

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

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

CASE NO. 24464-24466

CONSOLIDATED PRE-HEARING STATEMENT

Franklin Mountain Energy 3, LLC (“Franklin”) submits this Consolidated Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

FRANKLIN MOUNTAIN ENERGY 3, LLC

ATTORNEY

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OTHER PARTIES

None.

ATTORNEY

STATEMENT OF CASES

APPLICANT:

In **Case No. 24464**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 639.21-acre, more or less, Wolfcamp horizontal spacing unit comprised of Lots 1 and 2, S/2 NE/4, SE/4 of irregular Section 3 (E/2 equivalent), and the E/2

of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: **Eagle State Com 704H** well, to be horizontally drilled from a surface hole location in the NW/4 NE/4 (Lot 2) of Section 3 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 10; and **Eagle State Com 705H** well, to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 3 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 10. The producing area for the wells is expected to be orthodox. The completed interval for the Eagle State Com 704H 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 15 miles west of Hobbs, New Mexico.

In **Case No. 24465**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 319.59-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 1, SE/4 NE/4, and E/2 SE/4 of irregular Section 3 (E/2 E/2 equivalent), and the E/2 E/2 of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Eagle State Com 304H** and **Eagle State Com 504H** wells to be horizontally drilled from a surface hole location in the NE/4 NE/4 (Lot 1) of Section 3 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 10. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 15 miles west of Hobbs, New Mexico.

In **Case No. 24466**, Franklin Mountain Energy 3, LLC seeks an order from the Division pooling all uncommitted mineral interests within a 279.64-acre, more or less, Bone Spring horizontal spacing unit comprised of Lot 3, SE/4 NW/4, and E/2 SW/4 of irregular Section 3 (E/2 W/2 equivalent), and the E/2 NW/4 and NE/4 SW/4 of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: **Eagle State Com 502H** well, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Lot 3) of Section 3 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 10. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Hobbs, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

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

PROCEDURAL ISSUES

If there are no objections to these matters, Franklin intends to present these cases by affidavit.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Deana M. Bennett

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

QUESTIONS

Action 342585

QUESTIONS

Operator: Franklin Mountain Energy 3, LLC 44 Cook Street Denver, CO 80206	OGRID: 331595
	Action Number: 342585
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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