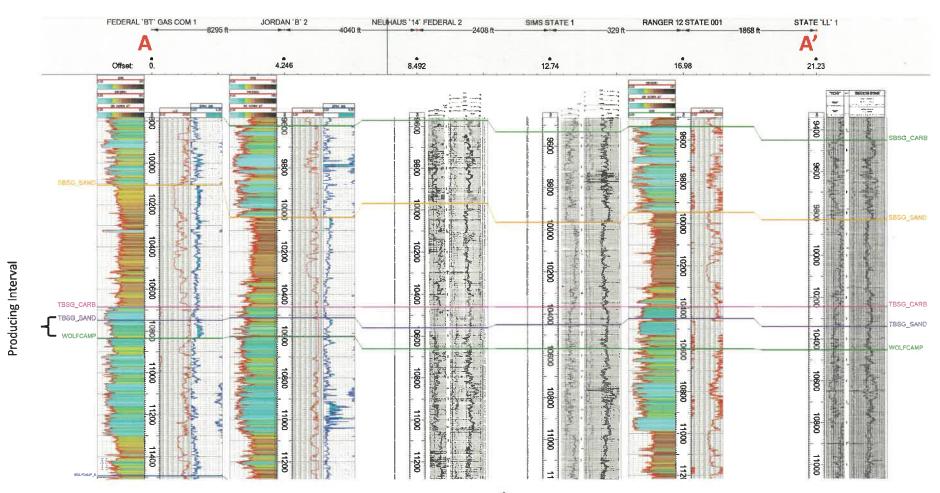




EXHIBIT Fige 88

Third Bone Spring Cross Section









Third Bone Spring Sand Structure Map



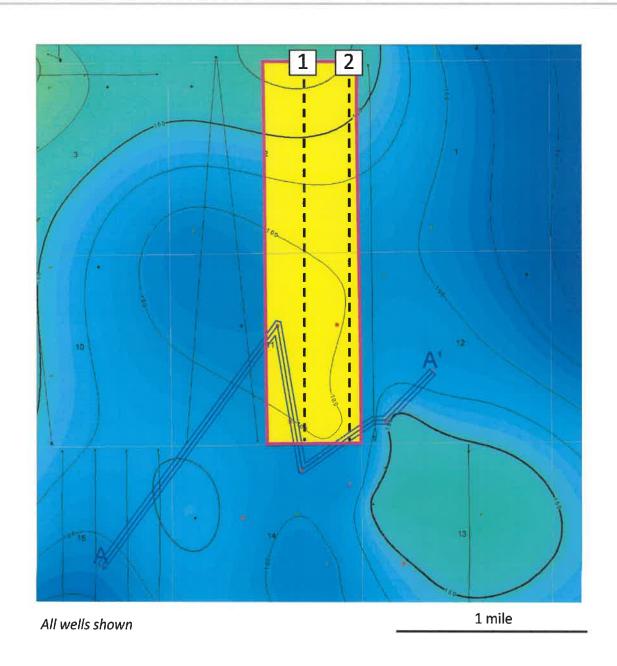
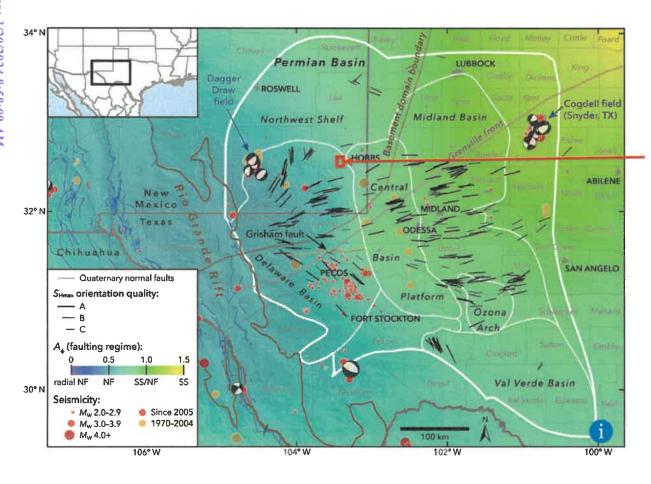




EXHIBIT By C. 14

Regional Stress





- 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

Dema 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 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.

Received by OCD: 2/6/2024 10:36:06 AM

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,

Received by OCD: 2/6/2024 10:36:06 AM

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

Received by OCD: 2/6/2024 10:36:06 AM

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.

Received by OCD: 2/6/2024 10:46:37 AM

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.

Released to Imaging: 2/7/2024 12:22:33 PM

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

Received by OCD: 2/6/2024 10:46:37 AM

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

Received by OCD: 2/6/2024 10:46:37 AM

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.

Released to Imaging: 3/20/2024 8:58:09 AM

PS Form 3877

Type of Mailing: CERTIFIED MAIL 03/01/2024

Karlene Sch		PS For	m 3877				
Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102		Type of Mailing: C 03/01		,		Pic alvore	D. J. ID. 271200
• •			Firm Wlading	Book ID: 261380			
	TIODO A CLANIA	Name Office Office Office	Doctors	Service Fee	DD Foo	Rest.Del.Fee	Reference Contents
Line	USPS Article Number	Name, Street, City, State, Zip	Postage		\$2.32	\$0.00	
1	9314 8699 0430 0117 9824 91	The Estate of Robert Paul Hord, deceased 4403 Edinburgh Place College Station TX 77845	\$1.63	\$4.40	\$2.32	15/	Notice 10154.0001tag
2	9314 8699 0430 0117 9825 07	Benjamin Keith Williams and wife, Allison Claire Tull Williams 2207 Seaboard Avenue Midland TX 79705	\$1.63	\$4.40	\$2.32	DUERQUE, NIN 00'0\$	10154.0001tag Notice
3	9314 8699 0430 0117 9825 14	Charles Wilkins McLaughlin and wife, Hayley Wright McLaughin 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	S&S, Inc. P.O. Box 1046 Eunice NM 88231	\$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. 24213

72

2024 Walz CertifiedPro.net

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
/ COC/ O	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
0.22.0	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
	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 '	Grand Total:		

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



17

Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 261380 Generated: 3/18/2024 8:16:40 AM												Tile!	
USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	2)p	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	S&S, 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	
9314869904300117982538	2024-03-01 7:14 AM	10154.0001tag	Keith Williams and wife, Becky Williams		Midland	TX	79705	1.63	6.72	261380	Delivered	Return Receipt - Electronic, Certified Mail	2024-03-06 9:18 AM
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; 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.B. Resources, LLC; STIE Energy, LLC; Kastleford Land Company, LLC of the Application of Franklin Mountain Energy 3, LLC for computerry 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 p osted on the docket for the hearing, See the instructions provided the programment of the commission of Lots 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 NE/4 (Unit A) of Section 11; and the Tag State Com 704H and Tag State Com 803H wells to be considered will be

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