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

APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO.

CASE NOS. 24356, 24358-24360

APPLICATIONS OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 24314-24319

TABLE OF CONTENTS

Tab A: Compulsory Pooling Checklists

Tab B: Affidavit of Don Johnson, Landman

- Exhibit B-1: General Location Map
- Exhibit B-2: Ownership Comparison Pre-Trade
- Exhibit B-3: Ownership Comparison Post-Trade
- Exhibit B-4: Unit Area and Comprehensive Development Map
- Exhibit B-5: Overlap Development Discussion
- Exhibit B-6: Overlap Development Discussion (cont.)
- Exhibit B-7: Overview of Operation and Logistics
- Exhibit B-8: Water Takeaway Overview
- Exhibit B-9: Gas Takeaway Overview
- Exhibit B-10: Oil Pipeline Solutions
- Exhibit B-11: FME3's Recent Activity
- Exhibit B-12: Timeline of Development
- Exhibit B-13: Overlapping Spacing Unit Maximization
- Exhibit B-14: Summary of Contacts
- CASE NO. 24356 SPECIFIC TESTIMONY AND EXHIBITS
 - o Exhibit B-15: Application for Case No. 24356
 - Exhibit B-15-a: C-102s
 - Exhibit B-15-b: Lease Tract Map and Summary of Interests
 - Exhibit B-15-c: Well Proposal Letter and AFEs
 - Exhibit B-15-d: Parties to Be Pooled
- CASE NO. 24358 SPECIFIC TESTIMONY AND EXHIBITS

- Exhibit B-16: Application for Case No. 24358
 - Exhibit B-16-a: C-102s
 - Exhibit B-16-b: Lease Tract Map and Summary of Interests
 - Exhibit B-16-c: Well Proposal Letter and AFEs
 - Exhibit B-16-d: Parties to Be Pooled

• CASE NO. 24359 SPECIFIC TESTIMONY AND EXHIBITS

- Exhibit B-17: Application for Case No. 24359
 - Exhibit B-17-a: C-102
 - Exhibit B-17-b: Lease Tract Map and Summary of Interests
 - Exhibit B-17-c: Well Proposal Letter and AFE
 - Exhibit B-17-d: Parties to Be Pooled

CASE NO. 24360 SPECIFIC TESTIMONY AND EXHIBITS

- Exhibit B-18: Application for Case No. 24360
 - Exhibit B-18-a: C-102s
 - Exhibit B-18-b: Lease Tract Map and Summary of Interests
 - Exhibit B-18-c: Well Proposal Letter and AFEs
 - Exhibit B-18-d: Parties to Be Pooled

Tab C: Affidavit of Ben Kessel, Geologist

- Exhibit C-1: Locator Map
- Exhibit C-2: Regional Stress Orientation Overview
- Exhibit C-3: Gun Barrel Diagram
- Exhibit C-4: Bone Spring Geology Study Case 24360
 - Exhibit C-4-a: First Bone Spring Sand Structure Map and Cross-Section Locator Map
 - o Exhibit C-4-b: First Bone Spring Stratigraphic Cross Section
 - o Exhibit C-4-c: First Bone Spring Isopach
 - Exhibit C-4-d: Second Bone Spring Sand Structure Map and Cross-Section Locator Map
 - o Exhibit C-4-e: Second Bone Spring Stratigraphic Cross Section
 - o Exhibit C-4-f: Second Bone Spring Isopach
- Exhibit C-5: Wolfcamp Geology Study –Cases 24356, 24358, 24359
 - o Exhibit C-5-a: Wolfcamp A Structure Map and Cross-Section Locator Map
 - o Exhibit C-5-b: Wolfcamp A Stratigraphic Cross Section
 - o Exhibit C-5-c: Wolfcamp A Isopach Map
 - o Exhibit C-5-d: Wolfcamp B Structure Map and Cross-Section Locator Map
 - o Exhibit C-5-e: Wolfcamp B Stratigraphic Cross Section
 - o Exhibit C-5-f: Wolfcamp B Isopach Map

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

Case: 24356	APPLICANT'S RESPONSE
Date	June 26, 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, and, to The Extent Necessary, Approval of an Overlapping Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	MRC Permian Company; Matador Production Company; Slash Exploration LP; Armstrong Energy Corporation; EOG Resources, Inc.
Well Family	Gold State Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code (Only if NSP is requested):	Airstrip, Wolfcamp Pool (Code 970); Airstrip, Wolfcamp, North Poo (Code 990)
Well Location Setback Rules (Only if NSP is Requested):	State-Wide Rules Apply
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	360-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	E/2 E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit B-15-b
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: Gold State Com 704H EXHIBIT Released to Imaging: 6/21/202 11:01:20 AM	API No. 30-025-52402 SHL: 1090' FNL & 2505' FEL, (Unit B), Section 35, T18S, R34E FTP: 1220' FNL & 360' FEL, Section 35, T18S, R34E BHL: 130' FNL & 360' FEL, (Unit A) Section 23, T18S, R34E Completion Target: Wolfcamp A (Approx. 10,995' TVD)

Received by OCD: 6/19/2024 4:00:15 PM	Page 5 o
Well #2: Gold State Con 804H	API No. 30-025-52405 SHL: 1131' FNL & 1005' FEL, (Unit A), Section 35, T18S, R34E FTP: 1220' FNL & 980' FEL, Section 35, T18S, R34E BHL: 130' FNL & 980' FEL, (Unit A) Section 23, T18S, R34E Completion Target: Wolfcamp B (Approx. 11,655' TVD) Orientation: North/South
Horizontal Well First and Last Take Points	Exhibit B-15-a
Completion Target (Formation, TVD and MD)	Exhibit B-15-c
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Pargraph 58
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.2 and D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B-15-b
Tract List (including lease numbers and owners)	Exhibit B-15-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B-15-d
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above &	21/2
below)	N/A
Joinder Communication of the C	Subdiving and a
Sample Copy of Proposal Letter	Exhibit B-15-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-15-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-14
Overhead Rates in Proposal Letter	Exhibit B-15-c
Cost Estimate to Drill and Complete	Exhibit B-15-c
Cost Estimate to Equip Well	Exhibit B-15-c
Cost Estimate for Production Facilities	Exhibit B-15-c
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Tab C
HSU Cross Section	Exhibits C-5-b; C-5-e
Depth Severance Discussion	N/A
Forms, Figures and Tables Palagsed to Imaging: 6/21/2024 11:01:20 4M	Eyhibit P 15 o
Released to Imaging: 6/21/2024 11:01:20 AM	Exhibit B-15-a

Tracts	Exhibit B-15-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-15-b
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-1
Structure Contour Map - Subsea Depth	Exhibits C-5-a; C-5-d
Cross Section Location Map (including wells)	Exhibits C-5-b; C-5-e
Cross Section (including Landing Zone)	Exhibits C-5-b; C-5-e
Additional Information	
Special Provisions/Stipulations	None.
CERTIFICATION: I hereby certify that the information pro	ovided 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:	6/19/2024

ALL INFORMATION IN THE APPLICATION MUST BI	E SUPPORTED BY SIGNED AFFIDAVITS
Case: 24358	APPLICANT'S RESPONSE
Date	June 26, 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, and, to The Extent Necessary, Approval of an Overlapping Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	MRC Permian Company; Matador Production Company; Slash Exploration LP; Armstrong Energy Corporation; EOG Resources, Inc.
Well Family	Gold State Com
Formation/Pool	以下,不是一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个一个
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code (Only if NSP is requested):	Airstrip, Wolfcamp Pool (Code 970); Airstrip, Wolfcamp, North Pool (Code 990)
Well Location Setback Rules (Only if NSP is Requested):	State-Wide Rules Apply
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	360-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	W/2 E/2 of Sections 23 and 26, and the NW/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit B-16-b
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: Gold State Com 703H	API No. 30-025-52401 SHL: 1089' FNL & 2535' FEL, (Unit B), Section 35, T18S, R34E FTP: 1220' FNL & 1780' FEL, Section 35, T18S, R34E BHL: 130' FNL & 1780' FEL, (Unit B) Section 23, T18S, R34E Completion Target: Wolfcamp A (Approx. 10,997' TVD)
Released to Imaging: 6/21/2024 11:01:20 AM	Orientation: North/South

Received by OCD: 6/19/2024 4:00:15 PM	Page 8 o
Well #2: Gold State Con 803H	API No. 30-025-52403 SHL: 1092 FNL & 2415' FEL, (Unit B), Section 35, T185, R34E FTP: 1220' FNL & 2155' FEL, Section 35, T18S, R34E BHL: 130' FNL & 2155' FEL, (Unit B) Section 23, T185, R34E Completion Target: Wolfcamp B (Approx. 11,681' TVD) Orientation: North/South
Horizontal Well First and Last Take Points	Exhibit B-16-a
Completion Target (Formation, TVD and MD)	Exhibit B-16-c
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Pargraph 58
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.2 and D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B-16-b
Tract List (including lease numbers and owners)	Exhibit B-16-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B-16-d
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B-16-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-16-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-14
Overhead Rates In Proposal Letter	Exhibit B-16-c
Cost Estimate to Drill and Complete	Exhibit B-16-c
Cost Estimate to Equip Well	Exhibit B-16-c
Cost Estimate for Production Facilities	Exhibit B-16-c
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Tab C
HSU Cross Section	Exhibits C-5-b; C-5-e
Depth Severance Discussion	N/A
Forms Figures and Tables	
Released to Imaging: 6/21/2024 11:01:20 AM	Exhibit B-16-a

Tracts	Exhibit B-16-b	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-16-b	
General Location Map (including basin)	Exhibit C-1	
Well Bore Location Map	Exhibit C-1	
Structure Contour Map - Subsea Depth	Exhibits C-5-a; C-5-d	
Cross Section Location Map (including wells)	Exhibits C-5-b; C-5-e	
Cross Section (including Landing Zone)	Exhibits C-5-b; C-5-e	
Additional Information		
Special Provisions/Stipulations	None.	
CERTIFICATION: I hereby certify that the information provided 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:	6/19/2024	

Case: 24359	APPLICANT'S RESPONSE
Date	June 26, 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, and, to The Extent Necessary, Approval of an Overlapping Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	MRC Permian Company; Matador Production Company; Slash Exploration LP; Armstrong Energy Corporation; EOG Resources, Inc
Well Family	Gold State Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code (Only if NSP is requested):	Airstrip, Wolfcamp Pool (Code 970); Airstrip, Wolfcamp, North Poo (Code 990)
Well Location Setback Rules (Only if NSP is Requested):	State-Wide Rules Apply
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	280-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	· ·
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit B-17-b
Well(s)	
Name & API (if assigned), surface and bottom hole location,	Add wells as needed
footages, completion target, orientation, completion status	
(standard or non-standard) Well #1: Gold State Con 802H	API No. 30-025-52404
Well #1: Gold State Con 802H	SHL: 1087' FNL & 1775' FWL, (Unit C), Section 35, T185, R34E
	FTP: 1220' FNL & 1660' FWL, Section 35, T18S, R34E
	BHL: 130' FNL & 1660' FWL, (Unit B) Section 23, T18S, R34E
Released to Imaging: 6/21/2024 11:01:20 AM	Completion Target: Wolfcamp B (Approx. 11,713' TVD) Orientation: North/South

Received by OCD: 6/19/2024 4:00:15 PM Page 1	
Horizontal Well First and Last Take Points	Exhibit B-17-a
Completion Target (Formation, TVD and MD)	Exhibit B-17-c
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Pargraph 58
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit D.1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D.2 and D.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B-17-b
Tract List (including lease numbers and owners)	Exhibit B-17-b
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(including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit B-17-d
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above &	
below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit B-17-c
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Chronology of Contact with Non-Joined Working Interests	Exhibit B-14
Overhead Rates In Proposal Letter	Exhibit B-17-c
Cost Estimate to Drill and Complete	Exhibit B-17-c
Cost Estimate to Equip Well	Exhibit B-17-c
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Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Tab C
HSU Cross Section	Exhibit C-5-e
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit B-17-a
Tracts	Exhibit B-17-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-17-b
General Location Map (including basin)	Exhibit C-1
Relanded de Jewigings 6621/2024 11:01:20 AM	Exhibit C-1

Exhibit C-5-d
Exhibit C-5-e
Exhibit C-5-e
None.
ovided in this checklist is complete and accurate.
Deana M. Bennett
/s/ Deana M. Bennett
6/19/20

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24360	APPLICANT'S RESPONSE
Date	June 26, 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.
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Entries of Appearance/Intervenors:	MRC Permian Company; Matador Production Company; Slash Exploration LP; Armstrong Energy Corporation; EOG Resources, Inc.
Well Family	Gold State Com
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 (Only if NSP is requested):	Airstrip; Bone Spring Pool (Code 960)
Well Location Setback Rules (Only if NSP is Requested):	State-Wide Rules Apply
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	280-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit B-18-b
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: Gold State Com 502H	API No. 30-025-52398 SHL: 1087' FNL & 1805' FWL, (Unit C), Section 35, T18S, R34E FTP: 1220' FNL & 2300' FWL, Section 35, T18S, R34E BHL: 2510' FSL & 2300' FWL, (Unit K) Section 23, T18S, R34E Completion Target: Second Bone Spring (Approx. 9,793' TVD) Orientation: North/South

Received by OCD: 6/19/2024 4:00:15 PM	Page 14 o
Well #2: Gold State Con 602H Horizontal Well First and Last Take Points	API No. 30-025-52399 SHL: 1087' FNL & 1745' FWL, (Unit C), Section 35, T18S, R34E FTP: 1220' FNL & 1660' FWL, Section 35, T18S, R34E BHL: 130' FNL & 1660' FWL, (Unit K) Section 23, T18S, R34E Completion Target: Third Bone Spring (Approx. 10,483' TVD) Orientation: North/South Exhibit B-18-a
Completion Target (Formation, TVD and MD)	Exhibit B-18-c
Completion ranger (Formation, 170 and 1810)	EXIMITE 6-10-C
AFE Capex and Operating Costs	40.000
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Pargraph 58
Requested Risk Charge	200%
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Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
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Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3
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Target Formation	Tab C-4
HSU Cross Section	Exhibits C-4-b; C-4-e
Depth Severance Discussion	N/A
Forms, Figures and Tables	18
Relaysed to Imaging: 6/21/2024 11:01:20 AM	Exhibit B-18-a
<u> </u>	

Tracts	Exhibit B-18-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-18-b
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Structure Contour Map - Subsea Depth	Exhibits C-4-a; C-4-d
Cross Section Location Map (including wells)	Exhibits C-4-b; C-4-e
Cross Section (including Landing Zone)	Exhibits C-4-b; C-4-e
Additional Information	
Special Provisions/Stipulations	None.
CERTIFICATION: I hereby certify that the information pro	ovided 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:	6/19/2024

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

APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 24356, 24358-24360

APPLICATIONS OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 24314-24319¹

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Don Johnson, being duly sworn, deposes and states:

BACKGROUND

- 1. I am a Landman with Franklin Mountain Energy 3, LLC ("FME3"), over the age of 18, and have personal knowledge of the matters stated herein.
- 2. I have testified before the New Mexico Oil Conservation Division (the "Division") and my credentials were accepted as a matter of record.
- 3. My work for FME3 includes the Delaware Basin and Lea County. I am involved in title, ownership, and leasing.
- 4. I am familiar with the applications FME3 filed in Case Nos. 24356, 24358-24360. I am also familiar with the applications filed by MRC Permian ("MRC") in Case Numbers 24314-24319. I am familiar with the land matters involved in these cases.

_**B**

¹ MRC Permian Company ("MRC") has now withdrawn its objection to FME3's Gold State Com cases and FME3 is presenting these cases as uncontested affidavit cases. MRC has not yet dismissed its competing cases in Case Nos. 24314-24319 and so FME3 is filing its exhibits in the MRC cases for completeness.

5. My testimony and exhibits addresses the information common to all cases and then addresses case specific information on a case-by-case basis.

TESTIMONY AND EXHIBITS APPLICABLE TO ALL CASES

- 6. These cases involve applications to develop Bone Spring and Wolfcamp horizontal spacing units. FME3's Gold State Com cases seek to pool uncommitted interests within the N/2N/2 of Section 35, Section 26, and portions of Section 23, Township 18 South, Range 34 East. MRC Permian Company had objected to FME3's Gold State Com cases, but has since withdrawn its objection to these cases moving forward by affidavit. FME 3 has proposed an additional 8 Gold State Com wells and has identified 8 additional Bone Spring wells for the Phase 2 Bone Spring Development.
- 7. FME3 is seeking orders from the Division for compulsory pooling of interest owners who have refused to voluntarily pool their interests for the proposed Bone Spring and Wolfcamp horizontal spacing units described in more detail below, and in the wells to be drilled in the horizontal spacing units. FME3 also is requesting that it be designated operator of the wells. FME3 requests, to the extent necessary, approval of overlapping spacing units.
- 8. FME3 has the highest working interest in the proposed units and has the highest working interest control in the proposed units. FME3's development plan will reduce surface facilities and surface impacts because FME3 will consolidate facilities with the Gold unit, which partially overlaps the Parallel units, in Section 35. FME3 is a prudent operator, with the ability to develop the surface and is planning on developing this acreage in the near term. FME3 has extensive experience in developing this area and in investing in the infrastructure required for water management and gas takeaway necessary to support the development.
 - 9. **Exhibit B-1** is a map showing the general location and the spacing units at issue.

- 10. **Exhibits B-2 and B-3** provide an overview of working interest control within the Gold Development Area. It is my understanding that working interest control includes committed working interest owners, such as working interest owners that have executed a Joint Operating Agreement, or that support an operator.
- 11. FME3 and MRC are engaged in negotiations related to acreage within the Gold Development Area. Exhibit B-3 shows FME3's ownership before the trade and Exhibit B-4 shows FME3's interest post trade. Together, the Gold and Parallel Units cover approximately 1,730.36 acres. As the exhibit reflects, FME3 and MRC are in trade discussions. Assuming those discussions are concluded, of the 1,730.36 acre, FME3 will own approximately 1225.79 acres (56%) while MRC will own only 504.57 acres (23%).
- 12. Attached as **Exhibit B-4** is a map demonstrating that the Gold Units are part of FME3's comprehensive development plan for the area. The Gold Development Area, which is the subject of these cases, is outlined in red. As this exhibit shows, FME3's Gold wells in these cases are part of a comprehensive, holistic development in this area, which is efficient, thoughtful and reduces overall footprint, and reduces surface disturbance, while increasing efficiencies and decreasing costs. FME3 has orders for the W/2W/2 Gold wells and has drilled those wells. FME3 has approved orders for the Satellite Wolfcamp Units, and approved orders for the Cross Units. FME3 currently has 2 rigs active in the Satellite Unit.
- 13. **Exhibit B-5** shows the area of overlap between the Gold units and the Parallel units, in the N/2N/2 of Section 35. FME3's overlapping development plans are intentionally designed to maximize the efficient production of hydrocarbons, prevent waste, and protect correlative rights. The plan will allow oil and gas reserves located in the N/2N/2 of Section 35 to be developed, which would otherwise be unrecoverable due to drilling constraints and set-back requirements.

Additionally, co-developing the Gold and Parallel units will allow for consolidated well pads, facilities, and infrastructure, significantly minimizing surface disturbances and impacts to rangeland and habitat. FME3 has analyzed this concept internally, from both the drilling engineer perspective, reservoir engineer perspective, and economic perspective, and FME3's team has concluded that this layout will not result in waste or negatively impact correlative rights.

- 14. This exhibit also outlines the benefits of the overlapping drill pads and facilities approach, because it allows FME3 to integrate full development, which will reduce surface disturbance. Under FME3's development plan, the Gold development will share drill pads with the Parallel development. Under FME3's development plan, FME3 will be able to have a single CTB, which means less overall equipment and a reduction in overall surface footprint.
- 15. **Exhibit B-6** demonstrates that FME3's Gold/Parallel co-development plan will allow FME3 to decommission and reclaim one tank battery and consolidate production into a newer CTB and it will allow FME3 to have a single CTB, which has the benefit of creating a single point for third-party takeaway infrastructure.
- 16. FME3 understands the take-away constraints in this area and is taking steps to proactively address them.
- 17. **Exhibit B-7** provides an overview of the operational and logistical constraints in this area, as well as an overview of FME3's plans to address those constraints. **Exhibits B-8 to 11** provide greater detail on the constraints and FME3's proactive approach to resolve them.
- 18. **Exhibit B-8** discusses water takeaway constraints and steps FME3 is taking to address those constraints, including investing \$17.2 million of capital. FME3 is investing to expand the pipeline system to increase capacity, including 20 miles of pipeline infrastructure. FME3 is targeting in service Q2/Q3 2024.

- 19. **Exhibit B-9** discusses gas takeaway constraints and FME3's approach to address them. FME3 is investing \$19.8 million to address the gas takeaway constraints. FME3 is investing in gathering to gather gas to a single point, which has several benefits. It increases the appeal for third-party midstream operators and allows multiple third parties to connect, increasing flow assurance to prevent waste. FME3 is proposing to construct approximately 16 miles of pipeline infrastructure. FME3 already has or is securing the rights-of-way in place for those pipelines. Target in service is Q2/Q3 2024. FME3 also signed an acreage dedication with Northwind to facilitate Northwind's buildout to reach FME3's operated acreage.
- 20. **Exhibit B-10** demonstrates FME3's reliable oil pipeline solution. FME3 signed an acreage dedication with Plains to ensure oil pipeline takeaway would be in place day one for FME3's new development projects, including Parallel.
- 21. **Exhibit B-11** outlines FME3's recent activity in this area. FME3 has been active in the area and is committed to developing its acreage in this area. FME3 has turned on production 18 wells between October 2023 and June 2024.
- 22. FME3 has been diligently working to develop this area. **Exhibit B-12** identifies the timeline and future target dates.
- 23. Exhibit B-12 also identifies support FME3 has received for its development from Otter Creek, LLC which has signed an election to participate
- 24. **Exhibit B-13** provides further detail on FME3's overlapping development plans and how those plans maximize production. Included in Exhibit B-13 is a depiction based on FME3's Gold State Com 801H well, which is based on the as-drilled survey of that well, with the planned Parallel State Com 801H well. This depiction demonstrates the overlap as well as the relationship between the Gold State Com 801H first take point and the projected Parallel State

Com 801H first take point. The as drilled C-102 for the Gold State Com 801H well is attached as Exhibit B-13-a.

- 25. Prior to filing its applications, FME3 made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells. To locate interest owners, FME3 conducted a diligent search of the public records in the county where the wells will be located and conducted phone directory and computer searches to locate contact information for parties entitled to notification. I mailed all working interest owners well proposals and an Authorization for Expenditure, and a form of Operating Agreement upon request.
- 26. FME3 sent its well proposal letters to the working interest owners and unleased mineral interest owners in July 2023.
- 27. **Exhibit B-14** is a summary of FME3's communications with working interest owners and unleased mineral interest owners, including MRC.
 - 28. FME3 negotiated with the uncommitted interest owners in good faith.
 - 29. I now provide specific testimony and exhibits for each of the Gold cases.

CASE NO. 24356 SPECIFIC TESTIMONY AND EXHIBITS

- 30. Below is a brief description of the facts and exhibits for Case No. 24356.
- 31. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Gold State Com 704H and Gold State Com 804H wells** to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24356 is attached as **Exhibit B-15.**

- 32. Attached as **Exhibit B-15-a** are the C-102s for the wells proposed in Case No. 24356. The wells will develop the Airstrip, Wolfcamp Pool (Pool Code 970) and the Airstrip, Wolfcamp, North Pool (Pool Code 990).² The producing area for the wells will be orthodox.
- 33. Attached as **Exhibit B-15-b** is a lease tract map for Case No. 24356. This map shows the ownership breakdown.
- 34. Attached as **Exhibit B-15-c** is an example proposal letter and the Authorizations for Expenditure ("AFEs") for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFEs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
 - 35. There are no depth severances within the proposed spacing unit.
 - 36. **Exhibit B-15-d** is a list of the parties to be pooled in Case 24356.

CASE NO. 24358 SPECIFIC TESTIMONY AND EXHIBITS

- 37. Below is a brief description of the facts and exhibits for Case No. 24358.
- 38. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Gold State Com 703H and Gold State Com 803H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24358 is attached as **Exhibit B-16**.

² For each well that has two pools, FME3 has provided three total C-102s—an overview C-102 that shows the entire unit and a C-102 for each pool.

- 39. Attached as **Exhibit B-16-a** are the C-102s for the wells proposed in Case No. 24358. The wells will develop the The wells will develop the Airstrip, Wolfcamp Pool (Pool Code 970) and the Airstrip, Wolfcamp, North Pool (Pool Code 990). The producing area for the wells will be orthodox.
- 40. Attached as **Exhibit B-16-b** is a lease tract map for Case No. 24358. This map shows the ownership breakdown.
- 41. Attached as **Exhibit B-16-c** is an example proposal letter and the Authorizations for Expenditure ("AFEs") for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFEs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
 - 42. There are no depth severances within the proposed spacing unit.
 - 43. **Exhibit B-16-d** is a list of the parties to be pooled in Case 24358.

CASE NO. 24359 SPECIFIC TESTIMONY AND EXHIBITS

- 44. Below is a brief description of the facts and exhibits for Case No. 24359.
- 45. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Gold State Com 802H well**, to be horizontally drilled. FME3 requests to remove the proposed **Gold State Com 702H** well from this application. The producing area for the well is

expected to be orthodox. A copy of the application for Case No. 24359 is attached as **Exhibit B-17.**

- 46. Attached as **Exhibit B-17-a** is the C-102 for the well proposed in Case No. 24359. The well will develop the Airstrip, Wolfcamp Pool (Pool Code 970) and the Airstrip, Wolfcamp, North Pool (Pool Code 990). The producing area for the well will be orthodox.
- 47. Attached as **Exhibit B-17-b** is a lease tract map for Case No. 24359. This map shows the ownership breakdown.
- 48. Attached as **Exhibit B-17-c** is an example proposal letter and the Authorization for Expenditure ("AFE") for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFE are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
 - 49. There are no depth severances within the proposed spacing unit.
 - 50. **Exhibit B-17-d** is a list of the parties to be pooled in Case 24359.

CASE NO. 24360 SPECIFIC TESTIMONY AND EXHIBITS

- 51. Below is a brief description of the facts and exhibits for Case No. 24360.
- 52. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Gold State Com 502H and Gold State Com 602H wells**, to be horizontally drilled. The

producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24360 is attached as **Exhibit B-18**.

- 53. Attached as **Exhibit B-18-a** are the C-102s for the wells proposed in Case No. 24360. The wells will develop the Airstrip; Bone Spring Pool (Pool Code 960). The producing area for the wells will be orthodox.
- 54. Attached as **Exhibit B-18-b** is a lease tract map for Case No. 24360. This map shows the ownership breakdown.
- 55. Attached as **Exhibit B-18-c** is an example proposal letter and the Authorizations for Expenditure ("AFEs") for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFEs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
 - 56. There are no depth severances within the proposed spacing unit.
 - 57. **Exhibit B-18-d** is a list of the parties to be pooled in Case 24360.

ADDITIONAL TESTIMONY AND EXHIBITS APPLICABLE TO ALL CASES

- 58. FME3 requests overhead and administrative rates of \$9,000/month during drilling and \$900/month while producing. 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 and consistent with the rates awarded by the Division in in recent compulsory pooling orders. FME3 requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 59. FME3 requests the maximum cost plus 200% risk charge be assessed against non-consenting pooled working interest owners.

- 60. FME3 requests that it be designated operator of the wells.
- 61. FME3 requests that overriding royalty interest owners be pooled.
- 62. I provided Modrall with the names and addresses of uncommitted interest owners and overriding royalty interests owners of record in the Parallel units.
 - 63. To the extent necessary, FME3 requests approval of overlapping spacing units.
- 64. FME3 filed amended applications to provide additional information about overlapping spacing units. I searched publicly available information to identify any additional operators or working interest owners in any of the spacing units the Gold applications will overlap and provided that information to Modrall. To my knowledge, no operators or working interest owners in the existing wells have objected to FME3's applications.
- 65. Based upon my knowledge of the land matters involved in these cases, education and training, it is my expert opinion that FME3's development plan will protect correlative rights and prevent waste.
- 66. The attachments to my Affidavit were prepared by me or compiled from company business records.

[Signature page follows]

Dated: June 18, 2024

Don Johnson

State of Colorado

County of Derver

This record was acknowledged before me on June 18, 2024, by Don Johnson.

[Stamp]

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

Notary Public in and for the State of Coloredo

State of Colored o Commission Number: 20234007312

My Commission Expires: 2 232

Location Map – Lea County, NM



165 J/E	(65 a)E	165-34[105 350	165 JSE	165 J/L	165 388
Lis del	179.316	175,386	in ni	25. 166	on 75, 37E	17% 38F
DEs 1/9	100 131	195 141	155.358	185-161	155 J/E	Hobbs
1980.87F	.1953.00	199 HI	194 (8)	145 ** 6*	.95 t/F	195 3HF
2lio 32E	:205-336	205 HE	304 308	2€5 36₽	20S 37L	205 J82
IS HE	715-131	215-128	215 STE Lea	218 351	215 ini	215 3 <i>7</i> E
25/04/0	225 121	375 ER	225 Edit	225 35.	275 lef	23k (II)
ыль ddy	216-12(255 sse	234. \$4	235 35F	235.748	235.17
45 J1E	(845-304)	785 30E	Z15 34E	245,356	245,366	245.17L

Gold Development Area

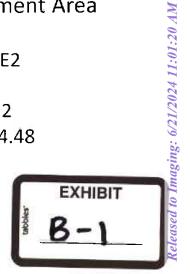
T18S-R34E

Section 23: SW, E2

Section 26: ALL

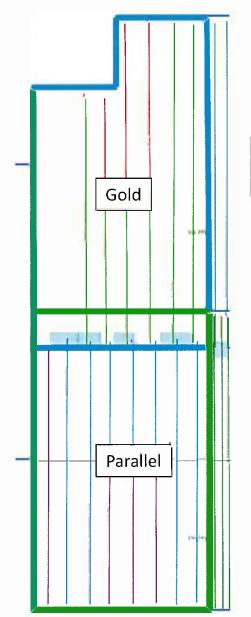
Section 35: N2N2

Containing 1,294.48



Ownership Comparison in Gold and Parallel Units Pre-Trade





Pre-Trade Ownership in Gold and Parallel Unit

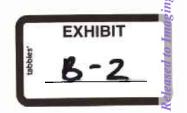
	Parallel		Gold		Net Acres	% of Units
Franklin Mountain Energy 3, LLC	8	09.43	194	.36	1003.79	46%
MRC Permian Company	2	82.57		144	726.57	33%

Pre-Trade Ownership in Gold Unit

	% of Gold Unit
Franklin Mountain Energy 3, LLC	15.01%
MRC Permian Company	34.30%

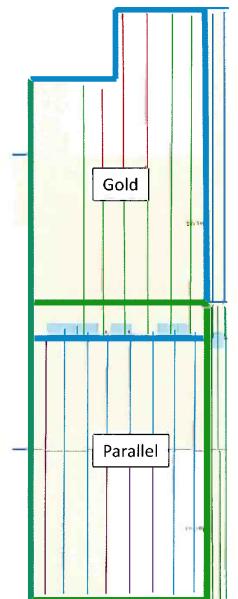
Pre-Trade Ownership in Parallel Unit

	% of Parallel Unit
Franklin Mountain Energy 3, LLC	62.46%
MRC Permian Company	21.81%



Ownership Comparison in Gold and Parallel Units Post-Trade





Post-Trade Ownership in Gold and Parallel Unit*

	Parallel	Gold	Net Acres	% of Units
Franklin Mountain Energy 3, LLC	809.43 Acres	416.36 Acres	1225 79 Acres	56%
MRC Permian Company	282.57 Acres	222 Acres	504.57 Acres	23%

Post-Trade Ownership in Gold Unit

	% of Gold Unit
Franklin Mountain Energy 3, LLC	32.53%
MRC Permian Company	17.34%

Post-Trade Ownership in Parallel Unit

	% of Parallel Unit
Franklin Mountain Energy 3, LLC	62.46%
MRC Permian Company	21.81%

*Ownership interests based on agreed upon trade between FME3 and MRC, negotiating trade documents

EXHIBIT

ENERGY FME3 has approved Compulsory Pooling Orders in Satellite: 1) R-22963, W2W2 Wolfcamp 2) R-22964, E2W2 Wolfcamp FME3 has approved Compulsory 3) R-22967, W2E2 Wolfcamp **Pooling Orders in Gold:** 4) R-22968, E2E2 Wolfcamp 1) R-22971, W2W2 Bone Spring 2) R-22970, W2W2 Wolfcamp Satellite 1) W2 Bone Spring - FME3 owns 100% Working Interest 2) Voluntary Pooling of 100% Working interest in E2 Gold Satellite FME3 drilled 2 Bone Spring FME3 currently has 2 drilling and 2 Wolfcamp wells in Gold rigs active in the Satellite unit Unit FME3 has approved Compulsory FME3 has filed applications for **Pooling Orders in Cross:** Compulsory Pooling Orders in 1) R-23177, W2W2 Wolfcamp Gold (E2W2 & E2) 2) R-23182, W2W2 Bone Spring 3) R-23179, E2W2 Wolfcamp 4) R-23183, E2W2 Bone Spring 5) R-23176, W2E2 Wolfcamp 6) R-23181, W2E2 Bone Spring 7) R-22968, E2E2 Wolfcamp 8) R-23180, E2E2 Bone Spring FME3 has filed applications for Compulsory Pooling Orders in Parallel. Cross Parallel Area of Development T18S-R34E Sec. 23, 24, 25, 26, 35 & 36, T19S-R34E Sec. 1 & 2 Lea County, NM

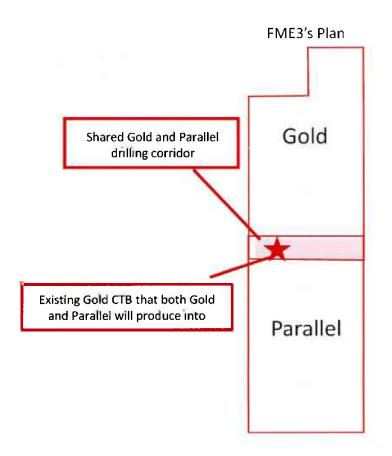
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FME3's Development Plans in and around Gold Development Area

FME3's Development Plan Minimizes Surface Disturbances



- FME3's plan reduces waste as the Gold development will fully leverage the existing Gold CTB
- FME3's plan reduces waste as the Gold development will share drill pads with the Parallel development
 - Gold and Parallel wells are drilled from the same pads



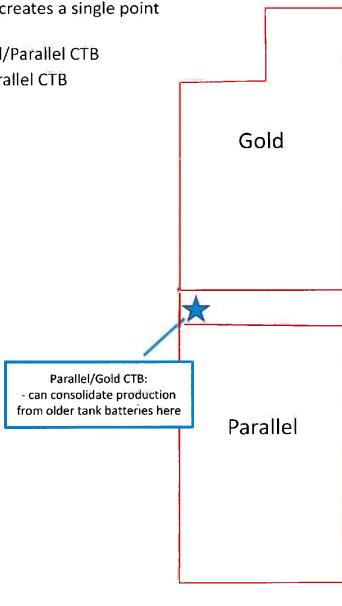


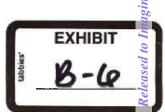
FME3's Development Plan Helps Third Parties Prevent Waste



 Consolidation of Parallel production into the Gold CTB creates a single point for 3rd Party connections

- Plains (oil takeaway) is already connected to the Gold/Parallel CTB
- Water takeaway is already connected to the Gold/Parallel CTB

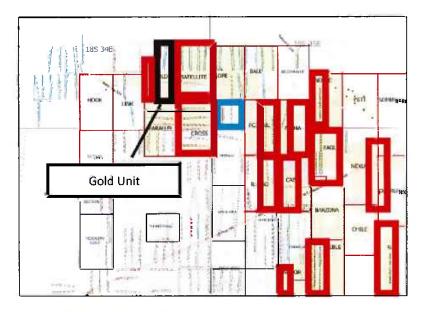




FME3 Is Addressing Gas and Water Takeaway Constraints



- FME3 is investing significant capital into gas and water infrastructure to ensure pipeline solutions are in place
 - 2024 approved budget of \$37mm
 - FME3's consolidated position supports FME3's significant investment in infrastructure
- Existing infrastructure is not sized to support an 8-well horizontal project and additional 8-wells in phase 2
 - Investments in pipelines are necessary
- 3rd party gas and water midstream companies are reluctant to spend the necessary capital
 - Operators need to be willing to help with the solution to foster development and prevent waste





= Matador Operated Project

= FME3 Operated Projects



FME3 Is Investing \$17.2mm of Capital to Solve Water Takeaway Constraints

CTB



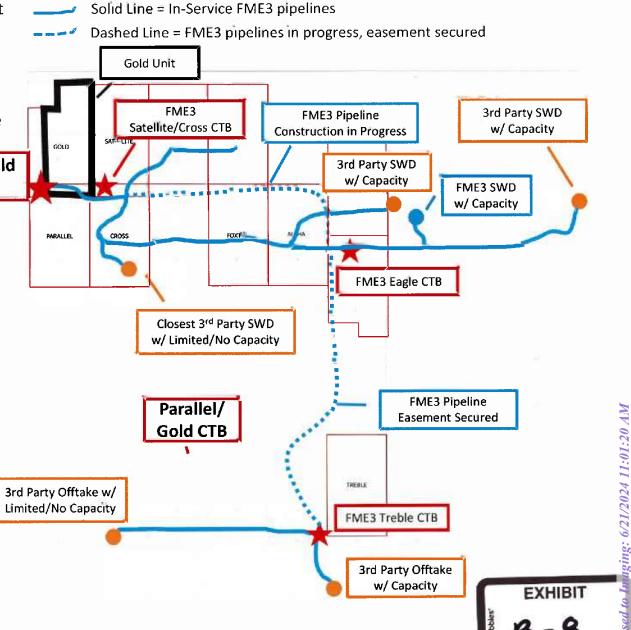
 Adequate water takeaway does not exist to support an 8-well horizontal project and additional 8-wells in phase 2

 Closest 3rd Party SWD to project has limited to no capacity

 FME3's recent projects at Eagle, Treble and Gold have pushed 3rd party capacities
 Parallel/Gold

 FME3 has existing company owned capacity and is investing to expand capacity

- 2024 approved budget of \$17.2mm
- ~20 miles of pipeline infrastructure
- Target in service Q3 2024
- Gold/Parallel CTB is already tied into the water system, ongoing investment is required to increase takeaway
- FME3 disposal access will include:
 - FME3 owned SWD
 - Firm takeaway contracts
 - Interruptible takeaway contracts



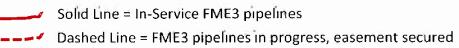
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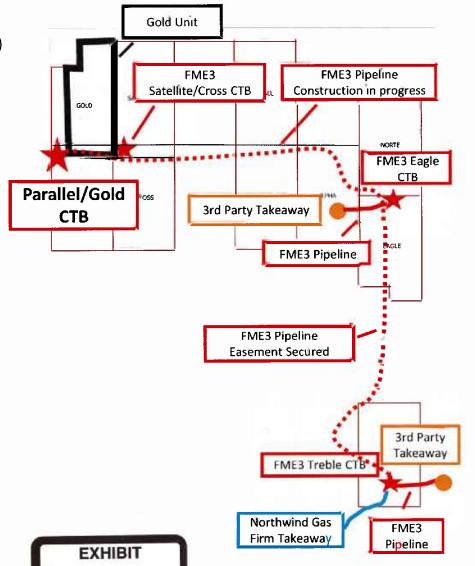
FME3 Is Investing \$19.8mm of Capital to Solve Gas Takeaway Constraints



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- Adequate gas takeaway does not exist to support an 8-well horizontal project and additional 8-wells in phase 2
 - FME3's recent projects at Eagle, Treble and Gold have maxed out 3rd party capacities
 - Existing capacity is for sweet gas (no hydrogen sulfide, h2s)
 - Shallower 1BS/2BS zones expected to have h2s
- FME3 is investing in gathering gas to a single point
 - Increases appeal for 3rd party midstream companies
 - Allows multiple 3rd parties to connect, increasing flow assurance to prevent waste
 - 2024 approved budget of \$19.8mm
 - ~16 miles of pipeline infrastructure
 - Target in service Q2/Q3 2024
 - Initial investments into treating for sweet offloads
- 3rd Party Investment is required Northwind is a new build
 - FME3 is anchor customer for this area
 - Northwind's initial build stopped ~8 miles to South
 - FME3 signed an acreage dedication to facilitate build
 - Northwind will gather h2s gas
- FME3 gas takeaway will include:
 - Firm Northwind offload with 100% capacity for FME3 forecasted volumes
 - Interruptible offloads
 - Potential for other options for flow assurance





FME3 Has a Reliable Oil Pipeline Solution in Place

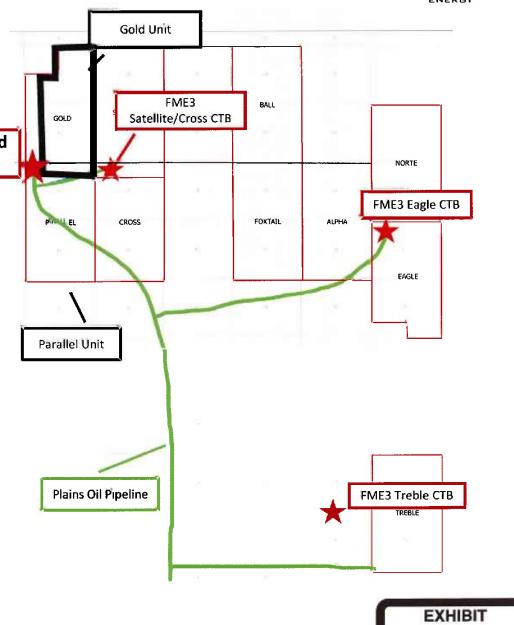
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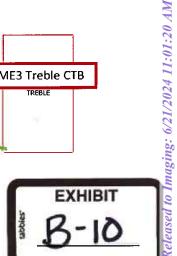


■ FME3 strives to get all production on pipeline to reduce truck traffic and associated waste

FME3 signed an acreage dedication with Plains to ensure oil pipeline takeaway would be in place day 1 for new developments Parallel/Gold

Plains oil pipeline is already tied into the Gold/Parallel CTB





FME3 Is All Systems Go

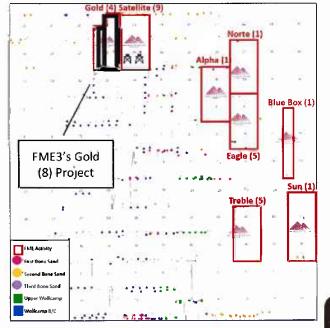


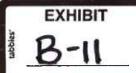
- FME3 is very active in the 6-mile radius of Gold Development area
 - FME3 has turned on production 18 wells between October 2023 and June 2024
 - FME3 has 2 drilling rigs on the Satellite (9) well project as of June 2024
- In 18 months, FME3 was able to obtain 130 permits.



Operator Active Permits 6-mile Radius

FME3	130
Avant	29
Mewbourne	28
Lario	17
Earthstone	16
Cimarex	11
XTO	8
Pride	7
Marshall & Winston	5
3R Operating	4
Matador	0

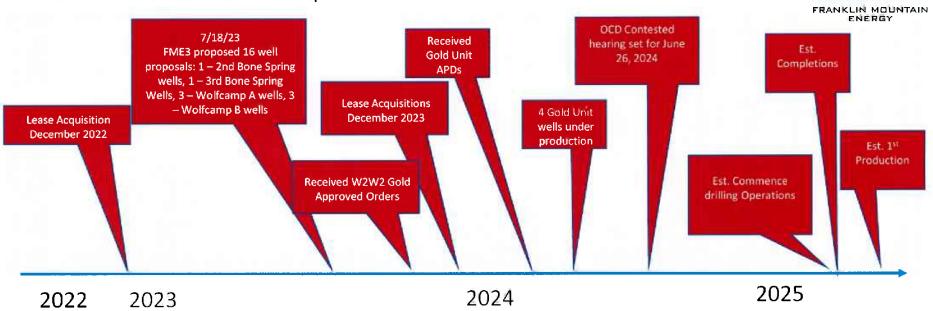




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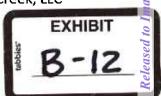
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FME3's Timeline of Gold Development



- FME3's timeline from lease acquisitions, to initiated development plans, to commencing drilling operations, to 1st production in the Gold State Unit is estimated at ~26 months
- December 2022: Closes on its initial transactions in Northern Lea County, establishing its position in the Gold Development Area
- July 2023: FME3 sends out 8 well proposals
- November 2023: FME3 Receives approved orders R-22970 and R-22971
- December 2023: FME3 closes an additional lease acquisition in Gold
- December 2023: FME3 and MRC Trade talks, on-going

- January-February 2024: FME3 received approved Gold unit **APDs**
- February-March 2024: FME3 starts producing 4 wells in the Gold Unit
- April 2024: FME3 and MRC have verbally agreed to a trade, negotiating trade documents, whereby MRC supports FME3 as operator
- 2025: FME3 estimates to commence drilling operations
- FME3 received support from 3rd Parties:
 - Received Elections to Participate from Otter Creek, LLC



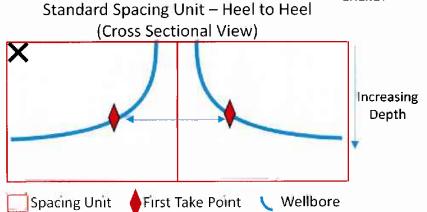
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Overlapping Spacing Units Maximize Producing Reservoir

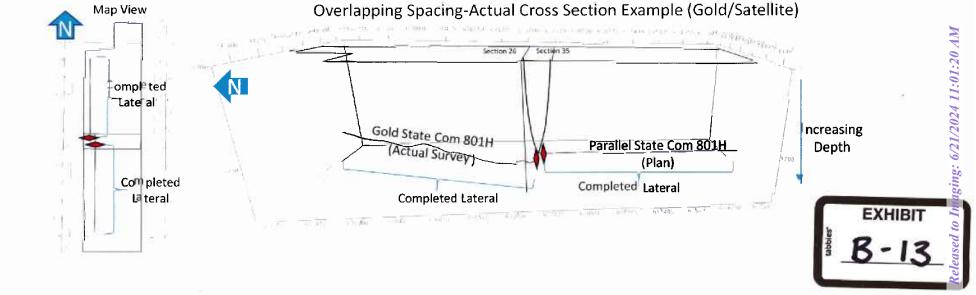


Overlapping Spacing Unit – Heel to Heel
(Cross Sectional View)

Increasing
Depth



- Overlapping spacing units maximize hydraulically stimulated reservoir and adds additional resource captured.
- Increased revenues = Increased royalties payable to royalty owners including the State Land Office
 - No additional capex required to access the additional reserves
 - Increased well economics
 - Reduces economic waste



District | 1625 N. French Dr., Hobbs, NM 882-10 |
Phone: (\$75) 393-616 | Fax: (\$75) 393-0720 |
District! | 131 | 5. Fres St., Artesia, NM 88210 |
Phone: (\$75) 748-1283 | Fax: (\$75) 748-9720 |
District! | 1000 Ros Bracos Rosd, Azucc, NM 87410 |
Phone: (\$95) 334-6178 | Fax: (\$95) 334-6170 |
District! V |
1220 S St. Frencis Dr., Santa Fe., NM 87505 |
Phone: (\$95) 476-3400 | Fax: (\$95) 476-3462 |

280

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

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X AMENDED REPORT
AS-DRILLED

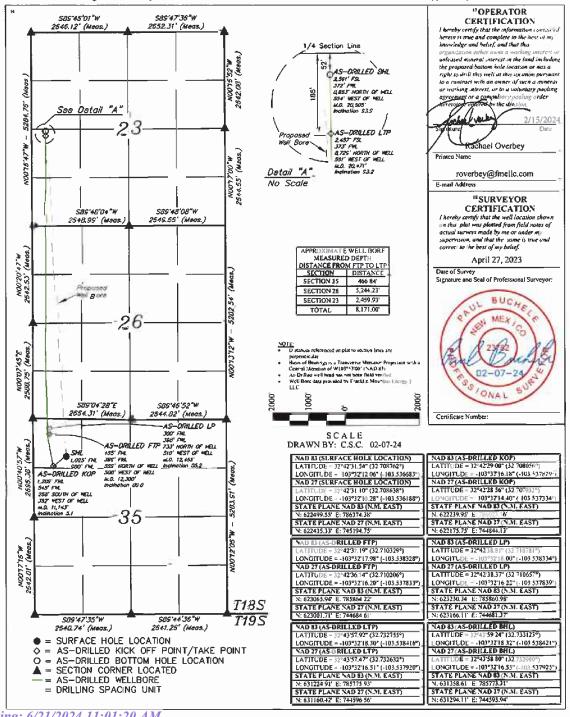
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ APL Number 30-025-5166	 990] AIRSTRIP; WOLFCAMP,NORTH, [970] AI	RSTRIP;WOLFCAMP		
* Property Code 334169	* Property Name GOLD STATE COM			
OGRID No. 331595	*Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC			

	"Surface Location										
LL or lat no.	Section 35	Township 18S	Range 34E	Lot 1dn	Feet from the 1025	North/South line NORTH	Feet from the 900	East/West line WEST	County LEA		

	Bottom Hole Location If Different From Surface										
UL or lot no.	Section 23	Tewnship 185	Range 34E	Let Idn	Feet from the 2591	North/South line SOUTH	Feet from the 372	East/West line WEST	County LEA		
12 Dadiested Acc	Badianted Ages N Isint as Infill M Canadidation Code IS 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.



Summary of Communication



Date	Owner	Exchange
	MRC Permian Company	Currently in negotiations
7/21/2023	EG3 Development, LLC	Received email on 7/21/2023, sent JOA 8/18/2023
7/21/2023	Allar Development, LLC	Received email on 7/21/2023, sent JOA 8/18/2023
5/24/2023	Marathon Oil Permian, LLC	Gold Unit emails started on 5/24/2023-8/24/2023, MRO and FME reached a deal
8/4/2023	TH McElvain Oil & Gas, LLLP	Received email requesting info 8/4/2023, replied 8/7/23, Interest sold to Franklin Mountain Energy 3, LLC
7/25/2023	COG Operating, LLC	Received email requesting Info 7/25/2023
7/25/2023	Concho Oil & Gas, LLC	Received email requesting Info 7/25/2023
9/25/2023	Slash Exploration LP	Received email on 9.25.2023 requesting WI information
8/4/2023	Otter Creek, LLC	Received Elections to Participate 8/4/2023



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

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

CASE NO. 24356

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

- Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 360-acre, more or less, Wolfcamp horizontal spacing unit.
- 3. Franklin plans to drill the Gold State Com 704H and Gold State Com 804H wells to a depth sufficient to test the Wolfcamp formation and the producing area for the wells is expected to be orthodox. The Gold State Com 704H well will be horizontally drilled from a



¹ This application amends the application in Case 23841.

proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the NE/4NE/4 (Unit A) of Section 23, and the Gold State Com 804H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the NE/4NE/4 (Unit A) of Section 23.

- 4. Franklin filed Case No. 23841 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would "partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E." Application Case No. 23841, ¶ 4.
- 5. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap a proposed 323.81-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2 (the equivalent of the E/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 704 and 804H wells.
- 6. 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.
- 7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
 - 8. Case No. 23841 is currently set for contested hearing on April 9, 2024.
- 9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division 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 the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
 - B. Approving, to the extent necessary, the proposed overlapping spacing unit;
 - C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
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
Attorneys for Applicant

CASE NO. 24356 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 704H and Gold State Com 804H wells. The Gold State Com 704H well will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the NE/4NE/4 (Unit A) of Section 23, and the Gold State Com 804H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the NE/4NE/4 (Unit A) of Section 23. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The horizontal spacing unit proposed in this application will partially overlap a proposed 33.81-acre more or less Wolfcamp spacing unit comprised of the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2 (the equivalent of the E/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 704 and 804H wells. 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 24 miles west of Hobbs, New Mexico.

District 1 (623 N. French Dr., Hobis, NM 88240 Phane: (575) 393-6161 Fas: (575) 393-0720 District II 311 S. Fras St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District II 1000 Rio Brazos Road, Azuce, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

District TV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone. (505) 476-3460 Fax. (503) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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WELL LOCATION AND ACREAGE DEDICATION PLAT

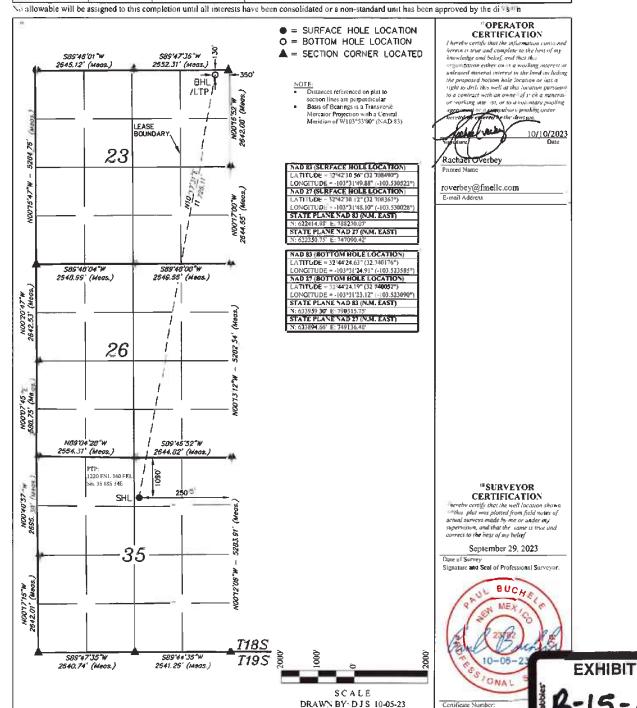
API Number	r	Pool Code			
30-025-5	2402	990 & 970	AIRSTRIP;WOLFCAMP		
4 Property Code		¹ Pr	Property Name		
334169		GOLD	STATE COM	704H	
³ OGRID No.		*0(perater Name	⁹ Elevation	
331595		FRANKLIN MOU	INTAIN ENERGY 3, LLC	3982 2'	

Surface Location

C1. or lot no.	35	Township 18S	Range 34E	Loilan	Feet from the	NORIII	2505	East/West line EAST	LEA

"Bottom Hole Location If Different From Surface

	Ut. or lot no. A	Section 23	Township 18S	Range 34E	Lot ldn	Feet from the 130	North South line NORTH	Feet from the 360	Eust/West line EAST	County LEA
ľ	17 Dedicated Acres 360		olat or Estili	14 Const	olidation Code	15 Order No.				



District I.
1625 N. French Dr., Hobbs, NM 88240
Phone: (675) 393-6161 Fax: (575) 393-0720
<u>Ostrici II.</u>
81 I. 5 First St. Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rto Brazos Roso. Aztec, NM 87410 Phone. (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (50S) 476-3460 Fax: (50S) 476-3462

> ¹² Dedicated Acres 160

ownship 18S

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number	r I	² Poel Code		
	30-025-5	2402	990		
	4 Property Code		5 P	• Well Number	
	334169		GOLI	D STATE COM	704H
1	¹ OGRID No.		*0	⁹ Elevation	
- 1	331595		FRANKLIN MO	3982.2"	

"Surface Location Feet from the 1090 Lot Ida Corrh/South line NORTH

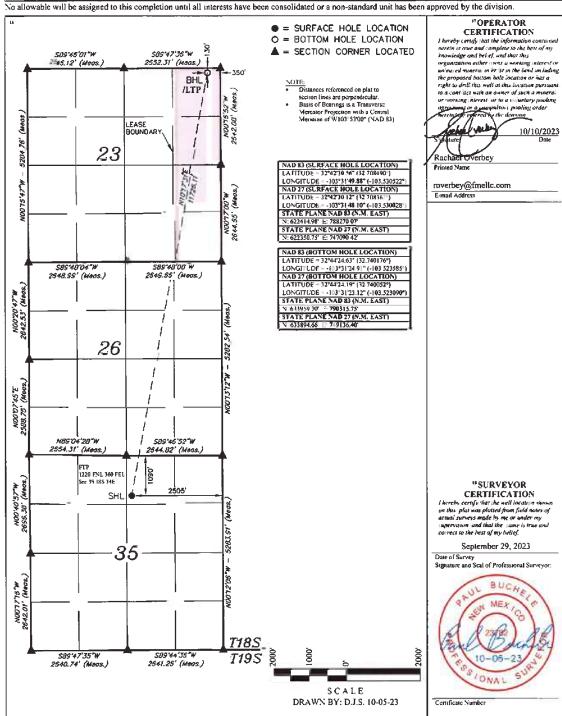
Bottom Hole Location If Different From Surface											
UL or lot no.	Section 23	Township 18S	Range 34E	Let Idn	Feet from the 130	North/South line NORTH	Feel from the 360	East/West line EAST	County C.E.A		
12 Dedicated Acres 13 Join		oint or EnGN	14 Const	ilidation Code	15 Order No.						

Feet from the

2505

Ensy/West line

EAST



<u>District 1</u>
1625 N. French Dr., Hobos, NM 88240
Phone. 1975; 393-6161 Fax: 1975; 393-0720
rind II
811 S. First St., Anesia, NM 88210
Phone: 1575) 748-1283 Fax: (575) 748-9720

Phone: (575) 484-(28) Fax: (573) 48-9720
Detard III.
1000 Rio Brazos Roao, Aztee, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
Dalinet TV.
1220 S. St. Francis Dr., Santa Fe, NM 87905
Phone: (505) 476-3460 Fax: (505) 476-3462

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est/West lin

et from 2505

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-5	¹ Peol Code 970	AIRSTRIP;WOLFCAMP				
4 Property Code 334169		Property Name * Well Number .D STATE COM 704H				
¹ OGRID No. 331595		perator Name UNTAIN ENERGY 3, LLC	⁴ Elevation 3982.2 ¹			

Surface Location t from the NORTH

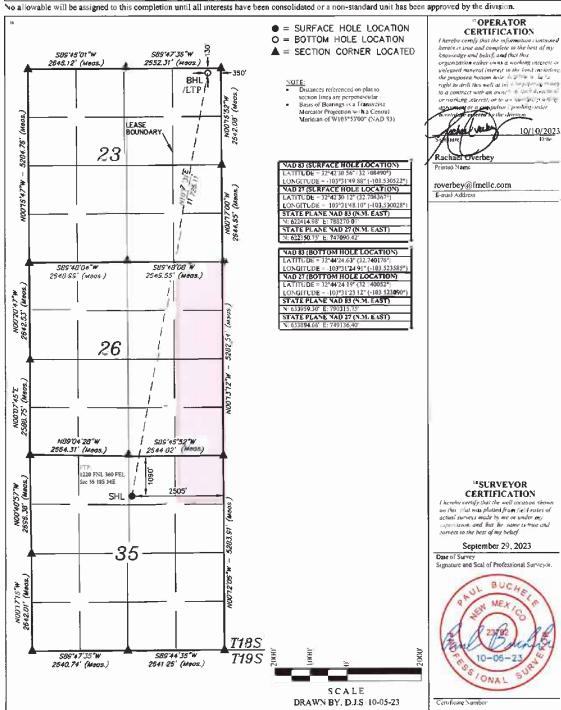
Range 34E

188

U Joint or Letill

"Bottom Hole Location If Different From Surface											
Bottom Hote Location if Different From Surface											
UL or let m.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Ewst/West line	Сопяту		

15 Order No. 200



District 1 (25 N French Dr. Hobes, NM 88240 Phone, (375) 193-4161 Fax, (575) 193-0720 Damaell. 811 5 First St., Anessa, NM 88210 Phone; (575) 748-1283 Fax; (575) 748-9720 District III 1000 Rin Biazos Road, Azice, NM 87410 Phone; (505) 133-6178 Fax; (505) 334-6170 District IV. 1220 S. St. Frances Dr., Santa Fe, NM 87505 Phone; (505) 376-3460 Fax; (505) 476-3460 Fax

Section 35

18S

Range 34E

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

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County

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number Peol Code			³ Pool Name			
30-025-52405	99	0 & 970	[990] AIRSTRIP; WOLFCAMP, NORTH, [970] AI	RSTRIP;WOLFCAMP		
Property Code	•		perty Name	4 Well Number		
334169		GOLD 9	STATE COM	804H		
7 OCRID No.		# Оре	rator Name	* Elevation		
331595		FRANKLIN MOUN	NTAIN ENERGY 3, LLC	3976.5'		

"Surface Location

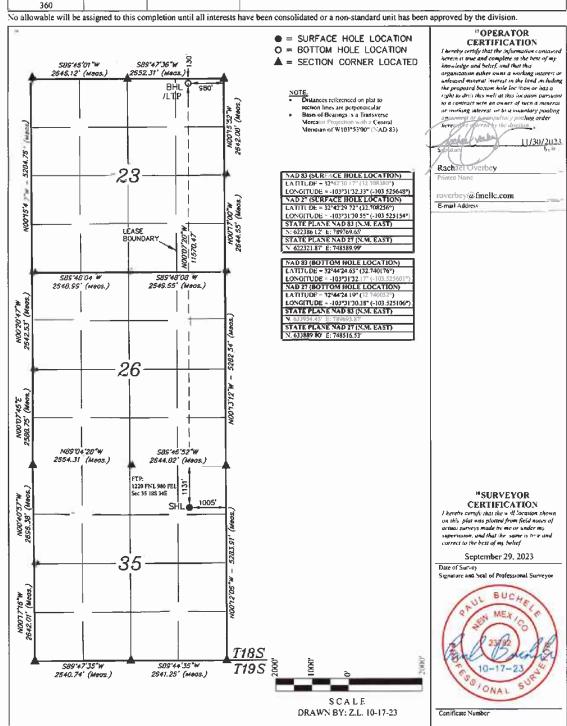
Lot Idn Feet from the North/South II

1131 NORTH

	Bottom Hole Location If Different From Surface									
ĺ	UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County A 23 18S 34F. 130 NORTH 980 EAST LEA									
	12 Dedicated Acr	t2 13 J	eint or Enfill	14 Const	olidation Code	15 Order No.				

Feet from the

EAST



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone (575) 393-6161 Fax. 1575) 393-0720 District III

211 S. First St., Artesia, NM 88210

Phone: (575) 748-1283 Fax. (575) 748-9720

District III

200 Fac Harman Road & Tree Niel 87410

<u>District III</u> 1000 Rio Brazos Road, Azten, NM 87410 Phone. **(505) 334-6178 Fa**x: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone. (505) 476-3460 Fax: (505) 476-3462

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

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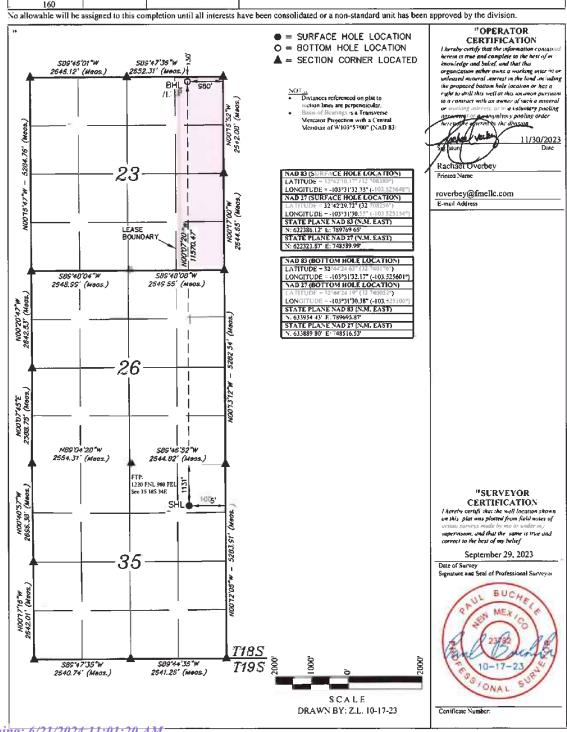
■ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	WELL LOCATION AND ACKLAGE DEDICATION LEAT								
ſ	API Number	1 Poul Code	3 Pool Name						
-	30-025-52405	990	DRTH						
Г	4 Property Code	3 Pr	* Well Number 804H						
- 1	334169	GOLD	GOLD STATE COM						
Г	⁷ OGRID No.	10	Elevation						
- 1	331595	FRANKLIN MOU	INTAIN ENERGY 3, LLC	3976.5'					

Surface Location County Feet from the orth/South line Section 35 Range 34E EAST 188 1131 1005

Bottom Hole Location If Different From Surface Range 34E Let Idn Feet from the Feet from th East/West line County LEA NORTH 188 130 980 EAST 15 Order No.



<u>District 1</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 EH S. First St., Ariesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

1000 Rio Brazos Roso, Aztec, NM 87410 Phone. (505) 334-6178 Fax. (505) 334-6170 District IV 1220 S St. Francis Dv., Sarto Fc, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

12 Dedicated Acres

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

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East/West line

WELL LOCATION AND ACREAGE DEDICATION PLAT

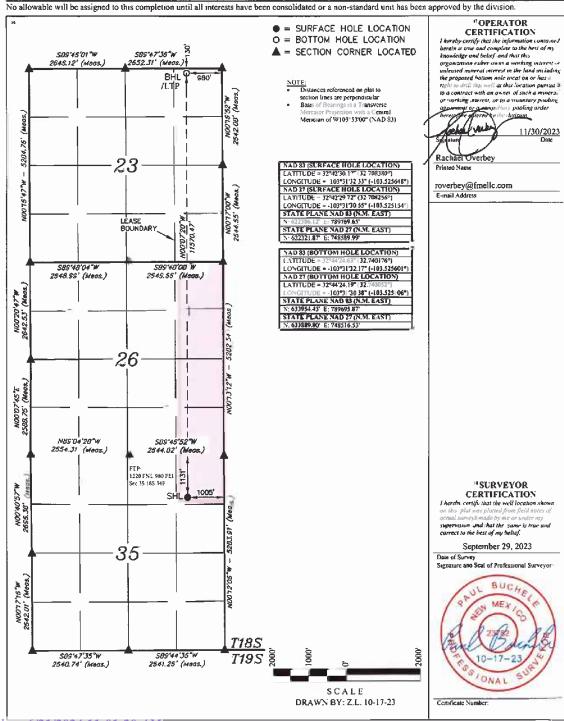
	API Number 2 Poel Code			¹ Pool Name	 -			
	30-025-52405 970 AIRSTRIP;WOLFCAMP							
	4 Property Code		5 Property Name					
	334169		GOLD STATE COM					
Г	' OGRID No.		* Operator Name					
	331595		FRANKLIN MOI	ÚNTAIN ENERGY 3, LLC	3976.5'			

"Surface Location

	"Bottom Hole Location If Different From Surface									
Г	UL or lot no. A	Section 23	Township 18S	Range 34E	Lot Idn	Feet from the 130	North/South line NORTH	Feet from the 980	East/West line EAST	County LEA

15 Order No. 200

14 Consolidation Code



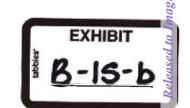
Case No. 24356 Unit Summary



Case No. 24356 E2E2 of Sec 23, E2E2 of Sec 26, & NENE of Sec 35-T18S-R34E, 360.00 Acres

EZEZ UI SEC	23, EZEZ 01 3eC 20, & NE	
	Gold State	e Com 704H
	Gold State	e Com 804H
	Proposed Wolfcamp Ur	nit
23		
	Tract 1 (80 Acres)	Franklin Mount
	Tract 2 (80 Acres)	
		MRC Permian C
		Marathon Oil Po
26	Tract 3 (80 Acres)	Allar Developm
		Slash Exploration
		EG3 Developme
	Tract 4 (80 Acres)	200 5000,000
	Hact 4 (80 Acres)	Total:
	Tract 5 (40 Acres)	
35	Tract Lease	
	1 VB-2276	
	2 E0-5014	
	3 VB-1406 4 L0-3674	
	5 VB-1210	

Commited Working	Interest
Franklin Mountain Energy 3, LLC	28.1022%
Uncommited Workin	Interest
MRC Permian Company	45.5556%
Marathon Oil Permian LLC	17.7777%
Allar Development, LLC	4.1667%
Slash Exploration Limited Partnership	3.0089%
EG3 Development, LLC	1.3889%
Total:	100.0000%





Sent via USPS: 9400109205568758357828

July 18, 2023

Marathon Oil Permian, LLC 990 Town and Country Blvd Houston, TX 77024

Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 18 South, Range 34 East:

Section 23: E2E2, Section 26: E2E2, & Section 35: NENE

Lea County, New Mexico 360.00 acres, more or less

Dear Working Interest Owner:

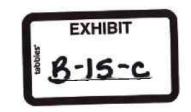
Franklin Mountain Energy 3, LLC ("FME3"), as Operator, hereby proposes the drilling and completion of the following wells:

Well Name	Target Formation	Total Vertical Depth	Measure d Depth	SHL	BHL	Total AFE	Order
Gold State Com 704H	WCA	10995	20,995'	Sec 35- T18S-R34E 1062 FNL 2510 FEL	Sec 23- T18S- R34E 130 FNL 360 FEL	\$11,650,592.43	N/A
Gold State Com 804H	WCB	11655	21,655'	Sec 35- T18S-R34E 1062 FNL 1008 FEL	Sec 23- T18S- R34E 130 FNL 980 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:

- 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 Don Johnson at <u>djohnson@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 (720) 414-7863.

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson

Sr. Land Analyst



Gold State Com 704H:
I/We hereby elect to participate in the Gold State Com 704H well. I/We hereby elect NOT to participate in the Gold State Com 704H well
Gold State Com 804H:
I/We hereby elect to participate in the Gold State Com 804H well. I/We hereby elect NOT to participate in the Gold State Com 804H well
Owner: Marathon Oil Permian, LLC
By:
Printed Name:
Title:
Date:



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

Well #: 704|4

County/State: Lea Co., NM

Date Prepared: 6/21/2020

AFE #: DCE230625

		1 4D 10,7975, MED 20,9975.					
Major	Minor	Intan ∰ le Drillin ¶Costs Description	A manife	Major	Minor	Intangible Completion Costs Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,500	240	5	ADMINISTRATIVE OF ENTIRE	20,20
225 225	1	CASING CREW & EQPT CEMENTING INTERMEDIATE CASING	\$50,000 \$40,000	240 240	10 15	CASED HOLE LOGS & SURVEYS CASING CREW & EQPT	\$6,63 \$
225	-	CEMENTING INTERMEDIATE CASING	\$80,000	240	20	COILED TUBING/SNUBBING UNIT	\$194,31
225	20	CEMENTING SUFACE CASING	\$36,000	240	25	COMMUNICATIONS	\$1,12
225 225	310	COMMUNICATIONS COMPLETION FLUIDS	\$21,000 \$6,000	240 240	30 35	COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG	\$75,00
225	- 3	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,69
225	40	CONTRACT LABOR	\$55,000	240 240	50 55	DAMAGES/RECLAMATION	\$1,89 \$2,84
225 225	500	DAMAGES DAYWORK CONTRACT	\$15,000 \$585,000	240	60	DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION	32,84·
225	5.5	DRILLING - DIRECTIONAL	\$220,000	240	62	ENGINEERING	\$5,68
275 225	6	DRILLING - FOOTAGE DRILLING BITS	\$90,000	240 240	65 70	ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES	2
225	750	ELECTRICAL POWER-GENERATION	3100,000	240	71	FLUIDS/HAULINO/DISPOSAL	\$180,00
225	7.20	ENGINEERING	\$21,000	240	72	FRAC WATER/COMPLETION FLUID	\$470,00
225	84	ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE	\$210,000 \$50,000	240 240	75 80	FUEL, POWER/DIESEL HEALTH & SAFETY	\$550,00 \$4,70
221	8	EQUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,00
225	940	FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	\$
223	95	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	59,000 519,000	240 240	95 100	MISCELLANEOUS MUD & CHEMICALS	2 00,012
225	1.9	INSURANCE	\$1,900	240	110		310,00
225	06	INSPECTIONS	\$17,000	240	815	PERFORATING/WIRELINE SERVICE	\$265,40
225	10	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$2,00
225 225	20	MATERIALS & SUPPLIES MISCELLANEOUS	\$5,000 \$5,000	240 240	125	ROAD, LOCATIONS REPAIRS STIMULATION	\$2,616,00
225	25	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	537,91
225	30	MUD & CHEMICALS	\$190,000	240	140	SUPERVISION	\$90,04° \$189,57
225	140	OPENHOLE LOGGING CASED HOLE LOGGING	\$0 \$0	240 240	145	SURFACE EQUIP RENTAL TRANSPORTATION/TRUCKING	3467,57. \$2,84
225	14.5	PERMITS, LICENSES, ETC	\$20,000	240	155	water transfer	\$56,87
225	50	POWER FUEL & WATER HAULING	\$170,000	340	160	WELDING SERVICES	5
225	60	RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	\$130,000	240 240	165 148	WELL TESTING/FLOWBACK TAXES	\$165,00 \$273,59
221	63	SITE RESTORATION	510,000	240	40	CONTINGENCY COSTS 5%	\$248,72
225	119	STAKING & SURVEYING	\$6,000			Total Intangible Completiun Costs:	\$3,496,84
225 225	70	SUPERVISION - GEOLOGICAL	\$75,600 \$41,400			Tangable Completion Costs	
225	80	TRANSPORTATION/TRUCKING	\$22,000	Major	Minor	Description	Amount
225	1 8	TAXES	\$134,057	245	5 1.5	ARTIFICIAL LIFT	\$175,00
225	35	CONTINGENCY COSTS 5% Total Jutangible Brilling Costs	\$121,870	245 245	-8	FLOWLINES FRAC STRING	\$20,00 \$
		Tan Jungan January		245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	5
2271.000	Senson.	Tangible Drilling Casts		245	4 P	PRODUCTION LINER	\$
230	10	Description INTERMEDIATE CASING & ATTACHMENTS	Amount \$173,758	245 245	45	PRODUCTION PROCESSING FACILITY PRODUCTION TUBING	\$ \$150,00
230	25	PACKIERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS	S
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,144,050	245	65	SUBSURFACE EQUIPMENT	\$50,00
230 230	35 45	SURFACE CASING & ATTACHMENTS WELLHEAD EQUIPMENT/CASING BOWL	\$169,740 \$70,000	245 245	75	WELLHEAD EQUIPMENT TAXES	\$125,00 \$28,60
230	40	TAXES	\$89,295	240	60.00	Total Tangible Completion Costs:	3548,60
		Total Tangible Drilling Costs:	1712,843			parametric fraggin Costs	
		Tangible Facility Costs		Major	Olinor		Amount
Major		Description	Amount \$180,000	265	3	CONSULTING	318,10
270 270	10 15	FACILITY PIPE/VALVES/FITTINGS CONTAINMENT	\$180,000 \$0	265 265	12 20	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC	\$24,00
270	25	DEHYDRATION	\$0	265	22	PAD/ROAD CONSTRUCTION	\$50,00
270	30	PRIMARY POWER MATERIALS	\$56,000	265	25	ENGINEERING / SCIENCE	\$22,00 \$
270 270	50 60	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$47,000 \$0	265 265	40 45	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	S
270	65	SEPARATION EQUIPMENT	\$125,000	265	60	OVERHEAD	\$3,00
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1,50
270	75	PRE-FABRICATED SKIDS	\$0 \$137,000	265 265	85 83	TRANSPORTATION / TRUCKING TAXES	\$ \$6,52
270 270	86 90	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$4,000	265	10	CONTINGENCY COSTS 5%	\$5,93
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000			Total Intangible Facility Costs:	331,05
270		TANKS & WALKWAYS	\$90,000			Office Use Only:	
270		MECHANICAL BATTERY BUILD EI&C BATTERY BUILD	\$154,000 \$45,000	1		Office one Omy.	
270	134		\$5,000	1			
270		PRIMARY FOWER BUILD FLOWLINE INSTALLATION	\$\$6,000 \$27,000				
270 270	138 140	FLOWLINE INSTALLATION SIGNAGE	\$27,000				
270	125	TAXES	\$55,674	1			
		Total Tangible Facility Costs:	21,00.924	1			
			-	1			
Total D	rill.		\$4,406,170.14 \$6,045,445.54	1			
Total Fa		n	\$1,198,976.75	1			
Total D		ible.	\$8,190,172.54	1			
Toral D	C Tangil	site.	\$2,261,443.14				
Total A.	FE.		\$11,630,392.43				
	THIS A	UTHORITY FOR EXPENDITURE IS BASED ON COST	ESTIMATES BILLING	VILL REF	LECT Y	OUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS
Operato		Franklin McGrai					
		11. 1244					4.01.0000
Approvi	ad By	Conin Water I		Date		<u> </u>	6/21/2023
		Craig Walters Chief Executive Officer					
WI Own	ier						
				D			
Approvi	Ed By			Date:			
Printed	A la unu			Title			

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



Franklin Mountain Energy 3, LLC 44 Cook Street, Suite 1000 Denver, CO 30206 Phone 720-414-7868 Tranklimmount amenergy, com

125	Sangible Deilling Costs					
225 5					421 (440)	
225 3		Amount	Major	Minor	niangible Com la lon Costs Description	Amount
15	TRATIVE OVERHEAD	\$5,200	240	5	ADMINISTRATIVE OVERHEAD	58,3
255 16 CEMENTIN 255 25 COMMUNI 255 25 COMMUNI 255 30 CONTRAC' 255 30 CONTRAC' 255 30 CONTRAC' 255 30 DAYWORK 3	TREW & EQPT ING INTERMEDIATE CASING	\$55,000 \$40,000	240 240	10 15	CASED HOLE LOGS & SURVEYS CASING CREW & EQPT	\$6,0
225 25 COMMUNI 225 36 COMPLET 225 36 CONSTRUC 225 46 CONTRAC 225 46 CONTRAC 225 47 DAMAGES 225 30 DAYWORK 225 57 DRILLING 225 58 DRILLING 225 60 DRILLING 225 75 ENGINEER 225 80 ENVIRONN 225 84 EQUIPMEN 225 85 EQUIPMEN 225 86 ENVIRONN 225 86 ENVIRONN 225 87 ENGINEER 225 87 ENGINEER 225 88 ENVIRONN 225 88 EQUIPMEN 225 89 HEALTH & 225 100 HOUSING, 225 110 MOUSERA 225 110 MOUSERA 225 125 MOUSERA 225 126 MOUSERA 225 127 MISCELLA 225 128 MOUSERA 225 129 MISCELLA 225 120 MISCELLA 226 127 ENGINEER 227 128 INFORMER 228 129 ENGINEER 229 120 ENGINEER 220 120 ENGINEER 220 120 TAXES 220 120 TAXES 220 120 FACCHERS 220 FACCHERS 220 FACCHERS 220 FACCHERS 220 FACCHER	ING PRODUCTION CASING	\$85,000	240	0	COILED TUBING/SNUBBING UNIT	\$194,3
125 30	ING SUFACE CASING	\$36,000 \$21,000	240 240	3	COMMUNICATIONS COMPANY DIRECT LABOR	\$1,8
225 40 CONTRAC' 225 45 DAMAGES 225 50 DAYWORK 225 50 DRILLING 225 65 DRILLING 225 65 DRILLING 225 65 DRILLING 225 75 ENGINEER 225 75 ENGINEER 225 84 EQUIPMEN 225 84 EQUIPMEN 225 84 EQUIPMEN 225 105 INSURANC 225 106 INSURANC 225 107 INSURANC 225 108 INSURANC 225 109 INSURANC 225 100 INSURANC 225 101 INSURANC 225 104 INSURANC 225 105 INSURANC 225 106 INSURANC 225 107 INSURANC 225 108 INSURANC 225 109 INSURANC 226 INSURANC 227 INSURANC 228 INSURANC 229 INSURANC 230 INSURANC 2	TION FLUIDS	\$6,000	240	5	COMPLETION/WORKOVER RIG	\$75,0
225 45 DAMAGES	ACTIONALOCATION & ROAD	\$45,000 \$60,000	240 240	5	CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION	\$23.6 \$1.8
225 55 DRILLING		\$15,000	240	3	DISPOSAL SOLIDS	\$2,E
225 60 DRILLING	K CONTRACT	\$650,000	240	60	ELECTRICAL POWER/GENERATION	
225 65 DRILLING	3-FOOTAGE	\$130,000 \$90,000	240 240	3	ENGINEERING ENVIRONMENTAL/CLEANUP	25,62
225 75 ENGINEER	BITS	000,0112	240	D	FISHING TOOLS / SERVICES	
225 80	CAL POWER/GENERATION	\$0 \$25,200	240 240	72	FLUIDS/IAULING/DISPOSAL FRAC WATER/COMPLETION FLUID	\$180,0 \$470,0
215 85 EQUIPMEN	IMENTAL SERVICES	\$220,000	240	75	FUEL, POWER/DIESEL	\$350,0
235 90 FISHING T	ENT RENTAL DOWNHOLE	\$60,000 \$60,000	240 240	30 25	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$4,76 \$14,00
125	TOOLS/SERVICES	30,000	240	90	MATERIALS & SUPPLIES	311,0
225 105 INSTRANC 125 106 INSPECTION 125 126 INSTECTION 125 140 OPENITOLE 125 140 OPENITOLE 125 140 OPENITOLE 125 145 PERMITS, 1225 145 PERMITS, 1225 145 PERMITS, 1225 145 PIGNITOLE 125 PIGNI		\$11,000	240	95 100	MISCELLANEOUS	510.00
225 106 INSPECTION	AND SUPPORT SERVICES	\$21,000 \$2,200	240 240	100	MUD & CHEMICALS PRA/TA COSTS	\$10,0
115	ION5	\$20,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,40
225 126 MISCELLA	TTLE SERVICES	\$6,000 \$5,000	240 240	120	PIPE INSPECTION ROAD, LOCATIONS REPAIRS	\$2,0
225 130 MUD & CH	ANEOUS	\$5,000	240	130	STIMULATION	\$2,616,0
140 OPENHOLE	ATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,9
225 145 PERMITS 1225 150 POWER FU 1225 150 POWER FU 1225 150 RIG GUP TE 1225 160 STAKINO & 1225 175 SUPPERVISI 175 SUPPERVISI 175 SUPPERVISI 175 SUPPERVISI 176 TAANSPOOD	HEMICALS LE LOGGING	\$200,000	240 240	140 145	SUPERVISION SURFACE EQUIP RENTAL	\$90,04 \$189,51
225 150 POWER FU	OLE LOGGING	50	240	150	TRANSPORTATION/TRUCKING	\$2,84
155	, LICENSES, ETC	\$20,000 \$180,000	240 240	155	WATER TRANSFER WELDING SERVICES	\$56, B1
225 160 RIG UP TE.	UEL & WATER HAULING E & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,00
225 165 STAKING & 225 170 SUPBEN'SI 225 170 SUPBEN'SI 225 175 SUPBEN'SI 225 175 SUPBEN'SI 225 175 SUPBEN'SI 226 226 227	EAR OUT & STANDBY	\$0	240	148	TAXES	\$269,19
170 SUPERVISE	TORATION & SURVEYING	\$6,000 \$6,000	240	40	CONTINGENCY COSTS 5% Total Intangible Completion Costs:	\$244,72 \$5,408,44
180 TRANSPOR		\$88,200				,
178 TAKES	SION - GEOLOGICAL	\$48,300	(Tan Thie Completion Cost #	
15	RTATION/TRUCKING	\$25,000 \$143,721	Major 245	Village	Description ARTIFICIAL LIFT	Amount S175,00
Nation	ENCY COSTS 5%	\$130,653	245	15	FLOWLINES	\$20,00
220 10 INTERMEE 230 20 PACKERS 230 25 PRODUCTI 230 15 SURFACE 230 45 WELLHEAL 230 45 WELLHEAL 230 40 TAXES Total Tangit 270 10 FACILITY 270 15 CONTAINA 270 270 50 EHLYDRA 270 25 DEHYDRA 270 50 FLOWLINE 270 60 H2S TREAT 270 64 ROADALOC 270 75 PRE-FABRI 270 66 FACILITY 270 67 FACILITY 270 75 PRE-FABRI 270 75 PRE-FABRI 270 75 PRE-FABRI 270 100 TANKS & VERTICAL 270 100 MECHANK 270 125 SAFET 270 104 MECHANK 270 126 ELC BATT 270 140 SIGNAGE 270 3	ngible Drilling Custs:	\$2,887,476	245 245	25 40	FRAC STRING PACKERS/SLEEVES/PLUGS/GL MANDRELS	5
220 10 INTERMEE 230 20 PACKERS 230 25 PRODUCTI 230 15 SURFACE 230 45 WELLHEAL 230 45 WELLHEAL 230 40 TAXES Total Tangit 270 10 FACILITY 270 15 CONTAINA 270 270 50 EHLYDRA 270 25 DEHYDRA 270 50 FLOWLINE 270 60 H2S TREAT 270 64 ROADALOC 270 75 PRE-FABRI 270 66 FACILITY 270 67 FACILITY 270 75 PRE-FABRI 270 75 PRE-FABRI 270 75 PRE-FABRI 270 100 TANKS & VERTICAL 270 100 MECHANK 270 125 SAFET 270 104 MECHANK 270 126 ELC BATT 270 140 SIGNAGE 270 3	Tangible Deilling Costs *		245	45	PRODUCTION LINER	1
230 20 PACKERS.2		Amount	245 245	50	PRODUCTION PROCESSING FACILITY	5 \$150,00
230 25	ULATE CASING & ATTACHMENTS VSLEEVES/PLUGS	\$173,548 \$66,000	245	55 60	PRODUCTION TUBING RODS/PUMPS	3130,00
230 45 WELLHEAL	TION CASING & ATTACHMENTS	\$1,165,590	245	65	SUBSURFACE EQUIPMENT	\$50,00
A	CASING & ATTACHMENTS AD EQUIPMENT/CASING BOWL	\$173,758 \$70,000	245 245	75 70	WELLHEAD EQUIPMENT TAXES	\$125,00 \$28,60
Niajor Minor Description		\$90,689			Total Tangible Completion Costs:	25,81-22
270 10 FACILITY 1 270 12 DEHYDRA: 270 25 DEHYDRA: 270 30 FLOWLINE 270 60 FLOWLINE 270 63 SEPARATI 270 66 ROADALOC 270 75 PRE-FABRI 270 100 CONTROL 270 100 CONTROL 270 110 MECHANK 270 112 ELEC BATT 270 104 SIGNAGE 270 125 PRIONAGE 270 140 SIGNAGE 270 152 TAXES TOTAL TARGET COLL DESILY 100 SIGNAGE TOTAL TARGET TOTAL TARGET COLL DESILY 100 SIGNAGE TOTAL TARGET TO	pible Drilling Costs:	\$1,739,585			Intengible Fility Cost	
270 10 FACILITY 1 270 12 DEHYDRA: 270 25 DEHYDRA: 270 30 FLOWLINE 270 50 FLOWLINE 270 60 FLOWLINE 270 66 ROADALOC 270 75 FRE-FABRI 270 100 CONTROL 270 100 CONTROL 270 110 TANKS & V 270 110 TANKS & V 270 110 MECHANK 270 12 EL&C BATT 270 140 SIGNAGE 270 155 TAXES Total Tangé Cotal Dell' Cotal Dell' Cotal Completion. Fotal Facility: Cotal Completion.	Tangible Facility Costs	4	Major 265	Minur 5	Description CONSULTING	1000ml 11,812
270 15 CONTAINS 270 20 DEHLYDRAZ 270 30 PRIMARY 270 30 PRIMARY 270 60 H2S TREAT 270 65 SEPARATIC 270 65 SEPARATIC 270 66 ROADACO 270 75 PRE-FABRI 270 90 1125 SAFET 270 100 TANKS & V 270 110 TANKS & V 270 122 ELEC BATT 270 114 CONTROLS 270 115 PRIMARY 270 126 PRIMARY 270 127 TANKS & V 270 128 TANKS & V 270 129 TANKS & V 270 120 SIGNAGE 270 127 TANKS & V 270 128 TANKS & V 270 128 TANKS & V 270 128 TANKS & V 270 129 TANKS & V 270 120 TANKS & V 270 TANKS	PIPE/YALVES/FITTINGS	Amount \$180,000	265	12	COMPANY DIRECT LABOR	310,11
270 30 PRIMARY 270 50 PROWNING 270 60 HS TREAT 270 65 SEPARATIC 270 66 ROADAGO 270 75 PRE-FABRI 270 90 1125 SAFET 270 100 TANKS & V 270 101 TANKS & V 270 102 PRIMARY 270 104 PRIMARY 270 105 PRIMARY 270 106 PRIMARY 270 107 SIGNAGE 270 107 TANKS & V 270 108 PRIMARY 270 109 TANKS & V 270 109 TA	MENT	20	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,00
270 50 FLOWLINE 270 60 HS TREATA 270 65 SEPARATIO 270 65 ROADAOC 270 75 PRE-FABRI 270 86 FACILITY: 270 90 CONTROL 270 100 CONTROL 270 132 EIAC BATT 270 130 MECHANIC 270 132 FLOWLINE 270 140 SIGNAGE 270 150 SIGNAGE 270 SIGN	ATION POWER MATERIALS	\$0 \$56,000	265 265	22 25	PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE	\$50,00 \$22,00
270 65 SEPARATI 270 66 ROADALOC 270 75 PRE-FABRI 270 86 FACILITY ! 270 90 ISS SAFET 270 100 CONTROL 270 130 MECHANK 270 131 ELEC BATT 270 134 CONTROL 270 136 PRIMARY ! 270 140 SIGNAGE 270 140 SIGNAGE 270 125 TAXES Total Targs Fotal Drill Fotal Completion. Fotal Pacility: Fotal Completion. Fotal Pacility: Fotal Completion. Fotal Pacility: Fotal Completion.	ES / PIPELINE / HOOKUP	\$47,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	1
270 66 ROADACC 270 75 PRE-FABRI 270 86 FACILITY: 270 90 I12S SAFET 270 100 TANKS & V 270 100 MECHANK 270 132 ELEC BATT 270 134 PRIMARY: 270 136 PRIMARY: 270 136 PRIMARY: 270 140 SIGNAGE 270 140 SIGNAGE 270 125 TAXES 270 TAXES	VTING EQUIPMENT	50	265	45	CONTRACT LABOR & SERVICES	
270 75 PRE-FABRI 270 86 FACILITY 270 90 128 SAFE 270 100 CONTROL. 70 110 TANKS & V. 270 130 MECHANK 270 134 CONTROL. 270 134 CONTROL. 270 134 CONTROL. 270 135 FLOWILDE 270 125 TAXES Total Tangle Total Completion. Total Facility: Cotal Completion. Total Facility: Cotal Completion. Cotal Cotal Completion. Cotal Cotal Completion. Cotal Cotal Completion. Cotal Cot	TON EQUIPMENT CATION/FENCING/REPAIRS	\$125,000 \$0	265 265	60 80	OVERHEAD SURVEY / PLATS / STAKINGS	\$3,00 \$1,50
270 90 1125 SAFET 270 100 CONTROL.	RICATED SKIDS	50	265	85	TRANSPORTATION / TRUCKING	
270 100 CONTROL	SURFACE EQUIPMENT	\$137,000	265	83	TAXES	\$6,50
110	TY SYSTEM L/INSTRUMENT/METERS/SCADA	\$4,000 \$86,000	265	10	CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$ 2000
270 132 ELEC BATT 270 134 CONTROLS 270 136 PRIMARY 1 270 138 PLOWLINE 270 138 SIGNAGE 125 TAXES Total Fariginal Completion. Foral Parilly: Foral Completion.	WALKWAYS	\$90,000				
270 134 CONTROLS 270 136 PRIMARY 1270 138 PLOWLINE 1270 125 TAXES Total Tangs 125 Taxas 126 1270 127	ICAL BATTERY BUILD	\$154,000			Office Use Only:	
270 136 PRIMARY	ITERY BUILD LS AND SCADA BATTERY BUILD	\$45,000 \$5,000				
270 140 SIGNAGE 270 125 TAXES Total Tangit Fotal Onlife Total Completion. Total Facility: Total Facility: Total Facility:	POWER BUILD	\$56,000				
270 125 TAXES Total Tangi Total Dail Total Completion. Total Facility: Total Fixed PC Intangible	E INSTALLATION	\$27,000 \$250				
Total Dell Total Dell Total Completion. Total Facility: Total Facility:		\$55,674	1			
Fotal Completion. Fotal Facility: Fotal DC Intangible	rible Facility Casts:	1,067,924	1			
Fotal Completion. Fotal Facility: Fotal DC Intangible						
Fotal Facility: Cotal DC Intangible		\$4,627,060,78 \$5,957,045.54	1			
Cotal DC Intangible		\$1,198,976,75				
otat DC Tangible:		\$8,295,921.04				
		\$2,288,185 28				
(ola) AFE.		\$11,783,063.07]				
THIS AUTHORITY	FOR EXPENDITURE IS BASED ON COST E	STIMATES BILLING V	VILL REFI	LECT Y	OUR PROPORTINATE SHARE OF THE ACTUAL IN	OICE COSTS
Operator <u>Franklin Mo</u>	guetain Parker I Library					
Approved By.	4 KOU		Date:		6	21/2023
Craig Walter		-				
Chief Execut	unive Officer					

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

Date

Title

Approved By

Printed Name

Gold E2E2- Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company Marathon Oil Permian, LLC EG3 Development, LLC Allar Development, LLC Slash Exploration LP

ORRI to Be Pooled

Good News Minerals, LLC Post Oak Crown IV, LLC Post Oak Mavros II, LLC Sortida Resources, LLC Oak Valley Mineral and Land, LP Crown Oil Partners, LP Collins & Jones Investments, LLC MCT Energy Ltd. H. Jason Wacker David W. Cromwell SHG Energy, LLC Sitka Consulting, LLC Ridge Runner Holdings, LLC John Lawrence Thoma, Trustee of the Cornerstone Family Trust CrownRock Minerals, L.P. The Allar Company EG3, Inc. GMT New Mexico Royalty Company LLC Franklin Mountain Royalty Investments 3, LLC **Armstrong Energy Corporation** Blue Ridge Royalties, LLC Chimney Rock Oil & Gas, LLC



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

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

CASE NO. 24358

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico to form a standard 360-acre, more or less, Wolfcamp horizontal spacing unit.
- 3. Franklin plans to drill the Gold State Com 703H and Gold State Com 803H wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled from proposed surface hole locations in the NW/4NE/4 (Unit B) of Section 35 to proposed bottom hole



¹ This application amends the application filed in Case No. 23842.

locations in the NW/4NE/4 (Unit B) of Section 23, and the producing area for the wells is expected to be orthodox.

- 4. Franklin filed Case No. 23842 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would "partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E." Application Case No. 23842, ¶ 4.
- 5. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap a proposed 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 703H and Parallel State Com 803H wells.
- 6. 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.
- 7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
 - 8. Case No. 23842 is currently set for contested hearing on April 9, 2024.
- 9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division 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 the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico;
 - B. Approving, to the extent necessary, the proposed overlapping spacing unit;
 - C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

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Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
Attorneys for Applicant

CASE NO. 24358: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 703H and Gold State Com 803H wells, to be horizontally drilled from proposed surface hole locations in the NW/4NE/4 (Unit B) of Section 35 to proposed bottom hole locations in the NW/4NE/4 (Unit B) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 703H and Parallel State Com 803H wells. 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 24 miles west of Hobbs, New Mexico.

EXHIBIT

Dismet I (525 N. French Dr., Hobos, NM, 88240 (525 N. French Dr., Hobos, NM, 88240 Phone. (575) 393-6161 Fax: (575) 193-0720 Dismit II 811 S. Fres St., Artesia, NM 88210 Phone: (573) 748-1283 Fax: (575) 748-9720 Dismit III 1000 Rio Brazos Roan, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

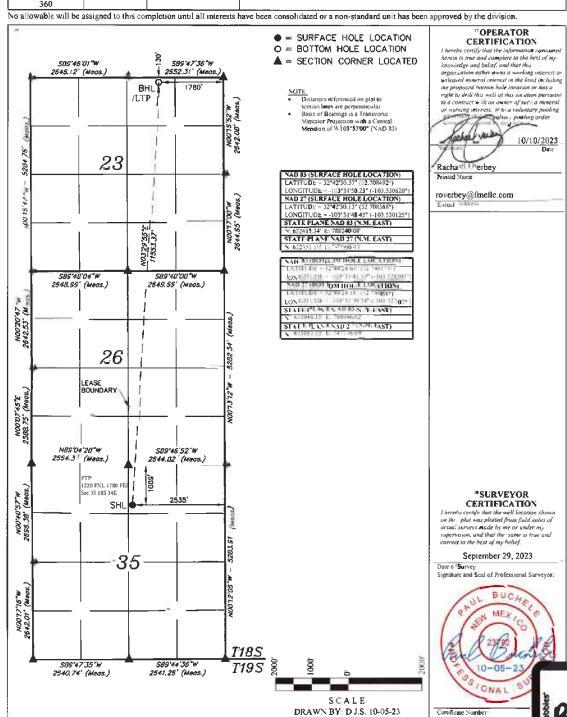
API Number		² Pool Code	AL LIBOURIUM OF BOLLYD	
30-025-52	401	990 & 970	[990] AIRSTRIP; WOLFCAMP, NORTH, [970] AIRSTRIP; WOLFC	
⁴ Property Code			operty Name	4 Well Number
334169		GOLD	STATE COM	70311
[†] OGRID No.		*Op	perator Name	9 Elevation
331595		FRANKLIN MÖL	INTAIN ENERGY 3, LLC	3982.6"

"Surface Location

ı	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I.	В	35	185	34E		1089	NORTH	2535	EAST	LEA

Bottom Hole Location If Different From Surface

	UL or lot no. B	Section 23	Township 18S	Range 34E	Lot Idn	Feet from the 130	North/South line	Feet from the 1780	East/West line EAST	County LEA
ſ	12 Dedicated Acres 360		oint ar Infill	14 Consi	alidation Code	15 Order Na.	-			



| <u>District.1</u> | 1625 N. French Dr. Hobbs. N.M. 88240 |
1625 N. French Dr. Hobbs. N.M. 88240 |
<u>District.11</u> | 1625 N. School 1611 | Fax. (575) 393-6161 |
<u>Phone.</u> (575) 393-6161 | Fax. (575) 348-9720 |
<u>District.11</u> | 1600 Rb. Brazos Roso, Azrec. N.M. 87410 |
<u>Phone.</u> (505) 334-6178 | Fax. (505) 334-6170 |
<u>District.1V</u> | 1220 S. E. Francis Dr., Santa Fe., N.M. 87505 |
<u>Phone.</u> (505) 376-3460 | 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

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Enst/West line

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-52	Poul Code 990	AIRSTRIP; WOLFCAMP,NOR	гн
4 Property Code 334169	GOLE GOLE	4 Well Number 70311	
⁷ OGRID No. 331595		perator Name UNTAIN ENERGY 3, LLC	* Elevation 3982.6*

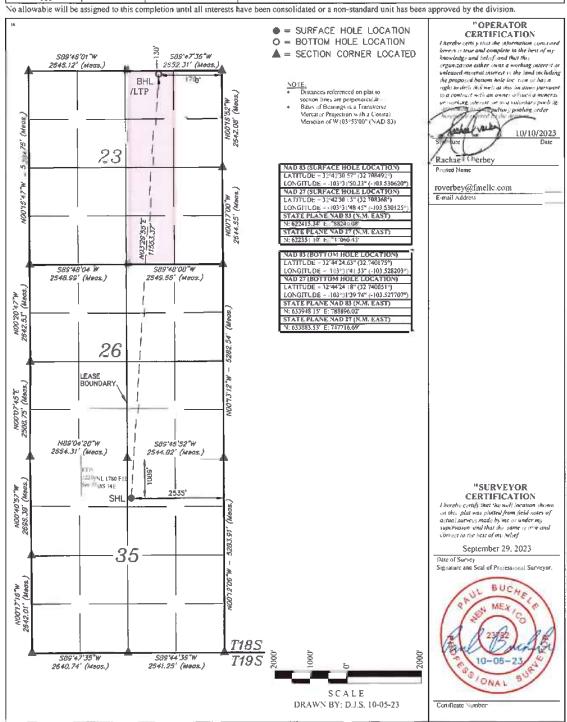
Lot Idn Feet from the North/South line

- 1		30	100	34L	1907	.ioniii	2000	DN01	LLA		
	"Bottom Hole Location If Different From Surface										
	Bottom froit Exception in Different from duringe										
	III andeses	Caution	Towarhin	Onnos Lot Idn	Cast from the	North/South line	Euro Consum Africa	FootiWest Hear	Causti		

"Surface Location

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the 1780 EAST LEA

10 Dedicated Acres 3 Joint or Infill Consolidation Code 15 Order No. 160



District I 1625 | French Dr., Hobbs, NM 88240 Phone: (\$75) 393-6161 | Fax (\$75) 393-0720 Phone: (375) 748-1283 Fax: (575) 748-9720 District III 1000 Reo Brazos Rosa, Aztoc, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

Phone: (2003)
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

■ AMENDED REPORT

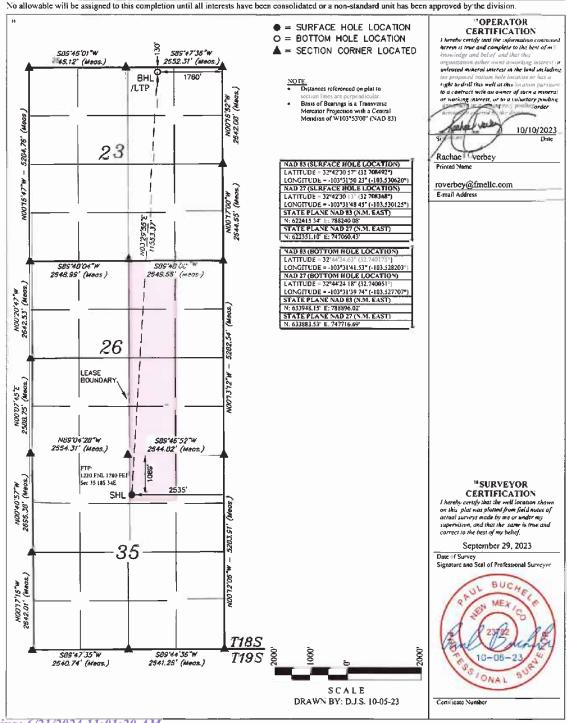
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-52	1 2 1 2 1 2 1	AIRSTRIP; WOLFCAMP		
Property Code 334169	C C	Property Name GOLD STATE COM		
* OCRID No. 331595	FRANKLIN	*Operator Name MOUNTAIN ENERGY 3, LLC	9 Elevation 3982.6'	

"Surface Location

UL or lot no.	Scetion	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	35	18S	34E		1089	NORTH	2535	EAST	LEA

"Bottom Hole Location If Different From Surface Feet from the 130 Feet from th East/West lin-EAST NORTH 200



D sinet I.
1625 N. French Dr., Hobbs, NM 88240
Phone (375) 393-6161 Fax. (575) 393-0720
District II.
811 S. Fron St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Roso, Aztoc, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District (V)
1220 S. St. Francis Dr., Santa Fc, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

Lit or lot no Section Township Penge

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

ı	API Number	Pool Code	Poul Name			
	30-025-52403	990 & 970	990 & 970 [990] AIRSTRIP; WOLFCAMP, NORTH, [970] A			
	Property Code		¹ Property Name			
	334169	j G	OLD STATE COM	803H		
	⁷ OGRID No.		*Operator Name	* Elevation		
	331595	FRANKLIN	MOUNTAIN ENERGY 3, LLC	3981.9'		

"Surface Location

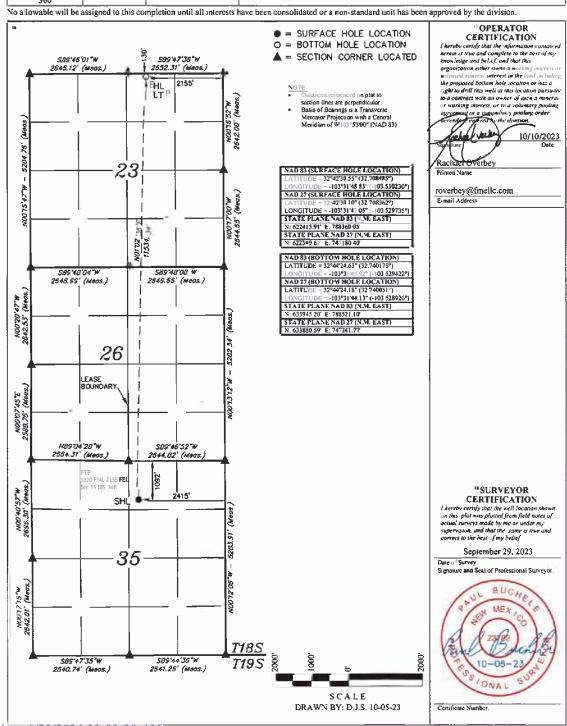
В	35	18S	34Ĕ		1092	NORTH	2415	EAST	LEA
	B 35 18S 34E 1092 NORTH 2415 EAST LEA								

Feet from the

Fact/West line

Bottom Hole Location If Different From Surface

UL or lot no. B	Section 23	Township 18S	Runge 34E	Lot Idn	Feet from the 130	North/South line NORTH	Feet from the 2155	East/West line EAST	County LEA
12 Dedicated Acres U Joint or Infill		Joint or Infill	H- Consi	olidation Code	15 Order No.				



<u>District</u> [
1625 N French Dr., Hobbs, NW 882.40
Phone: (575) 393-6161 Fax: (575) 393-0720
<u>District</u> [1
811 S, Fren St., Artesia, NM 882.10
Phone: (575) "48-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Roso, Aztec, NM 87410 Phone (505) 334-6178 Fax (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone. (503) 476-3460 Fax: (505) 476-3462

Section Township Range

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

Cast/West line

WELL LOCATION AND ACREAGE DEDICATION PLAT

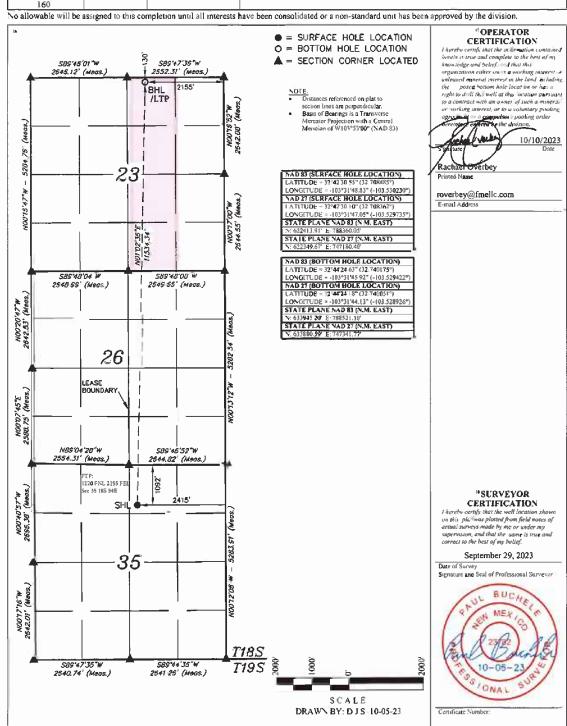
ı	API Number	¹ Pool Code	3 Pool N	ame		
- [30-025-52403	990	AIRSTRIP	; WOLFCAMP, NORTH		
ı	4 Property Code		5 Property Name			
- [334169		GOLD STATE COM			
П	1 OGRID No.		"Operator Name	* Elevation		
-1	331595	FRANKLI	N MOUNTAIN ENERGY 3, LLC	3981.9'		

Surface Location

В	35	18 S	34Ē		1092	NORTH	2415	EAST	LEA	
				Rottom II		f Different From	Surface			

Bottom Hole Location If Different From Surface

UL or lot no. S	ection 23	Township 18S	Range 34E	Lot 1¢n	Feet from the 130	North/South line NORTH	Feet from the 2155	East/West line EAST	County LEA
Dedicated Acres	11 14	olat or Lefill	14 Conse	lidation 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

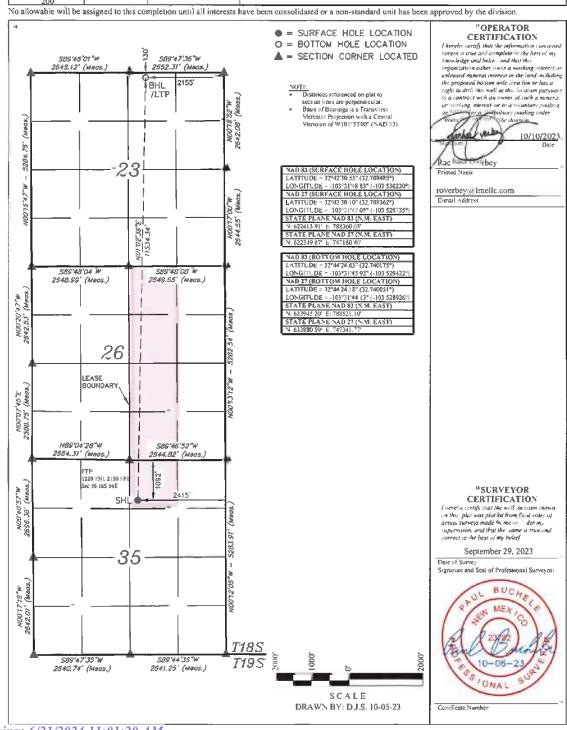
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

ĺ	API Number 30-025-52403	² Pool Code 970	AIRSTRIP:WOLFCAM	P
l	4 Property Code	5 [Preparty Name D STATE COM	* Well Number
ł	334169 FOCRIO No.	*0	perator Name	803H 9 Elevation
	331595	FRANKLIN MO	UNTAIN ENERGY 3, LLC	3981.9'

Surface Location										
UL or let no. B	Section 35	Township 18S	Range 34E	Lot fde	Feet from the 1092	North/South line NORTH	Feet from the 2415	East/West line EAST	County LEA	

"Bottom Hole Location If Different From Surface UL or fot no. East/West line Range 34E Let Idn Feet from the ß 23 188 130 NORTH 2155 Dedicated Acres ³ Joint ar Lufill ¹³ Order 200



Case No. 24358 Unit Summary



Case No. 24358 **W2E2 of Sec 23, W**2E2 of Sec 26, & NWNE of Sec 35-T18S-R34E, 360.00 Acres

W2E	2 of Sec 23	3, W 2E2 of Sec 26, & NWNE	of Sec 3
		Gold State Con	n 703H
		Gold State Con	0021
		Gold State Coll	ווכטסוו
4	23	Proposed Wolfcamp Unit	
			anklin Mour
		Tract 1 (80 Acres)	tter Creek LL
			ommitted Int
		Tract 2 (80 Acres)	
	•		IRC Permian
			larathon Oil
	26		llar Develop
		I Triact 3 (60 Acres)	ash Explorat artnership
			33 Developn
			33 Developi
		Tract 4 (80 Acres)	ncommitted
			otal.
			Received ele
		Tract 5 (40 Acres)	
	35	Tract Lease	
		1 VB-2276	
		2 EO-5014	
		3 VB-1406	
		4 L0-3674	
		5 E0-5014	

Commited Working Inte	rest		
Franklin Mountain Energy 3, LLC	16.9911%		
Otter Creek LLC	11.1111%		
Committed Interest	28.1022%		
Uncommited Working Int	erest		
MRC Permian Company	45.5556%		
Marathon Oil Permian LLC	17.7777%		
Allar Development, LLC	4.1667%		
Slash Exploration Limited			
Partnership	3.0089%		
EG3 Development, LLC	1.3889%		
Uncommitted Interest	71 8978%		
Total.	100 0000%		

^{*}Received elections to participate





Sent via USPS: 9400109205568758357828

July 18, 2023

Marathon Oil Permian, LLC 990 Town and Country Blvd Houston, TX 77024 Attn: Land Dept, Permian Basin

RE: Well Proposals

Well Proposals
Township 18 South, Range 34 East:

Section 23: W2E2, Section 26: W2E2, & Section 35: NWNE

Lea County, New Mexico 360.00 acres, more or less

Dear Working Interest Owner:

Franklin Mountain Energy 3, LLC ("FME3"), as Operator, hereby proposes the drilling and completion of the following wells:

Well Name	Target Formation	Total Vertical Depth	Measure d Depth	SHL	BHL	Total AFE	Order
Gold State Com 703H	WCA	10997	20,997'	Sec 35- T18S-R34E 1062 FNL 2535 FEL	Sec 23- T18S- R34E 130 FNL 1780 FEL	\$11,650,592.43	N/A
Gold State Com 803H	WCB	11681	21.681'	Sec 35- T18S-R34E 1062 FNL 2435 FEL	Sec 23- T18S- R34E 130 FNL 2155 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:

- 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:

7 Four managerous seminous

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 Don Johnson at <u>djohnson@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 (720) 414-7863.

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson

Sr. Land Analyst



Gold State Com 703H:
I/We hereby elect to participate in the Gold State Com 703H well. I/We hereby elect NOT to participate in the Gold State Com 703H well
Gold State Com 803H:
I/We hereby elect to participate in the Gold State Com 803H well. I/We hereby elect NOT to participate in the Gold State Com 803H well
Owner: Marathon Oil Permian, LLC
By:
Printed Name:
Title:
Date:



Franklin Mountain Energy 3, LLC 44 Cook Street, Sune | 1000 Denver, CO 80206 Phone 720-414-7868 franklinnountainenergy com,

 Well Name:
 Gold State Com 703H

 Location:
 SHL Sec 35-T185-R34E 1062 FNL 2535 FEL BHL: Sec 25-T185-R34E 130 FNL 1780 FEL Franklin Mountain Energy 3, LLC

 Purpose:
 Dnill and complete a 10,0007 WCA well TVD 10,977, MD 20,997

County/State: Les Co., NM
Date Prepared: 6/21/2023
AFE #: DCE230624

Jut Mible Drilling Costs Inta Mible Completion C Maj # Minor Description
22 5 ADMINISTRATIVE OVERHEAD Major Miner Description
240 5 ADMINISTRATIVE OVERHEAD Describer

ADMINISTRATIVE OVERHEAD
CASED HOLE LOOS & SURVEYS
CASING CERW & EOPT
COILED TUBING/SNUBBING UNIT
COMMUNICATIONS
COMPANY DIRECT LABOR
COMPLETION/SNUBBING UNIT
COMPLETION/SNUBBING UNIT
COMPLETION/SORVOYER RIG
CONTRACT LABOR/ROUSTABOUTS
DAMAGES/RECLAMATION
DISPOSAL SOLIDS
ELECTRICAL POWER/GENERATION
ENGINEERING
ENVIRONMENTAL/LEANUP
ENGINEERING
ENVIRONMENTAL/LEANUP
FISHING TOOLS / SERVICES
FLUIDSHAULING/DISPOSAL
FRAC WATER/COMPLETION PLUID
FUEL, POWER/DISSE
HEALTH & SAFETY
HOUSING AND SUPPORT SERVICES \$8,200 ADMINISTRATIVE OVERHEAD
CASING CREW & EDYT
CEMENTING INTERMEDIATE CASING
CEMENTING PRODUCTION CASING
CEMENTING SUFACE CASING
COMMUNICATIONS
COMPLETION FLUIDS
CONSTRUCTION FLUIDS
CONSTRUCTION LOCATION & ROAD \$6.635 225 \$194,313 \$1,896 \$0 225 225 \$21,00 \$75,000 \$23,691 \$6,000 225 225 225 225 225 \$55,000 CONTRACT LABOR \$1,896 \$2,844 DAMAGES \$15,000 DAMAGES
DAYWORK CONTRACT
DRILLING - DIRECTIONAL
DRILLING - FOOTAGE
DRILLING BITS
ELECTRICAL POWERGENERATION \$15,000 \$585,000 \$220,000 \$90,000 \$100,000 \$5,687 \$0 \$21,000 **ENGINEERING** ENVIRONMENTAL SERVICES 5210.000 ENVIRONMENTAL SERVICES
EQUIPMENT RENTAL DOWNHOLE
EQUIPMENT RENTAL
FISHING TOOLS/SERVICES
HEALTH & SAFETY
HOUSING AND SUPPORT SERVICES
RISURANCE
RISURANCE
RISURANCE HEALTH & SAFETY
HOUSING AND SUPPORT SERVICES
MATERIALS & SUPPLIES
MUD & CHEMICALS
PRATA COSTS
PREFORATING/MYRELINE SERVICE
PIES INSPECTION
DATE OF THE SERVICE
PIES INSPECTION
DATE OF THE SERVICE
PIES INSPECTION
DATE OF T \$50,000 \$9,000 \$1,900 \$265,403 \$265 INSPECTIONS INSPECTIONS
LEGAL, TITLE SERVICES
MATERIALS & SUPPLIES
MISCELLANEOUS
MOUSEPLATHOLE/CONDUCT PIPE
MUD & CHEMICALS
OPENHOLE LOGGING
CASED HOLE LOGGING
PERMITS, LICENSES, ETC
POWER FUEL & WATER HAULING
RICANUS & RACKING COSTS \$17,000 \$6,000 \$5,000 \$5,000 \$31,000 \$190,000 \$0 \$20,000 ROAD, LOCATIONS REPAIRS STIMULATION \$2,000 \$2,000 \$2,616,000 \$17,915 \$90,047 \$189,573 \$2,844 \$56,872 SUBSURFACE EQUIPMENTAL RENTAL SUPERVISION SUPERVISION SURFACE EQUIP RENTAL TRANSPORTATION/TRUCKING WATER TRANSFER 774 225 225 225 \$170,000 160 165 WELDING SERVICES WELL TESTING/FLOWBACK RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY SITE RESTORATION \$165,000 \$130,00 TAXES \$10,000 CONTINUENCY COSTS 5% STAKING & SURVEYING \$6,000 Total Intangible Completion Costs 55, 196, 846 SUPERVISION SUPERVISION GEOLOGICAL TRANSPORTATION/TRUCKING \$75,600 \$41,400 \$22,000 Tangible Completion Costs \$175,00 \$20,00 180 178 35 Major Min 245 5 or Description
ARTIFICIAL LIFT TAXES CONTINGENCY COSTS 5% \$134,05 5 15 25 245 245 FLOWLINES FRAC STRING Total Intangible Drilling Costs PRACE SIGNUM
PACKERSIZE EVES/PLUGS/GL MANDRELS
PRODUCTION LINER
PRODUCTION PROCESSING FACILITY
PRODUCTION TUBING
RODS/CMPS
SUBSURFACE EQUIPMENT
WELLIEAD EQUIPMENT
TANES 245 245 245 245 245 245 245 245 40 45 50 55 60 65 75 Tangible Drilling Costs Majer 230 230 Minor Description

10 INTERMEDIATE CASING & ATTACHMENTS Amount \$173,758 \$150,000 \$0 \$50,000 PACKIRSSLEEVESPLUGS
PRODUCTION CASING & ATTACHMENTS
SURFACE CASING & ATTACHMENTS
WELLHEAD EQUIPMENT/CASING BOWL \$66,000 \$1,144,050 230 230 \$169,740 \$125,00 230 230 TAXES Total Tangible Completion Costs: \$548,600 Total Tangible Drifting Costs. Intangible Facility Cost Tangible Facility Costs Description

CONSULTING

COMPANY DIRECT LABOR Miner Description
10 FACILITY PIPE/VALVES/TITTINGS 265 CONTRACT DIRECT LABOR DAMAGESROWPERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTION / TRAINING 270 CONTAINMENT \$24.00 CONTAINMENT
DEHYDRATION
PRIMARY POWER MATERIALS
FLOWLINES / PIPELINE / HOOKUP
H2S TREATING EQUIPAIENT
SEPARATION EQUIPAIENT
ROADLOCATION/FENCING/REPAIRS 265 265 265 265 22 25 40 45 60 80 85 \$50,000 \$22,000 \$0 \$0 \$125,000 \$3,000 \$1,500 PRE-FABRICATED SKIDS TRANSPORTATION / TRUCKING PRE-FABRICATED SKIDS
FACELITY SURFACE EQUIPMENT
H2S SAFETY SYSTEM
CONTROL INSTRUMENT / METERS / SCADA
TANKS & WALKWAYS
MECHANICAL BATTERY BUILD TAXES
CONTINGENCY COSTS 5%
Fotal Intangible Facility Costs \$137,000 \$4,000 \$86,000 \$90,000 265 Office Use Only: 130 132 134 136 138 140 125 MECHANICAL BATTERY BUILD
ELÉC BATTERY BUILD
CONTROLS AND SCADA BATTERY BUILD
FLOWLINE INSTALLATION
SIGNAGE
TAXES
Total Transible Facility Congr. 270 270 270 270 270 270 545,000 \$45,000 \$5,000 \$56,000 \$27,000 \$250 \$55,674 \$,067,924 THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES, BILLING WILL REFLECT YOUR PROPORTINATE SHARE OF THE ACTUAL INVOICE COSTS Operator Craig Walters/ Cheef Executive Offices Date 6/21/2023 WI Owner Approved By Date. Title

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



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

 Well Name:
 Gold State Com 20314
 Well Jr.
 803H

 Lucations:
 SHL: Sec 35-7183-8346 1062 FML 2435 FEL
 County/State: Lea Co., NM

 BHL: Sec 25-7183-RJ4E 130 FML 2135 FEL
 County/State: Lea Co., NM

 Operator:
 Franklin Mountain Energy J, LLC
 Date Prepared: 021/2023

Purpose							
i cu pranc	ı	Drill and complete a 10,000 WCB well TVD 11,681', MD 21,681'		AFE#:		DCE230627	
		1 VD 11,001, MD 21,001					
		79591					
100	**	Intangible Dri Costs		411		Intaugible Completion Costs	
225	5	ADMINISTRATIVE OVERHEAD	Amount \$5,200	Major 240	Alimos 5	ADMINISTRATIVE OVERMEAD	58,200
22.5	10	CASING CREW & BOPT	\$55,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,635
225	15	CLIMENTING INTERMEDIATE CASING	\$40,000	3.0	15	CASING CREW & EQPT	50
225	16	CEMENTING PRODUCTION CASING	\$85,000	240	20	COILED TUBING/SNUBBING UNIT	\$194,313
225	20 25	CEMENTING SUFACE CASING	\$36,000 \$22,000	240	25 30	COMMUNICATIONS	\$1,896 \$0
225	10	COMMUNICATIONS COMPLETION FLUIDS	\$6,000	240 240	35	COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG	\$75,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,697
225	40	CONTRACT LABOR	\$60,000	240	50	DAMAGES/RECLAMATION	\$1,896
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$2,844
225	50	DAYWORK CONTRACT	\$650,000	240	60	ELECTRICAL POWERIGENERATION	20
225 225	55 60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$210,000 \$90,000	240 240	62 65	ENGINEERING ENVIRONMENTAL/CLEANUP	\$5,687 \$0
225	63	DRILLING BITS	\$110,000	240	70	FISHING TOOLS / SERVICES	\$0
225	70	ELECTRICAL POWER/GENERATION	20	240	71	FLUIDS/HAULING/DISPOSAL	\$120,000
225	75	ENGINEERING	\$25,200	240	72	FRAC WATER/COMPLETION FLUID	\$470,000
225	80	ENVIRONMENTAL SERVICES	\$220,000	240	75	FUEL, POWER/DIESEL	\$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$60,000 \$60,000	340	80	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$4,700
225 225	85 90	FISHING TOOLS/SERVICES	\$60,000	240 340	85 90	MATERIALS & SUPPLIES	\$14,000 \$0
225	95	HEALTH & SAFETY	\$11,000	240	95	MISCELLANEOUS	02
225	100	HOUSING AND SUPPORT SERVICES	\$21,000	240	100	MUD & CHEMICALS	\$10,000
225	105	INSURANCE	52,200	240	110	P&ATA COSTS	92
225	106		\$20,000	240	115		\$265,403
225 225	110		\$6,000 \$5,000	240	120	PIPE INSPECTION	\$0 \$2,000
225	115	MATERIALS & SUPPLIES MISCELLANEOUS	25,000 25,000	240 240	125 130	ROAD, LOCATIONS REPAIRS STIMULATION	\$2,000 \$2,616,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,915
225	130	MUD & CHEMICALS	\$200,000	240	140	SUPERVISION	\$90,047
225	140	OPENHOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$189,573
225	141	CASED HOLE LOGGING	30	240	150	TRANSPORTATION/TRUCKING	\$2,844
225	145	PERMITS, LICENSES, ETC	\$20,000 \$180,000	240	155	WATER TRANSFER	\$36,872 \$0
225 225	150	POWER FUEL & WATER HAULING RIG MOVE & RACKING COSTS	\$180,000	240 240	165	WELL TESTING/FLOWBACK	\$165,000
225	160	RIG MUVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	3130,000	240	148	TAXES	\$269,199
225	163	SITE RESTORATION	\$0	-NO	4D	CONTINGENCY COSTS 5%	\$244,726
225	165	STAKING & SURVEYING	\$6,000			Total Intangible Completion Costs:	\$5,408,446
225	170	SUPERVISION	\$88,200			1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	· ·
225	175	SUPERVISION - GEOLOGICAL	\$48,300			Tangible Completion Cos ***	
225 225	180	TRANSPORTATION/TRUCKING	\$25,000 \$143,721		Minor	Description ARTIFICIAL LIFT	Amonat \$175,000
225	178 35	TAXES CONTINGENCY COSTS 5%	\$130 655	245 245	15	FLOWLINES	\$20,000
		Total Intangible Drilling Costs:	\$2,887,476	45	24	FRAC STIUNG	\$0
				245	44)	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
200		Taugible Drilling Costs	- 7	45	45	PRODUCTION LINER	\$0
Major		Description	A (900m) 3173,541	45	50	PRODUCTION PROCESSING FACILITY	\$0
230	10	INTERMEDIATE CASING & ATTACHMENTS	55/6 0 00	45 45	55	PRODUCTION TUBING	\$150,000
230 230	20 25	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$1,165,590	45	60 65	RODS/FUMPS SUBSURFACE EQUIPMENT	50 550,000
230	35	SURFACE CASING & ATTACHMENTS	\$1,100,590	245	75	WELLHEAD EQUIPMENT	\$125,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,600
230	40	TAXES	\$90,689			Total Taugible Campletion Costs:	2548,600
1		Total Tangible Drilling Costs:	\$1,739,585				
						4 . 4 19 4 . 19 49 4 49 a 49	
		Finalble First Inc.		Vision of	* nor	Intangible Facility Costs Description	Aniount
Major	Miner	Pescription		65	nor 5	Intangible Facility Costs Description CONSULTING	Anionat S18,100
270	Miner (0	Description FACILITY PIPE/VALVES/FITTINGS	A **ont \$180,000	6.5	5 12	Description CONSULTING COMPANY DIRECT LABOR	\$0
270 270	[Q 15	PERCIPTION FACILITY PIPE/VALVES/FITTINGS CONTAINMENT	A **ont \$180,000 \$0	6.5 6.5	5 12 20	Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC	\$0 \$24,000
270 270 270	15 25	DESCRIPTION FACILITY PIPE/AVALVES/FITTINGS CONTAINMENT DEHYDRATION	A 7 ont \$180,000 \$0 \$0	6.5 6.5 6.5	5 12 20 22	Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION	\$0 \$24,000 \$50,000
270 270 270 270	10 15 25 30	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS	A. '0n(65 65 65	5 12 20 22 25	Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE	\$0 \$24,000 \$50,000 \$22,000
270 270 270 270 270 270	10 15 25 30 50	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	A **0nt \$180,000 \$0 \$0 \$56,000 \$47,000	6.5 6.5 6.5	5 12 20 22 25 40	Pescription CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENG/REERING / SCIENCE HEALTHUS/RETV/ENVIRONMENTAL	\$0 \$24,000 \$50,000 \$22,000 \$0
270 270 270 270 270 270	10 15 25 30	Pexcliption FACTLITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H23 TREATING EQUIPMENT	A 0nt S180,000 30 50 556,000 \$47,000	65 65 65 285 285	5 12 20 22 25	Pescription CONSULTING CONFANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING (SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	\$0 \$24,000 \$50,000 \$22,000
270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66	Description FACTLITY PIPPLYVALVES/FITTINK/S CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWINES / FIPELINE / HOOKUP H23 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SOADALOCATION/FENCING/REPAIRS	A 70nt S180,000 30 50 \$56,000 \$47,000 50 \$125,000	65 65 65 265 265 265 265	5 12 20 22 25 40 45 60 80	Description CONSULTING CONSULTING CONSULTING CONSTRUCT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYSAEPTY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS	\$0 \$24,000 \$50,000 \$22,000 \$0 \$0 \$1,000 \$1,500
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75	PEXCIPION FACILITY PIPEZVALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	A 70mt \$180,000 \$00 \$56,000 \$47,000 \$57,000 \$50 \$55,000 \$50 \$50 \$50	65 65 65 65 267 267 268	5 12 20 22 25 40 45 60 80 85	Pescription CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	\$0 \$24,000 \$50,000 \$22,000 \$0 \$0 \$1,500 \$1,500 \$0
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75	Description FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION FOURMENT ROADAOCATION/FENCING/REPAIRS PRE-FABRIC ATED SKIDS FACILITY SURFACE EQUIPMENT	A Tont S180,000 30 50 \$56,000 \$47,000 50 \$125,000 50 \$125,000 50 \$125,000	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHYSAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$0 \$24,000 \$50,000 \$22,000 \$0 \$0 \$1,500 \$0 \$0 \$2,500 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 65 66 75 86 90	PEXCIPION FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAFETY SYSTEM	A flort \$180,000 \$0 \$5 \$5,000 \$47,000 \$0 \$125,000 \$0 \$125,000 \$0 \$137,000 \$4,000	65 65 65 65 267 267 268	5 12 20 22 25 40 45 60 80 85	Description CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75	PEXCIPION FACILITY PIPE/VALVES/FITTINGS CONTAINAENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCINGREPAIRS PRE-PABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL. / INSTRUMENT / METERS / SCADA	A Pent \$180,000 \$0 \$5,000 \$47,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$4,000 \$4,000	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHYSAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$0 \$24,000 \$50,000 \$22,000 \$0 \$0 \$1,500 \$0 \$0 \$2,500 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 65 66 75 86 90	PEXCIPION FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAFETY SYSTEM	A ** 0nt ** 1800,000 ** 30 ** 556,000 ** 547,000 ** 50 ** 5125,000 ** 50 ** 5137,000 ** 54,000 ** 540,000 ** 540,000 ** 540,000 ** 590,000 ** 5	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 65 66 75 86 90 100	PEXCIPION FACILITY PIPE/VALVES/FITTINGS CONTAINAENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAPETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD	A Pent \$180,000 \$0 \$5,000 \$47,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$4,000 \$4,000	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Pescription CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 65 66 75 86 90 100 110 130 132 134	PEXCIPION FACILITY PIPE/VALVES/FITTINGS CONTAINAENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAFETY SYSTEM CONTROL / INSTRUMENT / MIGTERS / SCADA TANKS & WALKWAYS MEGIANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD	A #0nt \$180,000 \$0 \$0 \$56,000 \$47,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$4,000 \$54,000 \$54,000 \$54,000 \$54,000 \$54,000 \$54,000 \$55,000	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 39 50 65 66 75 86 90 100 110 130 132 134 136	PERCIPION FACILITY PIPPLYALVES/FITTINK/S CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / FIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT FRADALOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SUFFACE EQUIPMENT H25 SAPETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY DUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	A Ment \$180,000 \$0 \$50 \$55,000 \$47,000 \$0 \$125,000 \$0 \$0 \$137,000 \$4,000 \$4,000 \$54,000 \$54,000 \$55,000 \$55,000 \$55,000	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 75 86 90 100 130 132 134 136 138	PEXCIPION PACILITY PIPEVALVES/FITTINGS CONTAINMENT DEHYDRATION DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-TABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAPETY SYSTEM CONTROL / INSTRUMENT / MIETERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE RISTALLATION	A flort \$180,000 \$0 \$56,000 \$47,000 \$0 \$125,000 \$0 \$125,000 \$0 \$14,000 \$4,000 \$40,000 \$154,000 \$45,000 \$5154,000 \$55,000 \$55,000 \$55,000 \$55,000	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 75 86 90 100 130 132 134 136 138 140	PERCIPION PACILITY PIPPLYALVES/FITTINK/S CONTAINMENT DEHYDRATION PILMARY POWER MATERIALS FLOWLINES / FIPELINE / HOOKUP 125 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADALOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PRE-INSTRUMENT / HIETERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE	A **Ont ** \$130,000 30 \$50,000 \$47,000 \$0 \$125,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$54,000 \$514,000 \$55,000 \$55,000 \$55,000 \$55,000 \$55,000 \$55,000 \$55,000	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 75 86 90 100 130 132 134 136 138	PEXCIPION PACILITY PIPEVALVES/FITTINGS CONTAINMENT DEHYDRATION DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-TABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAPETY SYSTEM CONTROL / INSTRUMENT / MIETERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE RISTALLATION	A **Ont ** \$180,000 \$20 \$50,000 \$47,000 \$0 \$125,000 \$0 \$125,000 \$4,000 \$4,000 \$4,000 \$50,000 \$134,000 \$55,000 \$55,000 \$55,000 \$27,000 \$250 \$55,000	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 75 86 90 100 130 132 134 136 138 140	PERCIPION CONTAINMENT DEHYDRATION DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / FIFELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT FOADALOCATION/FENCING/REPAIRS PRE-TABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAPETY SYSTEM CONTROL / INSTRUMENT / MICTERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES	A **Ont ** \$130,000 30 \$50,000 \$47,000 \$0 \$125,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$54,000 \$514,000 \$55,000 \$55,000 \$55,000 \$55,000 \$55,000 \$55,000 \$55,000	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 75 86 90 100 130 132 134 136 138 140 125	PERCIPION CONTAINMENT DEHYDRATION DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / FIFELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT FOADALOCATION/FENCING/REPAIRS PRE-TABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAPETY SYSTEM CONTROL / INSTRUMENT / MICTERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES	A 70nt \$180,000 30 30 \$55,000 \$47,000 \$0 \$125,000 \$0 \$125,000 \$4,000 \$4,000 \$54,000 \$54,000 \$55,000 \$55,000 \$57,000 \$55,000 \$57,000 \$55,000 \$57,000 \$57,000 \$57,000	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 132 134 136 138 140 125	Pexcipion FACILITY PIPPLYALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT PRODAD.CO.ATION/FENCINGREPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAPETY SYSTEM CONTROL / INSTRUMENT / MICTERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNACE TAXES Total Tangible Facility Cests:	A ** 0nt ** 1510,000 ** 30 ** 556,000 ** 575,000 ** 50 ** 5125,000 ** 50 ** 5125,000 ** 50,000 ** 5134,000 ** 55,000	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 90 100 113 132 134 136 138 140 125	Pexcipion FACILITY PIPPLYALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT PRODAD.CO.ATION/FENCINGREPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAPETY SYSTEM CONTROL / INSTRUMENT / MICTERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNACE TAXES Total Tangible Facility Cests:	A flort \$180,000 \$20 \$30 \$30 \$30 \$47,000 \$47,000 \$50 \$125,000 \$30 \$137,000 \$4,000 \$4,000 \$4,000 \$50,000 \$5154,000 \$55,000 \$55,000 \$27,000 \$250 \$35,674 \$1,067,924	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 65 66 75 86 90 110 130 132 134 140 125	Pescipion FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PILMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT PRODALOCATION/FENCING/REPAIRS PRE-PABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAPETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	A **Ont ** \$150,000 \$20 \$50,000 \$47,000 \$5125,000 \$0 \$125,000 \$4,000 \$4,000 \$4,000 \$54,000 \$134,000 \$5,000 \$134,000 \$5,000 \$15,000 \$5,000 \$15,000 \$5,	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 130 132 134 140 125	Pexcipion FACILITY PIPEVALVES/FITTINGS CONTAINMENT DEHYDRATION DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADA OCATION/FENCING/REPAIRS PRE-TABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAPETY SYSTEM CONTROL / INSTRUMENT / MIETERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELÉC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tanglide Facility Cests:	A flort \$180,000 \$20 \$30 \$30 \$30 \$47,000 \$47,000 \$50 \$125,000 \$30 \$137,000 \$4,000 \$4,000 \$4,000 \$50,000 \$5154,000 \$55,000 \$55,000 \$27,000 \$250 \$35,674 \$1,067,924	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 130 132 134 140 125	Pexcipion FACILITY PIPEVALVES/FITTINGS CONTAINMENT DEHYDRATION DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADA OCATION/FENCING/REPAIRS PRE-TABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAPETY SYSTEM CONTROL / INSTRUMENT / MIETERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELÉC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tanglide Facility Cests:	A flort \$180,000 \$20 \$50,000 \$47,000 \$0 \$125,000 \$0 \$125,000 \$0 \$134,000 \$46,000 \$50,000 \$154,000 \$55,000 \$55,000 \$55,000 \$55,000 \$55,000 \$27,000 \$250 \$11,007,052]	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
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270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 65 66 75 86 90 100 110 130 132 134 125 140 125	Pexcipion FACILITY PIPEVALVES/FITTINGS CONTAINMENT DEHYDRATION DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADA OCATION/FENCING/REPAIRS PRE-TABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAPETY SYSTEM CONTROL / INSTRUMENT / MIETERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELÉC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tanglide Facility Cests:	A flort \$180,000 \$20 \$50,000 \$47,000 \$0 \$125,000 \$0 \$125,000 \$0 \$134,000 \$46,000 \$50,000 \$154,000 \$55,000 \$55,000 \$55,000 \$55,000 \$55,000 \$27,000 \$250 \$11,007,052]	65 65 65 28 28 265 265	5 12 20 22 25 40 45 60 80 85 83	Description CONSULTING CONSULTING CONSULTING COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEAL-THYS-RETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intemplible Facility Custs:	30, 30 324,000 \$50,000 \$22,000 \$0, \$1,500 \$1,500 \$6,523 \$5,930
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ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FINED

Gold W2E2- Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company Marathon Oil Permian, LLC EG3 Development, LLC Allar Development, LLC Slash Exploration LP Otter Creek, LLC

Chimney Rock Oil & Gas, LLC

ORRI to Be Pooled

Good News Minerals, LLC Post Oak Crown IV, LLC Post Oak Mavros II, LLC Sortida Resources, LLC Oak Valley Mineral and Land, LP Crown Oil Partners, LP Collins & Jones Investments, LLC MCT Energy Ltd. H. Jason Wacker David W. Cromwell SHG Energy, LLC Sitka Consulting, LLC Ridge Runner Holdings, LLC John Lawrence Thomas, Trustee of the Cornerstone Family Trust CrownRock Minerals, L.P. The Allar Company EG3, Inc. GMT New Mexico Royalty Company LLC Franklin Mountain Royalty Investments 3, LLC **Armstrong Energy Corporation** Blue Ridge Royalties, LLC



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

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

CASE NO. 24359

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 280-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 280-acre, more or less, Wolfcamp horizontal spacing unit.
- 3. Franklin plans to drill the Gold State Com 702H and Gold State Com 802H wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled from



¹ This application amends the application filed in Case No. 23844.

proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox.

- 4. Franklin filed Case No. 23844 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would "partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E." Application Case No. 23844, ¶ 4.
- 5. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 702H and Parallel State Com 802H wells.
- 6. 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.
- 7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
 - 8. Case No. 23844 is currently set for contested hearing on April 9, 2024.
- 9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division 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 the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
 - B. Approving, to the extent necessary, the proposed overlapping spacing unit;
 - C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
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
Attorneys for Applicant

CASE NO. 24359: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 702H and Gold State Com 802H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 702H and Parallel State Com 802H wells. 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 24 miles west of Hobbs, New Mexico.

<u>District</u> [
1625 N. French Dr., Hobbs, NM 88240
PRODE (575) 397-6161 Fax: (575) 393-0720
<u>District</u> []
811 S. Frist St., Artesia, NM 88210
Phose (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rto Brazos Rosa, Aztec, NM 87410 Phone (505) 334-6178 Fax: (505) 334-6170 District [V]
1220 S St. Francis Dr., Santa Fe, NM 87505
Phone: (\$05) 476-3460 Fax: (\$05) 476-3462

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

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

■ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

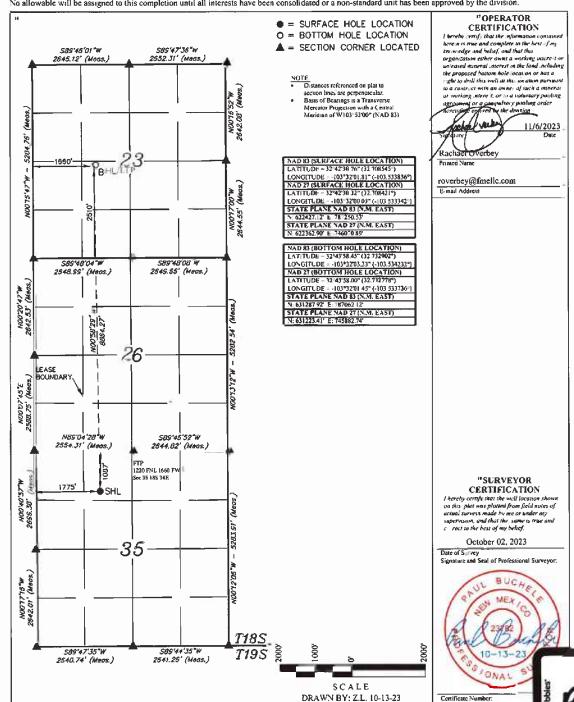
API Numbe 30-025-52	000 0 000	[990] AIRSTRIP; WOLFCAMP.NORTH, [970] .	AIRSTRIP;WOLFCAMP	
4 Property Code		5 Praperty Name		
334169	G	OLD STATE COM	802H	
7 OGRID No.		*Operator Name	* Elevation	
331595	FRANKLIN :	MOUNTAIN ENERGY 3, LLC	3987.7'	

"Surface Location Feet from the North/South line

	CL or lot no.	Section 35	Township 18S	Range 34E	Let Ide	Feet from the 1087	North/South line NORTH	Feet from the 1775	East/West line WEST	County LEA
				11	Bottom H	ole Location I	f Different From	Surface		
- (TIT I	C-M	Tamaskia	D	1 -4 14-	Coul facus shor	Single Court Name	Court five on the	Fartfillest line	County

Range 34E 2510 18S SOUTH WEST LEA 1660 K 280

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.



Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District TV</u> 1220 S. St. Francis Dr., Sonta 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

30-025-52	200	AIRSTRIP; WOLFCAMP, NORTH		
' Property Code 334169		5 Property Name GOLD STATE COM		
OCRID No. 331595		Operator Name UNTAIN ENERGY 3, LLC	* Elevation 3987.7*	

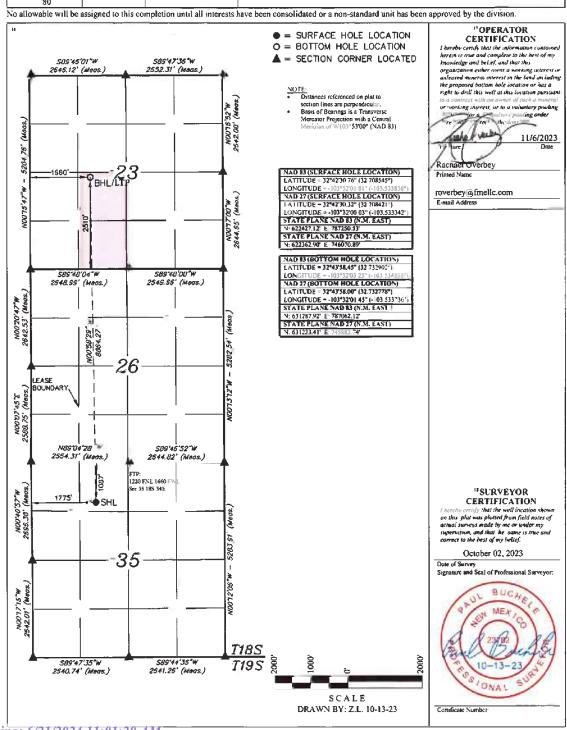
*Surface Location

CL or lot no. C	Section 35	Township 18S	Range 34E	Lot Idn	Feet from the 1087	NORTH	Feet from the 1775	East/West line WEST	County LEA	

"Bottom Hole Location If Different From Surface

UL or lot no. Section Township Range Lot Idn Feet from the 23 18S 34E 2510 SOUTH 1660 WEST LEA

"Defleated Acres 3" Joint or Infill 14 Cossolidation Code 15 Order No. 80



District 1
0625 N. French Dr., Hobps, N.M. 882-40
Phone: (575) 393-6161 Fax: (575) 393-40720
District 18
811 S. Friss St., Artesia, NAI 88210
Phone: (575) 748-1283 Fax. (575) 748-9720
District 11
1000 Rio Brazos Roso, Azrec, NAI 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fo., NM 87503
Phone: (503) 376-3460 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

30-025-524	 oel Cede 170	1 Pool Name AIRSTRIP;WOLFCAMP	
4 Property Code 334169	Property Name GOLD STATE COM	***	* Well Number 802H
OGRID No. 331595	*Operator Name FRANKLIN MOUNTAIN ENERGY	(3, LLC	* Elevation 3987.7'

| Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | C | 35 | 18S | 34E | 1087 | NORTH | 1775 | WEST | LEA

"Bottom Hole Location If Different From Surface

UL or lot no. Section I Township Range Lot Idn Feet from the North/South Une K 23 18S 34E County 2510 SOUTH 1660 WEST LEA

Dedicated Aces 13 Joint or Infill 14 Consolidation Code 15 Order No.

200 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. SURFACE HOLE LOCATION CERTIFICATION CERTIFICATION
I hereby certify that the information contained
betein is true and compilete to the best of my
invoveledge and belief, and that this
granization or wher own a working interest in
colleased numeral interest in the land including O = BOTTOM HOLE LOCATION ▲ = SECTION CORNER LOCATED 5894735"W 2652.31" (Meas., 509'46'01"W 2645.12' (Meas.) oposed bottom hole location or has a NOTE:

Distances referenced on plat to '32"W (M805.) Basis of Bearings is a Transverse Merician of W103°53'00" (NAD 83) 5284 75 NAD 83 (SURFACE HOLE LOCATION)

LATITUDE - 3294730.76° (32.708545°)

LONGITUDE - 10973201 81° (-103.533836°)

NAD 27 (SURFACE HOLE LOCATION)

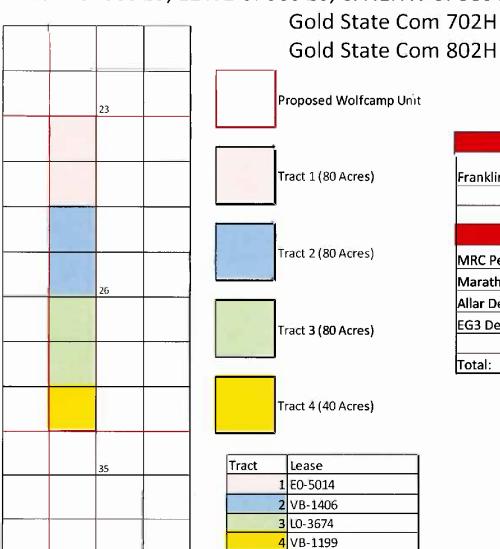
LATITUDE - 3294730-32° (32.708421°)

LATITUDE - 3.70847300-3° (32.708421°) BHLI roverbey@fmellc.com E-mail Address W.74'8'COV LATTIUDE = 32°4270 32° (32 708421°) LONGITUDE = 105°2200 03° (103.533342° STATE PLANE NAD R3 (N.M. EAST) N: 622427.12° E: 78°220 53' STATE PLANE NAD 27 (N.M. EAST) N: 622362.90° E: 746070 89' NO077' NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°43'58.45" (32.732902°) LONGITUDE = -103°32'03 21" (-103.5342: NAD 27 (BOTTOM HOLE LOCATION) I ATITUDE = 32°43'58.00" (32 732778°) 589'40'00"₩ 585'48'04"# 2548.55' (Meas.) 2545.55' (Mags.) NOO 20'47"W 2642.53" (Meas.) LONGITUDE = -103°32'01 STATE PLANE NAD 83 (N.M. EAST) N 63135792 E: 787062.12 STATE PLANE NAD 27 (N.M. EAST) N 631223 JP 6: 745882,74 NOU'58'25" 8064.27 26 NOUD7'45"E 2508.75" (Meas. NBG'04 25 W 2554.31' (Meas.) 585'45'52"W 2544.02' (Meas.) 1220 FNL 1660 Sec 35 18S 34E "SURVEYOR NOU'NU'S7"W 2655.38" (Mags. 775 CERTIFICATION SHL I northy certify that the well location shows on this plut was pluted from field notes of actual surveys made to me or under my, supervision, and that the same is true and correct to the rest of my belief 5203.91° October 02, 2023 35 BUCHE NOOT7'15"W 2542.01" (Mecs.) T18S S85'47'35"W 2540.74' (Meas.) \$89'44'35"W 2541.25" (Meas.) ONAL SCALE DRAWN BY: Z.L. 10-13-23 Certificate Numbe

Case No. 24359 Unit Summary



Case No. 24359 E2SW of Sec 23, E2W2 of Sec 26, & NENW of Sec 35-T18S-R34E, 280.00 Acres



Commited Working	Interest						
Franklin Mountain Energy 3, LLC	33.9464%						
Uncommited Working Interest							
MRC Permian Company Marathon Oil Permian, LLC	47.4821% 11.4286%						
Allar Development, LLC	5.3571%						
EG3 Development, LLC	1.7857%						
Total:	100.0000%						





Sent via USPS: 9400109205568030288932

July 18, 2023

Allar Development, LLC PO Box 1567 Graham, TX 76450

Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 18 South, Range 34 East:

Section 23: E2SW, Section 26: E2W2, & Section 35: NENW

Lea County, New Mexico 280.00 acres, more or less

Dear Working Interest Owner:

Franklin Mountain Energy 3, LLC ("FME3"), as Operator, hereby proposes the drilling and completion of the following wells:

Well Name	Target Formation	Total Vertical Depth	Measure d Depth	SHL	BHL	Total AFE	Order
Gold State Com 502H	2BS	9793	19,793'	Sec 35- T18S-R34E 1062 FNL 1787 FWL	Sec 23- T18S- R34E 2510 FSL 2300 FWL	\$11,355,549.08	N/A
Gold State Com 602H	3BS	10483	20,483'	Sec 35- T18S-R34E 1062 FNL 1737 FWL	Sec 23- T18S- R34E 2510 FSL 1660 FWL	\$11,650,592.43	N/A
Gold State Com 702H	WCA	10998	20,998'	Sec 35- T18S-R34E 1062 FNL 2560 FEL	Sec 23- T18S- R34E 130 FNL 2300 FEL	\$11,650,592.43	N/A
Gold State Com 802H	WCB 11713 21,713' T18S-R 1062 F		Sec 35- T18S-R34E 1062 FNL 1762 FWL	Sec 23- T19S- R34E 2510 FSL 1660 FWL	\$11,783,083.07	N/A	





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

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

- 100/300% Non-Consenting Penalty
- \$9,000/\$900 Drilling and Producing Rate
- Franklin Mountain Energy 3, LLC designated as Operator

Should you be interested in participating under an Operating Agreement, with your working interest, FME3 will send you our proposed form.

Please indicate your election in the space provided on the following page, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate, FME3 proposes a term assignment or lease at the following terms:

The foregoing offer is non-binding in nature until a definitive agreement and/or conveyance documents are negotiated and agreed to by each party. FME3 is under no obligation to negotiate, lease or purchase your interest.

Please return your signed documents to Don Johnson at <u>djohnson@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 (720) 414-7863.

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson Sr. Land Analyst



Gold State Com 502H:
I/We hereby elect to participate in the Gold State Com 502H well. I/We hereby elect NOT to participate in the Gold State Com 502H well.
Gold State Com 602H:
I/We hereby elect to participate in the Gold State Com 602H well. I/We hereby elect NOT to participate in the Gold State Com 602H well
Gold State Com 702H:
I/We hereby elect to participate in the Gold State Com 702H well. I/We hereby elect NOT to participate in the Gold State Com 702H well
Gold State Com 802H:
I/We hereby elect to participate in the Gold State Com 802H well. I/We hereby elect NOT to participate in the Gold State Com 802H well
Owner: Allar Development, LLC
By:
Printed Name:
Title:
Date:



Franklin Mountain Energy 3, LLC 44 Cook Street, Suite 1000 Denver, CO 20206 Phone: 720-414-7868 franklaumountainenergy com

 Well Name:
 Cold State Com 502H
 Well II:
 802H

 Location:
 SRL Sed 35-71 ISS-R434E 1062 FNL 1762 FWL
 County/Scate:
 Lec Co., NM

 Hitt:
 Sec 23-71 ISS-R434E 2510 FSL 1660 FWL
 Date Prepared:
 5021/2023

 Operator:
 Franklin Mountain Energy 1, LLC
 Date Prepared:
 5021/2023

 Purpose:
 TVD 11,712", MD 21,713".
 AFE #:
 DCE230626

		TVD 11,710', MD 21,713'.					
10		Intangible Drilling Costs				Intangible Completion Costs	
Major		Description	Amount	Major		Description	Amsunt
225 225	5	ADMINISTRATIVE OVERHEAD CASING CREW & EQPT	\$\$,200 \$55,000	240 240	5	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS	\$8,200 \$6,635
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT	\$0,033
225	16	CEMENTING PRODUCTION CASING	385,000	240	20	COILED TUBING/SNUBBING UNIT	\$194,313
225	20 25	CEMENTING SUFACE CASING COMMUNICATIONS	\$36,000 \$22,000	240 240	25 30	COMPANY DIRECT LABOR	\$1,896
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,000
225	34 40	CONSTRUCTION/LOCATION & ROAD	\$45,000	240 240	45	CONTRACT LABORROUSTABOUTS	\$23,697
77.5	45	CONTRACT LABOR DAMAGES	000,000 \$15,000	240	55	DAMAGES/RECLAMATION DISPOSAL SOLIDS	\$1,896 \$2,844
225	50	DAYWORK CONTRACT	\$650,000	240	60	ELECTRICAL POWERIGENERATION	\$0
225 225	55 60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$230,000 \$90,000	240	62 65	ENGINEERING ENVIRONMENTAL/CLEANUP	\$5,687 \$0
225	65	DRILLING BITS	\$110,000	240	70	FISHING TOOLS / SERVICES	50
225	70	ELECTRICAL POWER/GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	000,0812
225	75 80	ENGINEERING ENVIRONMENTAL SERVICES	\$25,200 \$220,000	240 240	72 75	FRAC WATER/COMPLETION FLUID	\$470,000 \$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000	240	80	Fuel, powerudiesel Health & Safety	\$4,700
225	85	EQUIPMENT RENTAL	000,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,000
225 225	90 95	FISHING TOOLS/SERVICES HEALTH & SAFETY	\$0 \$11,600	240 240	90 95	MATERIALS & SUPPLIES MISCELLANEOUS	\$0 \$0
225	100	HOUSING AND SUPPORT SERVICES	521,000	240	100	MUD & CHEMICALS	\$10,000
225	105	INSURANCE	52,200	240	110	P&A/TA COSTS	SO SO
225 225	106	INSPECTIONS LEGAL, TITLE SERVICES	\$20,000 \$6,000	240	115 120	PERFORATING/WIRELINE SERVICE PIPE INSPECTION	\$265,403 \$0
225	113	MATERIALS & SUPPLIES	000,62	40	125	ROAD, LOCATIONS REPAIRS	\$2,000
225	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,616,000
225 225	125	MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS	\$31,000 \$200,000	240	140	SUBSURFACE EQUIPMENTAL RENTAL SUPERVISION	\$37,915 \$90,047
225	140		\$200,000	240	145	SURFACE EQUIP RENTAL	\$189,573
225	141	CASED HOLE LOGGING	SO.	340	150	TRANSPORTATION/TRUCKING	\$2,844
225	145	PERMITS, LICENSES, ETC	\$20,000	240 240	155	WATER TRANSFER	\$56,873
225 225	150	POWER FUEL & WATER HAULING RIG MOVE & RACKING COSTS	\$180,000 \$130,000	240	160	WELDING SERVICES WELL TESTING/FLOWBACK	\$0 \$165,000
225	160	RIG UP TEAR OUT & STANDBY	50	240	148	TAXES	\$269,199
225 225	163 165	SITE RESTORATION STAKING & SURVEYING	56,000 56,000	240.	40	CONTINGENCY COSTS 5% Total Intangible Completion Costs:	\$244,726 \$5,408,446
225	170	SUPERVISION	\$88,200			rous mungose compresson costs:	\$3,400,440
225	175	SUPERVISION - GEOLOGICAL	\$48,000			Tangible Completion Costs	
225	180	TRANSPORTATION/TRUCKING	\$25,000	Major	Minor	Description ARTIFICIAL LIFT	Amount
225 225	178 35	TAXES CONTINGENCY COSTS 5%	\$143,721 \$130,655	245 245	5 15	ARTIFICIAL LIFT FLOWLINES	\$175,000 \$20,000
	**	Total Intungible Drilling Costs:	52,887,476	245	25	FRAC STRING	\$0
				245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
Major	Minne	Tangible Drilling Costs Description	Amount	245 245	45 50	PRODUCTION LINER PRODUCTION PROCESSING FACILITY	\$0 \$0
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,548	245	55	PRODUCTION TUBING	\$150,000
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS	\$0
230 230	25 35	PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$1,165,590 \$173,758	245 245	65 75	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$50,000 \$125,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,600
230	40	TAXES	985,082			Total Tungible Completion Costs:	\$548,600
		Total Tangible Drilling Costs:	30,57539			Intangible Facility C	
		Tan lible Fa Fill Costs		Мијие	34100	Description	Amount
Major	Minor 10	Description FACILITY PIPE/VALVES/FITTINGS	S180,000				\$18,100
270				265	5	CONSULTING	
	15	CONTAINMENT	\$180,000	265 265	12	COMPANY DIRECT LABOR	\$0
270	15 25	CONTAINMENT DEHYDRATION	so	265 265 265	12 20 22	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION	\$0 \$24,600 \$50,000
270	15 25 30	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS	\$0 \$56,000	265 265 265 265 265	12 20 22 25	COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE	\$1 \$24,000 \$50,000 \$22,000
270 270	15 25	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	so	265 265 265 265 265	20 22 25 40	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	\$0 \$24,000 \$50,000 \$22,000 \$n
270	15 25 30 30	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT	\$0 \$56,000 \$47,000	265 265 265 265 265 265 265	20 22 25 40 45 60	COMPANY DIRECT LABOR DAMAGES/ROWPERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD	\$0 \$24,000 \$50,000 \$22,000 \$0 \$0 \$1 \$3,000
270 270 270 270 270 270	15 25 30 30 60 65 66	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENGING/REPAIRS	\$0 \$56,000 \$47,000 \$0 \$125,000 \$0	265 265 265 265 265 265 265	12 20 22 25 40 45 60 80	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHYS/RETY/PEN/ROMMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS	\$24,000 \$24,000 \$50,000 \$22,000 \$11 \$13,000 \$1,500
270 270 270 270 270 270 270	15 25 30 30 60 65 66 75	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES (PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	\$0 \$56,000 \$47,000 \$0 \$125,000 \$0 \$0	265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	\$1 \$24,000 \$50,000 \$22,000 \$1 \$1,000 \$1,500 \$2,500
270 270 270 270 270 270	15 25 30 30 60 65 66	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES (PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCINGREPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAFETY SYSTEM	\$0, \$56,000 \$47,000 \$0, \$125,000 \$0, \$0, \$0, \$137,000 \$4,000	265 265 265 265 265 265 265	12 20 22 25 40 45 60 80	COMPANY DIRECT LABOR DAMAGESROW/PERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 30 60 65 66 75 86 90 100	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT SOADLOCATIONFENCINGREPAIRS PRE-FABRICATED SKIDS FACILITY SUFFACE EQUIPMENT H25 SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA	\$0, \$56,000 \$47,000 \$0, \$0, \$125,000 \$0, \$0, \$0, \$137,000 \$4,000 \$86,000	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/JENVIROMMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$0 \$24,000 \$50,000 \$12,000 \$11,500 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 30 60 65 66 75 86 90 100	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES (PIPELINE / HOOKUP HES TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$0 \$56,000 \$47,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$86,000	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 30 60 65 66 75 86 90 100 110	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCINGREPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$0, \$56,000 \$47,000; \$0, \$125,000; \$0, \$137,000; \$4,000; \$90,000 \$154,000	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGESROW/PERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 50 60 65 66 75 86 90 100 110 130 132	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / FIPELINE / HOOKUP HSS TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HSS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD	\$0, \$50, \$50, \$50, \$50, \$50, \$50, \$50, \$	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 60 65 66 75 86 90 100 110 130 132 134	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SUFFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIGC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$00 \$56,000 \$47,000 \$00 \$125,000 \$0 \$0 \$1,000 \$4,000 \$154,000 \$50,000 \$5,000 \$5,000 \$5,000	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 30 60 63 66 75 86 90 100 110 130 132 134 136	CONTROLS NATION CONTROL BATTERY BUILD CONTROL AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION CONTROL AND SCADA BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FROM BATTERY BUILD FRIMARY POWER BUILD FROM BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FROM BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FROM BUILD F	\$0, \$50, \$50, \$50, \$50, \$50, \$50, \$50, \$	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 60 65 66 75 86 90 100 110 130 132 134	CONTROL BY BUILD CONTROL BATTERY BUILD CONTROL SAND SCADA BATTERY BUILD FRUMARY POWER BUILD FRUMARY BUILD FRUMARY POWER	\$0, \$50, \$50, \$50, \$50, \$50, \$50, \$50, \$	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 60 65 66 75 86 90 100 110 130 132 134 136	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SOAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SUFFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIKC BATTERY BUILD CONTROL'S AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE	\$00 \$56,000 \$17,000 \$0 \$125,000 \$0 \$0 \$0 \$1,1,000 \$15,000 \$15,000 \$5,000 \$5,000 \$27,000	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 60 65 66 75 86 90 100 110 130 132 134 136	CONTROL BY BUILD CONTROL BATTERY BUILD CONTROL SAND SCADA BATTERY BUILD FRUMARY POWER BUILD FRUMARY BUILD FRUMARY POWER	\$0, \$50, \$50, \$50, \$50, \$50, \$50, \$50, \$	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 60 65 66 75 86 90 100 110 130 132 134 136 138 140 125	CONTROLS AND SCADA BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD CONTROL BATTERY BUILD CONTROL BATTERY BUILD CONTROL BATTERY BUILD CONTROL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD FLOWLINE INSTALLATION SIGNAGE TOWN T	\$0,000 \$17,000 \$17,000 \$17,000 \$17,000 \$0,000 \$125,000 \$137,000 \$154,000 \$154,000 \$154,000 \$27	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 60 65 66 75 86 90 100 130 134 136 138 140 125	CONTROLS AND SCADA BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD CONTROL BATTERY BUILD CONTROL BATTERY BUILD CONTROL BATTERY BUILD CONTROL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN TOWN BUILD FLOWLINE INSTALLATION SIGNAGE TOWN T	\$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0,	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 30 50 60 65 66 65 66 90 100 132 134 136 138 140 125	CONTROL SYSTEM TANKS WALLEN BUILD CONTROL SATISTIC CONTROL SATI	\$50,000 \$17,000 \$17,000 \$0,000 \$125,000 \$5,000 \$1,000 \$15,000 \$15,000 \$5	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 30 60 60 65 66 65 66 90 110 130 132 134 136 138 140 125	CONTROLS AND SCADA BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD ENCORAGE FLOWLINES (PIPELINE / HOOKUP HES TREATHOR EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Cond:	\$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0, \$0,	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 30 60 60 65 66 65 66 90 110 130 132 134 136 138 140 125	CONTROLS AND SCADA BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD ENCORAGE FLOWLINES (PIPELINE / HOOKUP HES TREATHOR EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Cond:	\$50,000 \$17,000 \$70,000 \$125,000 \$125,000 \$137,000 \$137,000 \$154,000 \$154,000 \$56,000 \$55,000 \$55,000 \$55,000 \$35,000	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 30 30 60 65 66 67 5 86 90 110 130 132 134 136 138 140 125 15 Intangit	CONTROLS AND SCADA BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD ENCORAGE FLOWLINES (PIPELINE / HOOKUP HES TREATHOR EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Cond:	\$50,000 \$17,000 \$70,000 \$125,000 \$125,000 \$137,000 \$137,000 \$154,000 \$154,000 \$56,000 \$55,000 \$55,000 \$55,000 \$35,000	265 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 85 83	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTHUS/RETY/PENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intengible Facility Costs:	\$0 \$24,000 \$50,000 \$122,000 \$1 \$1,500 \$0 \$6,523
270 270 270 270 270 270 270 270 270 270	15 25 30 30 50 60 65 66 75 86 90 100 132 134 136 138 140 125 Intang	CONTROL TONSTRUMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES, PIPELINE (HOOKUP HZS TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-RABRICATED SKIDS FACILITY SUFFACE EQUIPMENT HZS SAFETY SYSTEM CONTROL INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROL FOWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOM TOMBER FREITH CONDE	\$10,000 78 \$1,000 78 \$1,000 \$1	246 265 265 265 265 265 265 265 265 265 26	12 20 22 25 40 45 60 80 80 81 10	COMPANY DIRECT LABOR DAMAGESROW/PERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only:	31,000 524,000 550,000 522,000 31,500 81,500 \$6,533 \$1,003
270 270 270 270 270 270 270 270 270 270	15 25 30 30 50 60 65 66 75 86 90 100 132 134 136 138 140 125 Intang	CONTROLS AND SCADA BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD ENCORAGE FLOWLINES (PIPELINE / HOOKUP HES TREATHOR EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Cond:	\$10,000 78 \$1,000 78 \$1,000 \$1	246 265 265 265 265 265 265 265 265 265 26	12 20 22 25 40 45 60 80 80 81 10	COMPANY DIRECT LABOR DAMAGESROW/PERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only:	31,000 524,000 550,000 522,000 31,500 81,500 \$6,533 \$1,003
270 270 270 270 270 270 270 270 270 270	15 25 30 30 50 60 65 66 67 75 86 90 100 130 132 134 136 138 140 125 Intange Tanget	CONTROL TONSTRUMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES, PIPELINE (HOOKUP HZS TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-RABRICATED SKIDS FACILITY SUFFACE EQUIPMENT HZS SAFETY SYSTEM CONTROL INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROL FOWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOM TOMBER FREITH CONDE	\$10,000 78 \$1,000 78 \$1,000 \$1	246 265 265 265 265 265 265 265 265 265 26	12 20 22 25 40 45 60 80 80 81 10	COMPANY DIRECT LABOR DAMAGESROW/PERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only:	31,000 524,000 550,000 522,000 31,500 81,500 \$6,533 \$1,003
270 270 270 270 270 270 270 270 270 270	15 25 30 30 60 30 665 66 67 5 86 90 100 110 132 134 136 138 132	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP HZS TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT PRE-FABRICATED SKIDS FACILITY SUFFACE EQUIPMENT HZS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROL / INSTRUMENT / METERS / BUILD EIGE BATTERY BUILD CONTROL / SAID SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOOM Tangible Facility Costs:	\$10,000 78 \$1,000 78 \$1,000 \$1	245 1264 245 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 80 81 10	COMPANY DIRECT LABOR DAMAGESROW/PERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only:	32,4000 550,000 520,000 31,500 31,500 31,500 34,503 55,930 31,033
270 270 270 270 270 270 270 270 270 270	15 25 30 30 60 30 665 66 67 5 86 90 100 110 132 134 136 138 132	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT PRE-FABRICATED SKIDS PACILITY SUFFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TORRIBME FACILITY COSD: UTHORITY FOR EXPENDITURE IS BASED ON COST Franklin McGrean ENERGY 3, LLC	\$10,000 78 \$1,000 78 \$1,000 \$1	246 265 265 265 265 265 265 265 265 265 26	12 20 22 25 40 45 60 80 80 81 10	COMPANY DIRECT LABOR DAMAGESROW/PERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only:	31,000 524,000 550,000 522,000 31,500 81,500 \$6,533 \$1,003
270 270 270 270 270 270 270 270 270 270	15 25 30 30 60 30 665 66 67 5 86 90 100 110 132 134 136 138 132	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP HZS TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT PRE-FABRICATED SKIDS FACILITY SUFFACE EQUIPMENT HZS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROL / INSTRUMENT / METERS / BUILD EIGE BATTERY BUILD CONTROL / SAID SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOOM Tangible Facility Costs:	\$10,000 78 \$1,000 78 \$1,000 \$1	245 1264 245 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 80 81 10	COMPANY DIRECT LABOR DAMAGESROW/PERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only:	\$0 \$24,000 \$50,000 \$2,000 \$1,500 \$0 \$6,523 \$5,930 \$1,003
270 270 270 270 270 270 270 270 270 270	15 25 30 30 60 30 665 66 67 5 86 90 100 110 132 134 136 138 132	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATIONFENCINGREPAIRS PRE-FABRICATED SKIDS FRACILITY SUFFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRAMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN	\$10,000 78 \$1,000 78 \$1,000 \$1	245 1264 245 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 80 81 10	COMPANY DIRECT LABOR DAMAGESROW/PERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only:	\$0 \$24,000 \$50,000 \$2,000 \$1,500 \$0 \$6,523 \$5,930 \$1,003
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270 270 270 270 270 270 270 270 270 270	15 25 30 30 50 66 66 75 86 66 75 86 110 120 120 120 120 120 120 120 120 120	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATIONFENCINGREPAIRS PRE-FABRICATED SKIDS FRACILITY SUFFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRAMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN	\$10,000 78 \$1,000 78 \$1,000 \$1	246 1764 246 246 265 265 265 265 265 265 265 265 265 26	12 20 22 25 40 45 60 80 80 81 10	COMPANY DIRECT LABOR DAMAGESROW/PERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only:	\$0 \$24,000 \$50,000 \$2,000 \$1,500 \$0 \$6,523 \$5,930 \$1,003
270 270 270 270 270 270 270 270 270 270	15 25 30 30 50 66 66 75 86 66 75 86 110 120 120 120 120 120 120 120 120 120	CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROADLOCATIONFENCINGREPAIRS PRE-FABRICATED SKIDS FRACILITY SUFFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRAMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOWN	\$10,000 78 \$1,000 78 \$1,000 \$1	245 1264 245 265 265 265 265 265 265 265 265 265	12 20 22 25 40 45 60 80 80 81 10	COMPANY DIRECT LABOR DAMAGESROW/PERMITS, ETC PADROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs: Office Use Only:	32,4000 550,000 520,000 31,500 31,500 31,500 34,503 55,930 31,033

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

Gold E2W2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

EG3 Development, LLC Allar Development, LLC Marathon Oil Permian, LLC MRC Permian Company ConocoPhillips Company

ORRI to Be Pooled

Brazos, LP

Good News Minerals, LLC Post Oak Crown IV, LLC Post Oak Mavros II, LLC Sortida Resources, LLC Oak Valley Mineral and Land, LP Crown Oil Partners, LP Collins & Jones Investments, LLC MCT Energy Ltd. H. Jason Wacker David W. Cromwell SHG Energy, LLC Sitka Consulting, LLC Ridge Runner Holdings, LLC John Lawrence Thoma, Trustee of the Cornerstone Family Trust CrownRock Minerals, L.P. The Allar Company EG3, Inc. GMT New Mexico Royalty Company LLC Franklin Mountain Royalty Investments 3, LLC **Nestegg Energy Corporation**



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

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

CASE NO. 24360

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 280-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 280-acre, more or less, Bone Spring horizontal spacing unit.
- 3. Franklin plans to drill the Gold State Com 502H and Gold State Com 602H wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from



¹ This application amends the application filed in Case No. 23843.

proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox.

- 4. Franklin filed Case No. 23843 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would "partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E." Application Case No. 23843, ¶ 4.
- 5. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 302H and Parallel State Com 502H wells.
- 6. 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.
- 7. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
 - 8. Case No. 23843 is currently set for contested hearing on April 9, 2024.
- 9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

Page 3 of 4

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

the Oil Conservation Division 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 the E/2/SW of Section 23, the E/2W/2 of Section 26, and the

NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;

B. Approving, to the extent necessary, the proposed overlapping spacing unit;

C. Designating Franklin as operator of this unit and the wells to be drilled thereon;

D. Authorizing Franklin to recover its costs of drilling, equipping and completing the

wells;

E. Approving actual operating charges and costs charged for supervision, together

with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the wells in

the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS

& SISK, P.A.

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.

Deana M. Bennett

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

Attorneys for Applicant

3

CASE NO. 24360: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 502H and Gold State Com 602H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 302H and Parallel State Com 502H wells. 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 24 miles west of Hobbs, New Mexico.

District I | Tench Dr. 16050 NM 88240 | 1625 N French Dr. 16050 NM 88240 | Phone (575) 393-6.61 Fax (575) 393-0720 | District II | STry St. Arlessa NM 88210 | Phone (575) 748 1283 Fax: (575) 748-9720 | District III | 1000 Rio Brazos Roso, Azice, NM 87410 |

Phote: (3/3) -48 1.83 Fax: (3/3) -48-9/20 District III 1000 Rio Brazos Roso, Azice, NM 87410 Phote: (303) 34-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe. NM 87505 Phone: (305) 476-1460 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

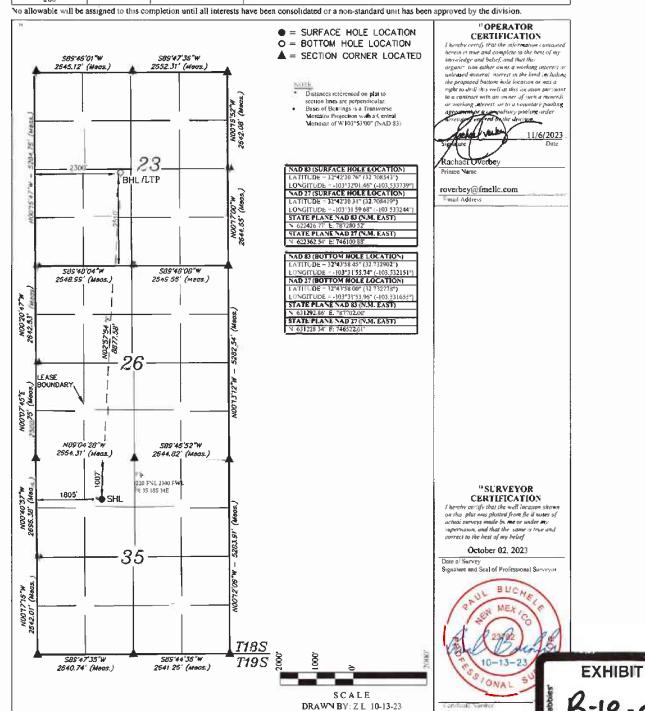
1 API Number 30-025-52398		¹ Pool Code 960	³ Poel Namic AIRSTRIP; BONESPR	ING		
4 Property Code 334169		Property Name GOLD STATE COM				
70GRID №. 331595			perator Name UNTAIN ENERGY 3, LLC	* Elevation 3987.6*		

Surface Location

CL or lot no.	35	Township 18S	Range 34E	Lot idn	Feet from the 1087	NORTH	Feet from the 1805	WEST	LEA

"Bottom Hole Location If Different From Surface

UL or lot no.	Section 23	Township 18S	Range 34E	Loi Idn	Feet from the 2510	North/South line SOUTH	Feet from the 2300	East/West line WEST	County LEA
12 Dedicated Acre 280	es 13	Joint or Infill	14 Cens	olidation Code	15 Order No.				



<u>District I</u>
1023 N. French Dr., Hobbs, NM 88240
Phone (575) 194-b161 Fax: 1575) 194-0720
<u>District II</u>
811 S First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

Phone (505) 334-6178 Fax. (505) 334-6170 District IV
1370.S. St. Francis Dr., Santa Fc, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	r	² Pool Code	-					
30-025-523	99	960	960 AIRSTRIP; BONESPRING					
4 Property Code 1 Pro			operty Name	6 Well Number				
334169		GOLD	STATE COM	602H				
7 OGRID No.		4 Op	perator Name	* Elevation				
331595		FRANKLIN MOU	JNTAIN ENERGY 3, LLC	3987.7'				

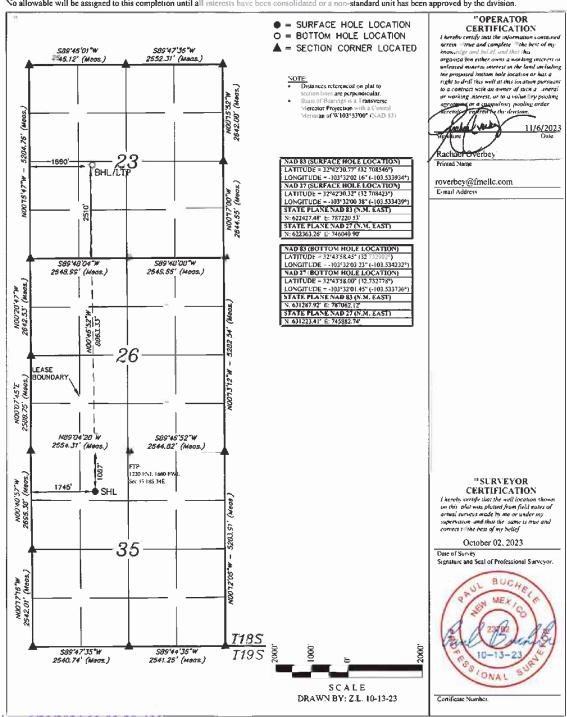
Surface Location

UL or lot no.	Scetion 35	Township 18S	Range 34E	Lot ldn	Feet from the 1087	North/South line NORTH	Feet from the 1745	East/West line WEST	County LEA	

"Bottom Hole Location If Different From Surface

UL or lot no. K	Section 23	Township 18S	Range 34É	l.ot ldn	Feet from the 2510	North/South line SOUTH	Feet from the 1660	East/West line WEST	County LEA
13 Dedicated Acre 280	28 13	Joins or Infill	1ª Conse	elidation 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.



Received by OCD: 6/19/2024 4:00:15 PM

Case No. 24360 Unit Summary



Case No. 24360 E2SW of Sec 23, E2W2 of Sec 26, & NENW of Sec 35-T18S-R34E, 280.00 Acres

EZSVV (or Sec 23, t	EZVVZ Of Sec 26, & NENVV	or Sec 3
10	1 1	Gold State Con	1 502H
		Gold State Con	1 602H
	23	Proposed Bone Spring Uni	t
		Tract 1 (80 Acres)	Franklii
	26	Tract 2 (80 Acres)	MRC Pe Marath Allar De EG3 De
	20	Tract 3 (80 Acres)	Total:
		Tract 4 (40 Acres)	
	35	Tract Lease 1 E0-5014	
		2 VB-1406 3 L0-3674 4 VB-1199	
1	1 1		

Commited Working Interest							
Franklin Mountain Energy 3, LLC	33.9464%						
Uncommited Working Int	oract						
Oncommitted working int							
MRC Permian Company	47.48 21 %						
Marathon Oil Permian, LLC	11.4286%						
Allar Development, LLC	5.3571%						
EG3 Development, LLC	1.7857%						
Total:	100.0000%						





Sent via USPS: 9400109205568758357835

July 18, 2023

EG3 Development, LLC PO Box 1567 Graham, TX 76450

Attn: Land Dept, Permian Basin

RE:

Well Proposals

Township 18 South, Range 34 East:

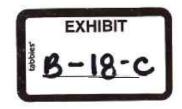
Section 23: E2SW, Section 26: E2W2, & Section 35: NENW

Lea County, New Mexico 280.00 acres, more or less

Dear Working Interest Owner:

Franklin Mountain Energy 3, LLC ("FME3"), as Operator, hereby proposes the drilling and completion of the following wells:

Well Name	Target Formation	Total Vertical Depth	Measure d Depth	SHL	BHL	Total AFE	Order
Gold State Com 502H	2B\$	9793	19,793'	Sec 35- T18S-R34E 1062 FNL 1787 FWL	Sec 23- T18S- R34E 2510 FSL 2300 FWL	\$11,355,549.08	N/A
Gold State Com 602H	3BS	10483	20,483'	Sec 35- T18S-R34E 1062 FNL 1737 FWL	Sec 23- T18S- R34E 2510 FSL 1660 FWL	\$11,650,592.43	N/A
Gold State Com 702H	WCA	10998	20,998'	Sec 35- T18S-R34E 1062 FNL 2560 FEL	Sec 23- T18S- R34E 130 FNL 2300 FEL	\$11,650,592.43	N/A
Gold State Com 802H	WCB	11713	21,713'	Sec 35- T18S-R34E 1062 FNL 1762 FWL	Sec 23- T19S- R34E 2510 FSL 1660 FWL	\$11,783,083.07	N/A





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

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

- 100/300% Non-Consenting Penalty
- \$9,000/\$900 Drilling and Producing Rate
- Franklin Mountain Energy 3, LLC designated as Operator

Should you be interested in participating under an Operating Agreement, with your working interest, FME3 will send you our proposed form.

Please indicate your election in the space provided on the following page, sign and return this letter, along with a signed copy of the enclosed AFE. If you do not wish to participate, FME3 proposes a term assignment or lease at the following terms:

The foregoing offer is non-binding in nature until a definitive agreement and/or conveyance documents are negotiated and agreed to by each party. FME3 is under no obligation to negotiate, lease or purchase your interest.

Please return your signed documents to Don Johnson at <u>djohnson@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 (720) 414-7863.

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson Sr. Land Analyst



Gold State Com 502H:
I/We hereby elect to participate in the Gold State Com 502H well. I/We hereby elect NOT to participate in the Gold State Com 502H well.
Gold State Com 602H:
I/We hereby elect to participate in the Gold State Com 602H well. I/We hereby elect NOT to participate in the Gold State Com 602H well.
Gold State Com 702H:
I/We hereby elect to participate in the Gold State Com 702H well. I/We hereby elect NOT to participate in the Gold State Com 702H well.
Gold State Com 802H:
I/We hereby elect to participate in the Gold State Com 802H well. I/We hereby elect NOT to participate in the Gold State Com 802H well.
Owner: EG3 Development, LLC
By:
Printed Name:
Title:
Date:



Franklin Monutain Energy 3, LLC 44 Cook Street, Suite 1000 Denver, CO 80206 Phone 720-414-7868 Tranklinmountainenergy com

Operate	E:	Franklin Mountain Energy 3, LLC		Date Pr	mared:	6/21/2023	
Purpose	:	Drill and complete a 9,000° 2BS well TVD 9,793°, MD 19,793°		AFE#:		DCE230617	
		4.40 31.52 1.400 1.31.50					
		Intangible Drilling Cos				Intangible Completion Cos	
	Minor	Description	Anne			Description	Amonut
225	5	ADMINISTRATIVE OVERHEAD CASING CREW & EQPT	\$4,000 \$45,000	240 240	5 10	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS	\$3,200 \$6,635
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	40	15	CASING CREW & EQPT	\$0
225	6	CEMENTING PRODUCTION CASING	280,000	240	20	COILED TUBING/SNUBBING UNIT	\$194,313
225 225	20 25	CEMENTING SUFACE CASING COMMUNICATIONS	\$36,000 \$19,000	240	25 30	COMMUNICATIONS COMPANY DIRECT LABOR	\$1,896 30
225	3(0)	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,000
225 225	1	CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR	\$45,000 \$50,000	240 40	45 50	CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION	\$23,697 \$1,896
125	470	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$2,844
225	50	DAYWORK CONTRACT	\$520,000	240 240	60	ELECTRICAL POWER/GENERATION	\$0
225 225	60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$200,000 \$90,000	240	62 65	ENGINEERING ENVIRONMENTAL/CLEANUP	\$5,687 \$0
225	6	DRILLING BITS	\$90,000	240	70	FISHING TOOLS / SERVICES	\$0
225	70	ELECTRICAL POWER/GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
225 225	80	ENGINEERING ENVIRONMENTAL SERVICES	\$20,000 \$200,000	240 240	72 75	FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL	\$470,000 \$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$40,000	240	60	HEALTH & SAFETY	\$4,700
225	90	EQUIPMENT RENTAL	\$50,000	240 240	8.5 90	HOUSING AND SUPPORT SERVICES	\$14,000 \$0
225 225	9	FISHING TOOLS/SERVICES HEALTH & SAFETY	57,000	240	95	MATERIALS & SUPPLIES MISCELLANEOUS	50 50
225	100	HOUSING AND SUPPORT SERVICES	\$18,000	240	100	MUD & CHEMICALS	390,000
225	105	INSURANCE	\$1,700	240 240	110	P&A/TA COSTS	\$0
225	106	INSPECTIONS LEGAL, TITLE SERVICES	\$15,000	240	115	PERFORATING/WIRELINE SERVICE PIPE INSPECTION	\$265,403 \$0
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,000
225	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,616,000
225 225	125	MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS	\$31,000 \$180,000	240 240	135 140	SUBSURFACE EQUIPMENTAL RENTAL SUPERVISION	\$37,915 \$90,047
225	140	OPENHOLE LOGGING	30	240	145	SURFACE EQUIP RENTAL	\$189,573
225	141	CASED HOLE LOGGING	20	240	150	TRANSPORTATION/TRUCKING	\$2,844
225	145 150	PERMITS, LICENSES, ETC POWER FUEL & WATER HAULING	\$20,000 \$160,000	240 240	155 160	WATER TRANSFER WELDING SERVICES	\$56,872 \$0
225	150	RIG MOVE & RACKING COSTS	\$160,000 \$130,000	240	165	WELL TESTING/FLOWBACK	\$165,000
225	160	RIG UP TEAR OUT & STANDBY	\$0	240	148	TAXES	\$273,599
225	163 165	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5% Tutal Intangible Completion Costs:	\$248,726 96,846
225 225	170	STAKING & SURVEYING SUPERVISION	\$5,000 \$71,400			Taka thrangine Comprehen Coust	20,040
225	175	SUPERVISION - GEOLOGICAL	\$39,000			Tangible Completion Costs	
225	180	TRANSPORTATION/TRUCKING	\$20,000	Major	Minor	Description	Amount
225 225	178 35	TAXES CONTINGENCY COSTS 5%	\$125,131 \$113,753	245 345	5 15	ARTIFICIAL LIFT FLOWLINES	\$175,000
		Total Intangible Drilling Costs:	\$2,513,986	36	25	FRAC STRING	\$0
				245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
Major	Minu	Tangible Dvilling Costs Description	Albun(245	45 50	PRODUCTION LINER PRODUCTION PROCESSING FACILITY	\$0 \$0
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
210	25 35	PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$1,634,380 \$169,740	245 245	65 75	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$50,000 \$125,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,600
230	40	TAXES Total Tangible Drilling Costs:	\$83,263			Total Tangible Completion Costs:	\$548,600
		Total Language Dynamic Count.	(E) Description			Intangible Facility Costs	
		Tangible Facility Costs			Minor 5	CONSULTING	Amount
270	ATHROP ID	Pescription FACILITY PIPE/VALVES/FITTINGS	Amou #/ \$180,000	265 265	12	COMPANY DIRECT LABOR	\$18,100 50
270	15	CONTAINMENT	SO	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
270	25	DEHYDRATION	\$0	365	22	PAD/ROAD CONSTRUCTION	\$50,000
270 270	30 50	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$16,000 \$47,000	265 265	25 40	ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	\$22,000 50
270	60	H2S TREATING EQUIPMENT	02	265	45	CONTRACT LABOR & SERVICES	\$0
270	65	SEPARATION EQUIPMENT	\$125,000	265	60	OVERHEAD	\$3,000
270 270	66 75	ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	\$0 \$0	265 265	80 85	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	\$1,500 \$0
270	86	FACILITY SURFACE EQUIPMENT	\$137,000	265	83	TAXES	\$6,523
270	90	H2S SAFETY SYSTEM	\$4,000	265	10	CONTINGENCY COSTS 5%	\$5,930
270 270	100	CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$36,000 \$90,000			Total Intangible Facility Custs:	\$131,053
270	130	MECHANICAL BATTERY BUILD	\$154,000			Office Use Only:	
270	132	EI&C BATTERY BUILD	\$45,000	-	-		1
270 270	134 136	CONTROLS AND SCADA BATTERY BUILD	\$5,000 \$56,000				
270	138	PRIMARY POWER BUILD FLOWLINE INSTALLATION	\$27,000	1			i
270	140	SIGNAGE	\$250	1			
270	125	TAXES	\$55,674				
		Total Tangible Facility Costs:	-1001,924	1			
				1			i
Total Dn			\$4,111,126.79	1			1
Total Cor Total Fac			\$6,043,445.54 \$1,198,976.75	1			
Total DC	Intangi		\$8,010,831,04	1			
Total DC	Tangib	le	\$2,145,741.29				
otal A	j.		91,3 (55,519,00	<u> </u>			
	THIS A	UTHORITY FOR EXPENDITURE IS BASED ON COST 6	CTIMATES BRIDE	VIII DEEL	CCT V	OLID DROBORTINATE CHARGOE OF THE ACTUAL	INVOICE COSTS
	mis A	UIRORITI FOR EXPENDITORE IS BASED ON COST	STINIATES, BILLIANO W	VILL REPL	BUL 1	OOR PROPORTING TE SHORE OF THE ACTUAL	ANTONCE COSTS
Operator:		Franklin Montain Grassov 3, LLG					
Approve	Be	(i)k(a)		Date.			6/21/2023
Approve	. 25.	Craig Walters		Date.			~ 110017
		Chief Executive Officer					
WI Own	r						
Approved	l Ru		-1	Date:			
vibleaved	. Dy		-	Dare:			

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



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

Oold State Com 602ft
SHL: Sec 35-T185-R34E 1062 FNL 1737 FWL
BHL: Sec 33-T185-R34E 2510 FSL 1660 FWL
Franklin Mountain Energy 3, LLC
Drill and complete a 9,000 3BS well
TVD 10,483; MD 20,483 Operator:

Well #: 60211 County/States Lea Co., NM Date Prepared: 6/21/2023 DCE210620 APE #:

urpose		TVD 10,483', MD 20,483'		AFE #:		DCE210620	
		Intangible Drilling Costs				Intangible Completion Costs	
Major		Description	Ашонпі	Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,500	240	5	ADMINISTRATIVE OVERHEAD	\$8,20
225 225	13	CASING CREW & EQPT CEMENTING INTERMEDIATE CASING	\$50,000 \$40,000	240 240	LO	CASED HOLE LOGS & SURVEYS CASING CREW & EQPT	\$6,63 \$
225	6	CEMENTING PRODUCTION CASING	\$80,000	240	- 10	COILED TUBING/SNUBBING UNIT	\$194,31
225	ď.	CEMENTING SUFACE CASING	\$36,000	240	2 2	COMMUNICATIONS	\$1,89
225	3	COMMUNICATIONS	\$21,000	240	310		
225	3 +	COMPLETION FLUIDS CONSTRUCTION/LOCATION & ROAD	\$6,000 \$45,000	240 240	43	COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS	\$75,00 \$23,69
225	0	CONTRACT LABOR	\$55,000	240	510	DAMAGES/RECLAMATION	51,89
225	4.0	DAMAGES	\$15,000	240	5.7	DISPOSAL SOLIDS	\$2,84
225	0	DAYWORK CONTRACT	2382,000	240	b	ELECTRICAL POWER/GENERATION	
225 225	60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$226,000 \$90,000	240 240	6	ENGINEERING ENVIRONMENTAL/CLEANUP	\$5,68 \$
225	6	DRILLING BITS	5100,000	240	70	FISHING TOOLS / SERVICES	Š
225	70	ELECTRICAL POWER/GENERATION	30	240	1	FLUIDS/HAULING/DISPOSAL	\$180,00
225	77	ENGINEERING	\$21,000	240	7.2	FRAC WATER/COMPLETION FLUID	\$470,00
225 225	8-9 8-1	ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE	\$210,000 \$50,000	240 240	75 80	FUEL, POWER/DIESEL HEALTH & SAFETY	\$550,00 \$4,70
225	8.50	EQUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,00
225	90	FISHING TOOLS/SERVICES	20	240	90	MATERIALS & SUPPLIES	1
225	9.5	HEALTH & SAFETY	\$9,000	240	9.5	MISCELLANEOUS	3
225	bo	HOUSING AND SUPPORT SERVICES INSURANCE	\$19,000 \$1,900	240 240	100	MUD & CHEMICALS P&A/TA COSTS	\$10,00 \$
225	b6	INSPECTIONS	\$17,000	340	115	PERFORATING/WIRELINE SERVICE	\$265,40
225	16	LEGAL, TITLE SERVICES	\$6,000	. 240	120	PIPE INSPECTION	5
225	18	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,00
225	20	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,616,00
225	16	MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS	\$31,000	240 240	135 140	SUBSURFACE EQUIPMENTAL RENTAL SUPERVISION	\$37,91 \$90,04
225	E O	OPENHOLE LOGGING	\$190,000	240	145	SURFACE EQUIP RENTAL	\$90,04 \$189,57
225	2.5	CASED HOLE LOGGING	50	240	150	TRANSPORTATION/TRUCKING	\$2,84
225	4	PERMITS, LICENSES, ETC	520,000	240	155	WATER TRANSFER	\$56,87
225	50	POWER FUEL & WATER HAULING	\$170,000	240	160	WELDING SERVICES	5166.00
225 225	60	RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	\$130,000	240 240	165 148	WELL TESTING/FLOWBACK TAXES	\$165,00 \$273,59
225	63	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$248,72
225	115	STAKING & SURVEYING	\$6,000			Total Intangible Completion Costs:	\$5,496,84
225	70	SUPERVISION	\$75,600			m	
225	1.5	SUPERVISION - GEOLOGICAL TRANSPORTATION/TRAISCUING	\$41,400 \$22,000	De la	Mire	Tangible Completion Costs	Amount
225 225	80	TRANSPORTATION/TRUCKING TAXES	\$134,057	Major 245	Mimor	Description ARTIFICIAL LIFT	\$175,00
223	35	CONTINGENCY COSTS 5%	\$121,870	245	15	FLOWLINES	\$20,00
		Total Intengible Drifting Costs:	\$2,693,327	245	25	FRAC STRING	3
		THE R. P. LEWIS CO., LANSING		245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	S
dajor	Allege	T ****ble Drilling Cost * Description	Amount	245 245	45 50	PRODUCTION LINER PRODUCTION PROCESSING FACILITY	5
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,75B	245	55	PRODUCTION TUBING	\$150,00
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS	2
239	25	PRODUCTION CASING & ATTACHMENTS	\$1,144,050	245	65	SUBSURFACE EQUIPMENT	\$30,00
30	35	SURFACE CASING & ATTACHMENTS	\$169,740	245 245	75	WELLHEAD EQUIPMENT	\$125,00
20	45	WELLHEAD EQUIPMENT/CASING BOWL TAXES	\$70,000 \$89,295	245	70	TAXES Total Tangible Completion Costs:	\$28,60 \$548,60
		Total Tangible Drilling Costs:	3471-4294	_			
		20 - 21 - 2 - 25 - 25 - 25 - 25 - 25 - 25		Veter	b.P.	Intangible Facility Costs	A
lajor	Minor	Tangilde Facility Costs Description	Amount	Major 265	itiinor 5	Description CONSULTING	Amount S18,10
270	10	FACILITY PIPE/VALVES/FITTINGS	\$180,000	265	12	COMPANY DIRECT LABOR	21,212
270	15	CONTAINMENT	\$0	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,00
270	25	DEHYDRATION	\$0	265	22	PAD/ROAD CONSTRUCTION	250,002
270 270	30 50	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$56,000] \$47,000]	265 265	25 40	ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	\$22,00 \$
270	60	H2S TREATING EQUIPMENT	\$0	265	45	CONTRACT LABOR & SERVICES	ŝ
270	65	SEPARATION EQUIPMENT	\$125,000	265	60	OVERHEAD	\$3,00
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1,50
270	75	PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	\$
270 270	86 90	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$137,000 54,000	265 265	83 LO-	TAXES CONTINGENCY COSTS 5%	\$6,52 \$5,93
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000	203	···	Total Intengible Facility Coxts:	131,03
270	110	TANKS & WALKWAYS	\$90,000				2 .51,05
270	130	MECHANICAL BATTERY BUILD	\$154,000			Office Use Only:	
270		EI&C BATTERY BUILD	\$45,000				
170 170	134 136	CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$5,000 \$56,000	1			
270 270		FLOWLINE INSTALLATION	\$36,000 \$27,000	1			
270	140	SIGNAGE	\$250	1			
270	125	TAXES	\$55,674				
		Total Tangible Facility Cours	1,067,924	1			
	_						
Kal Dri			\$4,406,170 14				
tal Co	mpletion	1	\$6,045,445 \$4	1			
tal Fac	Intangi	Sin-	\$1,198,976.75 \$8,190,172.54	1			
	Tangib		\$2,261,443 14				
		H. H					
tal A	-		\$11,000,000,00				
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1	THIS A	UTHORLTY FOR EXPENDITURE'S BASED ON COST	ESTIMATES. BILLING V	VILL REF	ECT Y	OUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS.
ocrater:		Franklin Modptam Ericky & LLC					
provec	l Bv	11/2		Date:			6/21/2023
ger war VEC	. - -Y	Craig Wallers	-2	wass.			
		Chief Executive Officer					
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	i Ru			Date:			
provec							
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pproved N	lame:	CIPANTS MUST CARRY THEIR OWN CONTROL OF W					

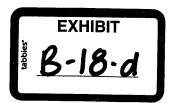
Gold E2W2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

EG3 Development, LLC Allar Development, LLC Marathon Oil Permian, LLC MRC Permian Company ConocoPhillips Company

ORRI to Be Pooled

Good News Minerals, LLC Post Oak Crown IV, LLC Post Oak Mavros II, LLC Sortida Resources, LLC Oak Valley Mineral and Land, LP Crown Oil Partners, LP Collins & Jones Investments, LLC MCT Energy Ltd. H. Jason Wacker David W. Cromwell SHG Energy, LLC Sitka Consulting, LLC Ridge Runner Holdings, LLC John Lawrence Thoma, Trustee of the Cornerstone Family Trust CrownRock Minerals, L.P. The Allar Company EG3, Inc. GMT New Mexico Royalty Company LLC Franklin Mountain Royalty Investments 3, LLC **Nestegg Energy Corporation** Brazos, LP



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Geology

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

APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 24356, 24358-24360

APPLICATIONS OF MRC PERMIAN COMPANY FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 24314-24319¹

STATE OF COLORADO)
) ss
COUNTY OF DENVER)

AFFIDAVIT OF BEN KESSEL

Ben Kessel, being duly sworn, deposes and states:

- 1. I am over the age of 18, I am the Director of Geology for Franklin Mountain Energy 3, LLC ("FME3"), and have personal knowledge of the matters stated herein.
- 2. I have testified before the New Mexico Oil Conservation Division (the "Division") and my credentials were accepted as a matter of record.
 - 3. My work for FME3 includes the Permian Basin and Lea County.
- 4. I am familiar with the applications FME3 filed in Case Nos. 24356, 24358-24360. I am also familiar with the applications filed by MRC Permian ("MRC") in Case Numbers 24314-24319.

EXHIBIT

C

¹ MRC Permian Company ("MRC") has now withdrawn its objection to FME3's Gold State Com cases and FME3 is presenting these cases as uncontested affidavit cases. MRC has not yet dismissed its competing cases in Case Nos. 24314-24319 and so FME3 is filing its exhibits in the MRC cases for completeness.

- 5. I conducted a geological study of the Bone Spring and Wolfcamp formations underlying FME3's Gold State Com Development Area ("Gold Development Area").
- 6. **Exhibit C-1** is a locator map, which identifies the general location of the Gold Development Area within the Permian Basin.
- 7. **Exhibit C-2** is an excerpt from Snee & Zoback, 2018, identifying the horizontal stress orientation in this area. The preferred well orientation in this area is North South due to the S_{Hmax} direction.
 - 8. **Exhibit C-3** is a gun barrel diagram of FME3's proposed Gold development plan.

BONE SPRING GEOLOGY STUDY—CASE 24360

- 9. The exhibits behind **Tab C-4** are the geology study I prepared for Case No. 24360, in which FME3 proposes to drill two Bone Spring wells—one Second Bone Spring well and one Third Bone Spring well. For completeness, however, I have included FME3's future planned Second and Third Bone Spring wells in the exhibits.
- 10. **Exhibit C-4-a** is the Second Bone Spring Structure map. The Gold Development Area is identified by the pink box and the approximate location of the Second Bone Spring wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the structure dips to the south. Exhibit C-4-a also identifies the seven wells I used for the cross-section, running from A to A'.
- 11. **Exhibit C-4-b** is a stratigraphic cross section. In my opinion, the well logs on the cross-section give a representative sample of the Second Bone Spring Sand formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified approximately where the Gold Second Bone Spring wells fall within the wells I used for the cross-

section. Based on the cross section, I conclude that the Second Bone Spring is present and porous in the Gold Development Area.

- 12. **Exhibit C-4-c** is a Second Bone Spring Sand Isopach, which shows that the gross reservoir thickens to the south.
- 13. **Exhibit C-4-d** is a Third Bone Spring Structure map. The Gold Development Area is identified by the pink box and the approximate location of the Second Bone Spring wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the structure dips to the south. Exhibit C-4-d also identifies the seven wells I used for the cross-section, running from A to A'.
- 14. **Exhibit C-4-e** is a stratigraphic cross section'. In my opinion, the well logs 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 approximately where the Gold Third Bone Spring wells fall within the wells I used for the cross-section. Based on the cross section, I conclude that the Third Bone Spring is present and porous in the Gold Development Area.
- 15. **Exhibit C-4-f** is a Third Bone Spring Sand Isopach, which shows that the gross reservoir thickens slightly to the southeast.
 - 16. I conclude from the Bone Spring geology study that:
 - a. The horizontal spacing units are justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter-quarter section in the proposed units will contribute more or less equally to production.

WOLFCAMP GEOLOGY STUDY—CASES 24356, 24358, 24359

- 17. The exhibits behind **Tab C-5** are the geology study I prepared for the Wolfcamp formation. In case numbers 24356, 24358, and 24359, FME 3 is proposing a total of 6 wells—three Wolfcamp A wells and three Wolfcamp B wells. I have prepared two separate sets of slides for each target formation.
- 18. **Exhibit C-5-a** is the Wolfcamp A Structure map. The Gold Development Area is identified by the green box and the approximate location of the Wolfcamp A wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the reservoir dips to the south. This map also identifies the seven wells I used for the cross-section, running from A to A'.
- 19. **Exhibit C-5-b** is a stratigraphic cross section. In my opinion, the well logs on the cross-section give a representative sample of the Wolfcamp A formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified where the proposed Gold Wolfcamp A wells falls within the wells I used for the cross-section. Based on the cross section, I conclude that the Wolfcamp A is present and porous in the Gold Development Area.
- 20. **Exhibit C-5-c** is a Wolfcamp A Isopach, which shows that the reservoir thins slightly to the south.
- 21. **Exhibit C-5-d** is the Wolfcamp B Structure map. The Gold Development Area is identified by the green box and the approximate location of the Wolfcamp B wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the reservoir dips to the south. This map also identifies the seven wells I used for the cross-section, running from A to A'.

- 22. **Exhibit C-5-e** is a stratigraphic cross section. In my opinion, the well logs on the cross-section give a representative sample of the Wolfcamp B formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified where the proposed Gold Wolfcamp B wells falls within the wells I used for the cross-section. Based on the cross section, I conclude that the Wolfcamp B is present and porous in the Gold Development Area.
- 23. **Exhibit C-4-f** is a Wolfcamp B Isopach, which shows that the reservoir thickens to the northwest.
 - 24. I conclude from the Wolfcamp geology study that:
 - a. The horizontal spacing units are justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter-quarter section in the proposed units will contribute more or less equally to production.
- 25. In my opinion, FME3's Gold State Development plan prevents waste and protects correlative rights.
- 26. The attachments to my affidavit were prepared by me or compiled under my direction or supervision.

Dated: June 18, 2024

Ben Kessel

State of 60 rado

County of Denver

This record was acknowledged before me on June 18, 2024, by Ben Kessel.

[Stamp]

RACHAEL OVERBEY
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID 20084000193
MY COMMISSION EXPIRES JANUARY 3, 2028

Notary Public in and for the

State of Colorado

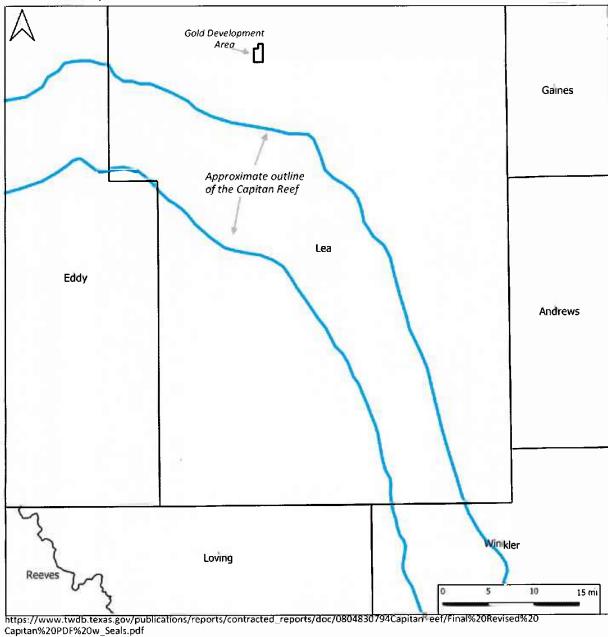
Commission Number: <u>1008 4600 193</u>

My Commission Expires: 1/3/2028

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Gold Development

Locator Map



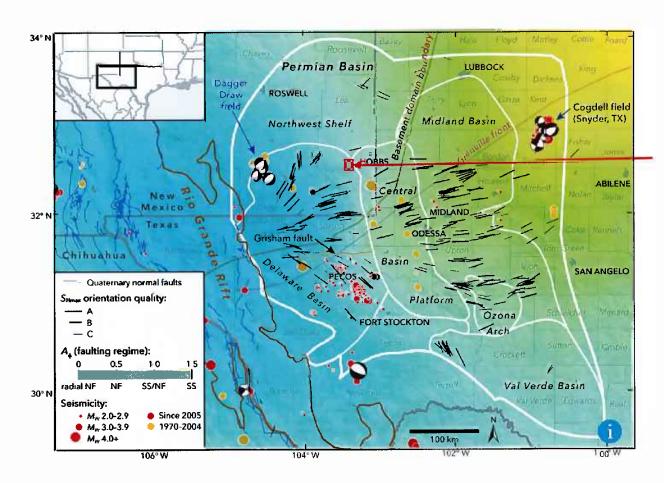


- Black box shows the location of the Gold development area
- Planned wells are located outside the known boundary of the Capitan Reef



Regional Stress

ENERGY



- Red box shows the approximate location of the Gold development
- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 255°
- The Gold State wells are planned to drill N-S, nearly orthogonal to S_{hmax}, optimal for induced fracture propagation

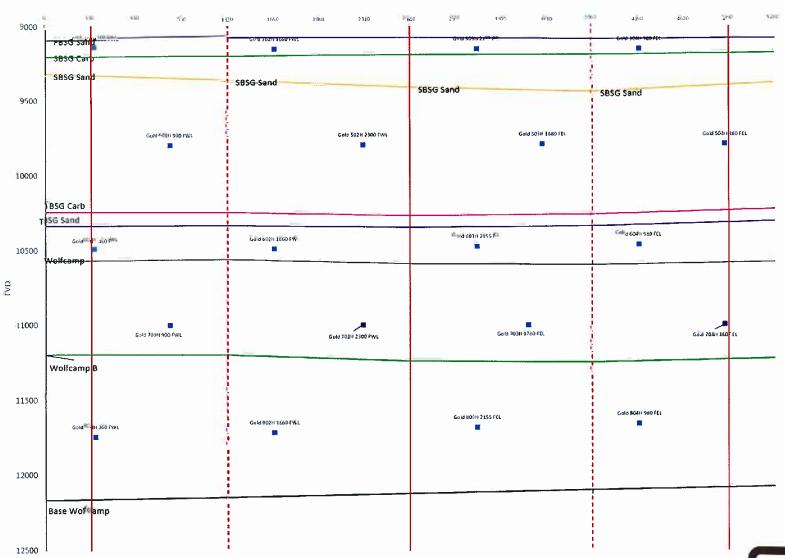
Snee, J.L. and Zoback, M.D., 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 37, no. 2

http://www.tleonline.org/theleadingedge/february 2018/MobilePagedArtic le action?articleId=1331603#articleId1331603





18S 34E Sections 26&25-Looking North Distance FWL

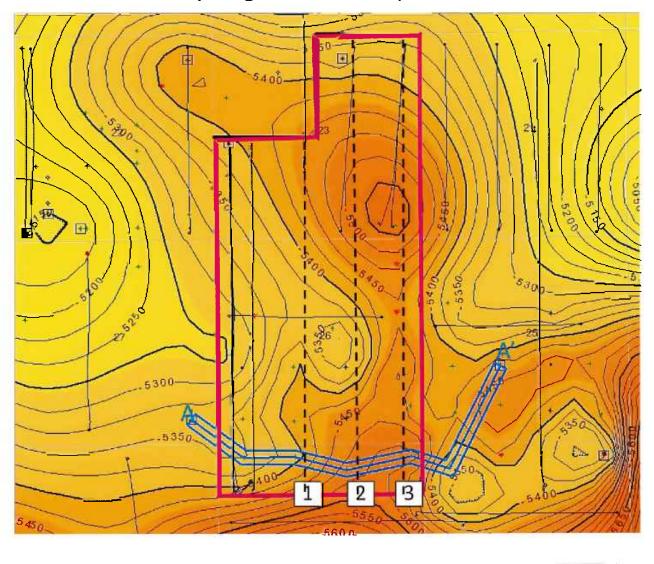


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Second Bone Spring Structure Map



Second Bone Spring structure dips to the south



Gold Development-Bone Spring

Proposed Horizontal Location

- 1 Gold State Com 502H
- 2 Gold State Com 503H
- 3 Gold State Com 504H

1 mile

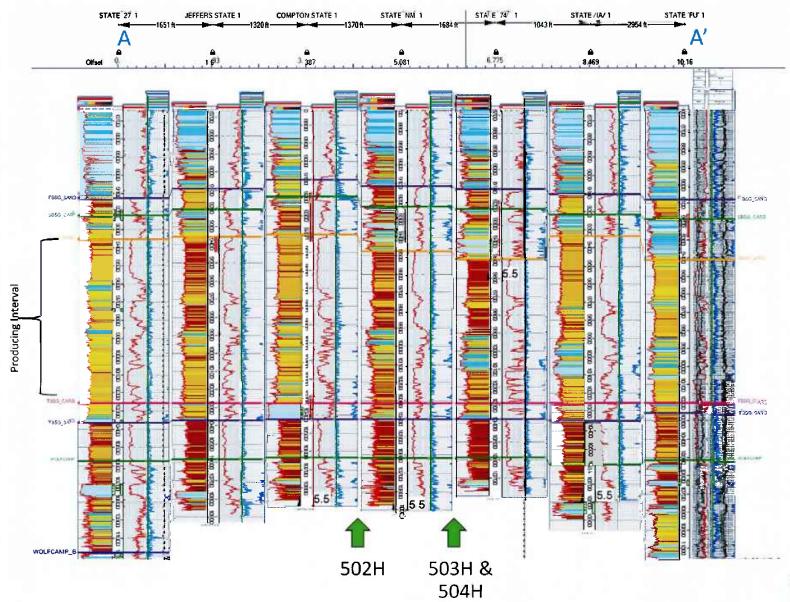
All wells shown

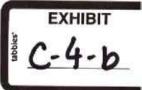


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Second Bone Spring Cross Section

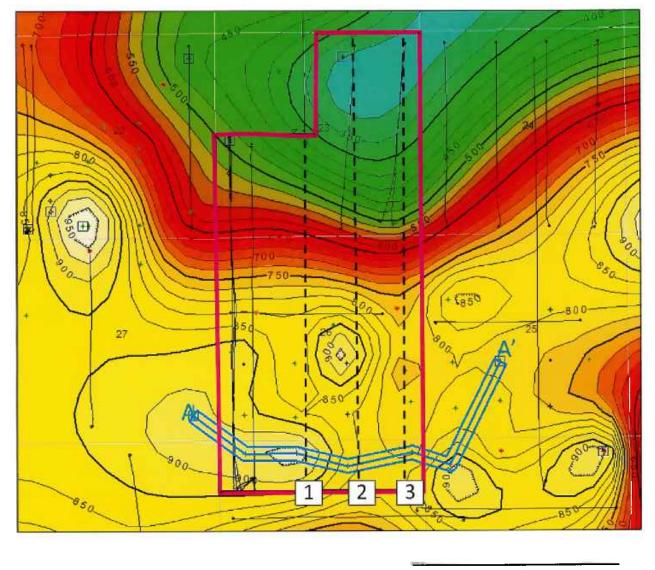






Second Bone Spring Sand Isochore Map

Second Bone Spring thickens to the south

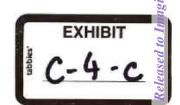


Gold Development-**Bone Spring**

Proposed Horizontal Location

- 1 Gold State Com 502H
- 2 Gold State Com 503H
- 3 Gold State Com 504H

1 mile

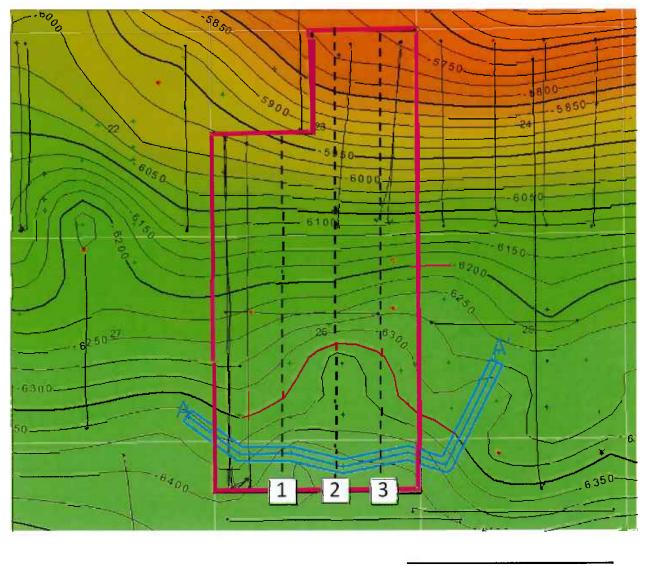


All wells shown

Third Bone Spring Structure Map

FRANKLIN MOUNTAIN ENERGY

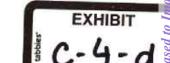
Third Bone Spring structure dips to the south



Gold Development-Bone Spring

Proposed Horizontal Location

- 1 Gold State Com 602H
- 2 Gold State Com 603H
- Gold State Com 604H



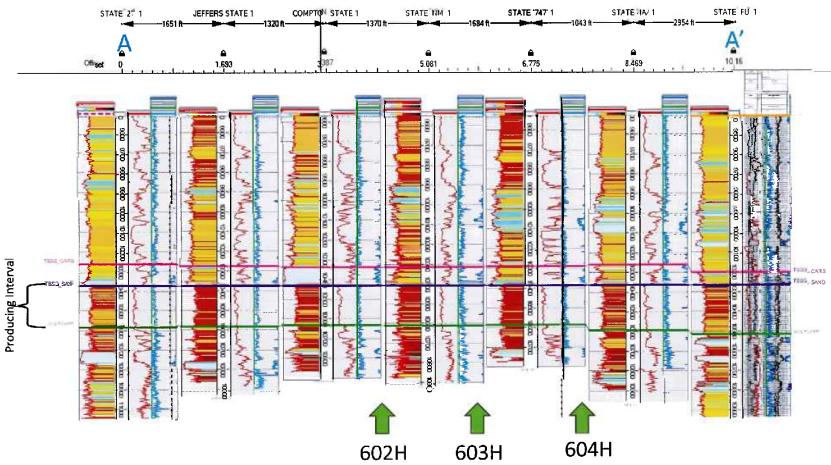
All wells shown

1 mile

Received by OCD: 6/19/2024 4:00:15 PM

Third Bone Spring Cross Section







Third Bone Spring Sand Isochore Map



Third Bone Spring thickens to the southeast

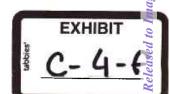


Gold Development-**Bone Spring**

Proposed Horizontal Location

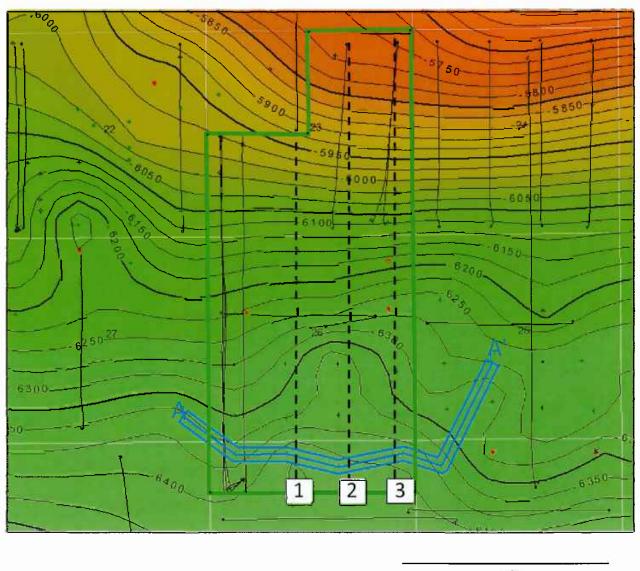
- Gold State Com 302H
- 2 Gold State Com 303H
- 3 Gold State Com 304H





Wolfcamp A Structure Map

Wolfcamp A structure dips to the south



Gold Development-Wolfcamp

Proposed Horizontal Location

- 1 Gold State Com 702H
- 2 Gold State Com 703H
- 3 Gold State Com 704H



1 mile

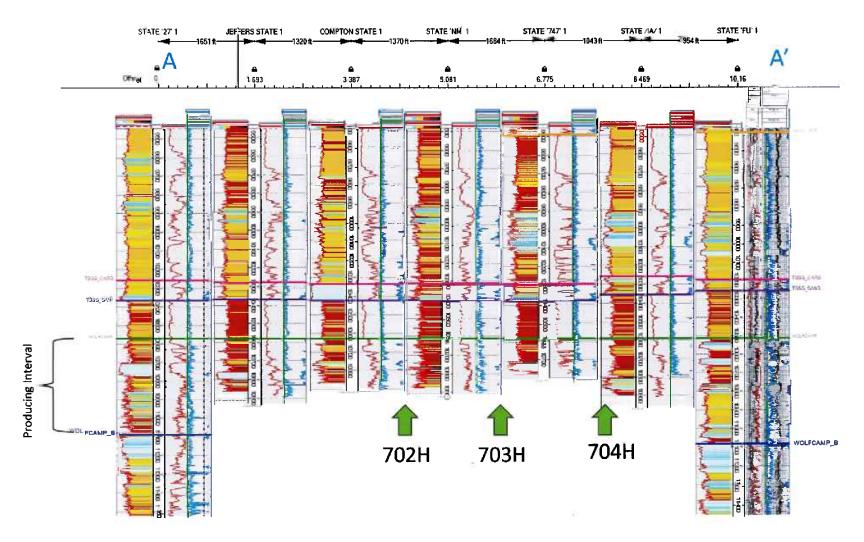




Received by OCD: 6/19/2024 4:00:15 PM

Wolfcamp A Cross Section



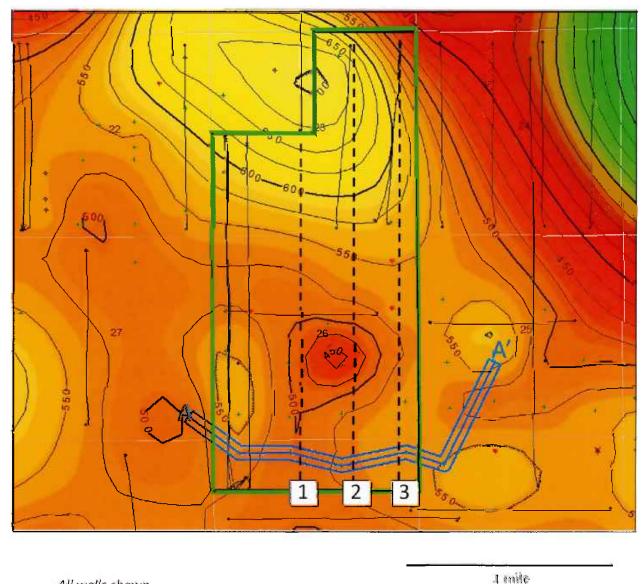




Wolfcamp A Isochore Map

All wells shown

Wolfcamp A thins slightly to the south



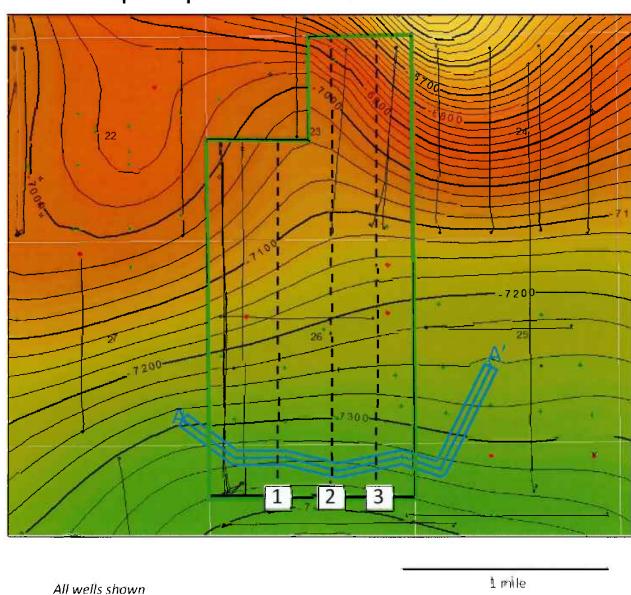
Gold Development-Wolfcamp

Proposed Horizontal Location

- Gold State Com 702H
- 2 Gold State Com 703H
- 3 Gold State Com 704H

Wolfcamp B Structure Map

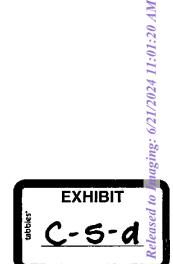
■Wolfcamp B dips to the south



Gold Development-Wolfcamp

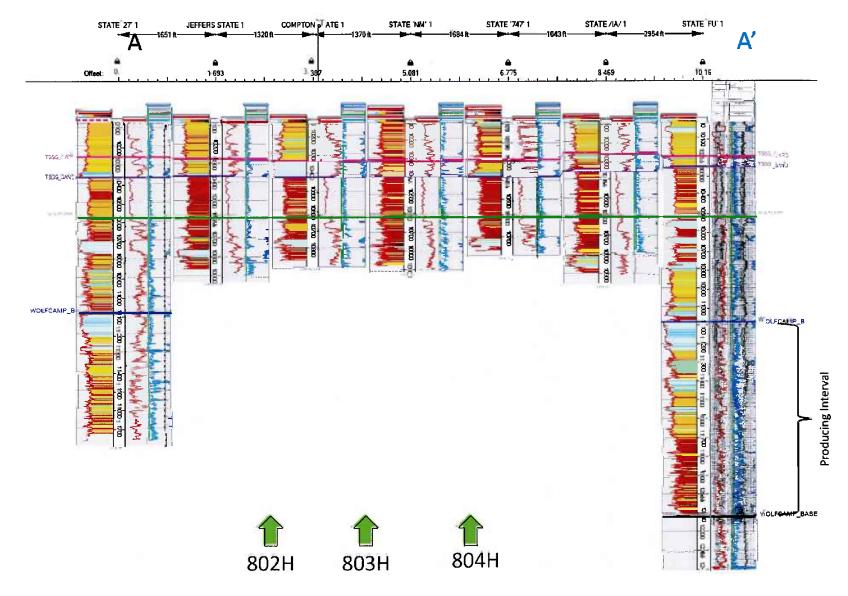
Proposed Horizontal Location

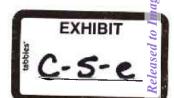
- 1 Gold State Com 802H
- 2 Gold State Com 803H
- 3 Gold State Com 804H



Wolfcamp B Cross Section

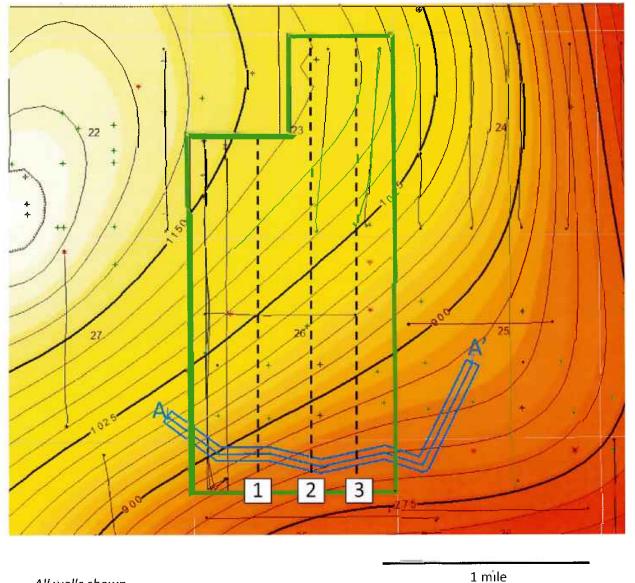






Wolfcamp B Isochore Map

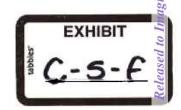
■Wolfcamp B thickens to the northwest



Gold Development-Wolfcamp

Proposed Horizontal Location

- 1 Gold State Com 802H
- 2 Gold State Com 803H
- 3 Gold State Com 804H



All wells shown

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

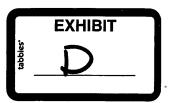
APPLICATIONS OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND NOTICE OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

Case Nos. 24356, 24358-24360

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 letters, dated May 31, 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 May 31, 2024.
- 3) Exhibit D.3 is the certified mailing tracking information, which is automatically compiled by CertifiedPro, the software Modrall uses to track the mailings. This shows the names and addresses of the parties to whom notice was sent and proof of delivery.
- 4) Exhibit D.4 are the Affidavit of Publications from the Hobbs News-Sun, confirming that notice of the June 26, 2024 hearing was published on June 6, 2024.
- 5) The original applications that were filed September 5, 2023 were provided under notice letters, dated and mailed by certified mail on September 14, 2023, and published in Hobbs News-Sun on September 20, 2023.
- 6) 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: June 19, 2024

hillona 4 Binnert

Deana M. Bennett



May 31, 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 AND, TO THE EXTENT NECESSARY, APPROVAL OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24356 (FORMERLY 23841)

EXHIBIT

TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain Energy 3") has filed the enclosed amended application. The application in the above captioned case amends the application in Case Nos. 23841. Franklin filed the amended application, to the extent necessary, to provide notice that the spacing unit in the application will partially overlap proposed and/or existing spacing units.

In Case No. 24356, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 704H and Gold State Com 804H wells. The Gold State Com 704H well will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the NE/4NE/4 (Unit A) of Section 23, and the Gold State Com 804H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the NE/4NE/4 (Unit A) of Section 23. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The horizontal spacing unit proposed in this application will partially overlap a proposed 33.81-acre more or less Wolfcamp spacing unit comprised of the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2 (the equivalent of the E/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 704

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and 804H wells. 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 24 miles west of Hobbs, New Mexico.

The hearing is set for June 26, 2024 beginning at 8:30 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 this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in these case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

Deana M. Bennett

Attorney for Applicant

Deena 4. Bennett

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

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

CASE NO. 24356

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application¹ 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 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 360-acre, more or less, Wolfcamp horizontal spacing unit.
- 3. Franklin plans to drill the Gold State Com 704H and Gold State Com 804H wells to a depth sufficient to test the Wolfcamp formation and the producing area for the wells is expected to be orthodox. The Gold State Com 704H well will be horizontally drilled from a

¹ This application amends the application in Case 23841.

proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the NE/4NE/4 (Unit A) of Section 23, and the Gold State Com 804H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the NE/4NE/4 (Unit A) of Section 23.

- 4. Franklin filed Case No. 23841 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would "partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E." Application Case No. 23841, ¶ 4.
- 5. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap a proposed 323.81-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2 (the equivalent of the E/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 704 and 804H wells.
- 6. 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.
- 7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
 - 8. Case No. 23841 is currently set for contested hearing on April 9, 2024.
- 9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division 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 the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
 - B. Approving, to the extent necessary, the proposed overlapping spacing unit;
 - C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
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
Attorneys for Applicant

CASE NO. 24356 : Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2E/2 of Sections 23 and 26, and the NE/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 704H and Gold State Com 804H wells. The Gold State Com 704H well will be horizontally drilled from a proposed surface hole location in the NW/4NE/4 (Unit B) of Section 35 to a proposed bottom hole location in the NE/4NE/4 (Unit A) of Section 23, and the Gold State Com 804H well will be horizontally drilled from a proposed surface hole location in the NE/4NE/4 (Unit A) of Section 35 to a proposed bottom hole location in the NE/4NE/4 (Unit A) of Section 23. The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The horizontal spacing unit proposed in this application will partially overlap a proposed 33.81-acre more or less Wolfcamp spacing unit comprised of the E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2 (the equivalent of the E/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 704 and 804H wells. 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 24 miles west of Hobbs, New Mexico.



May 31, 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 AND, TO THE EXTENT NECESSARY, APPROVAL OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24358 (FORMERLY 23842)

TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain Energy 3") has filed the enclosed amended application. The application in the above captioned case amends the application in Case No. 23842. Franklin filed the amended application, to the extent necessary, to provide notice that the spacing unit in the application will partially overlap proposed and/or existing spacing units.

In Case No. 24358, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 703H and Gold State Com 803H wells, to be horizontally drilled from proposed surface hole locations in the NW/4NE/4 (Unit B) of Section 35 to proposed bottom hole locations in the NW/4NE/4 (Unit B) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 703H and Parallel State Com 803H wells. 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

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the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

The hearing is set for June 26, 2024 beginning at 8:30 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 this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in these case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

Deana M. Bennett

Attorney for Applicant

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

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

CASE NO. _24358

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico to form a standard 360-acre, more or less, Wolfcamp horizontal spacing unit.
- 3. Franklin plans to drill the Gold State Com 703H and Gold State Com 803H wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled from proposed surface hole locations in the NW/4NE/4 (Unit B) of Section 35 to proposed bottom hole

¹ This application amends the application filed in Case No. 23842.

locations in the NW/4NE/4 (Unit B) of Section 23, and the producing area for the wells is expected to be orthodox.

- 4. Franklin filed Case No. 23842 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would "partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E." Application Case No. 23842, ¶ 4.
- 5. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap a proposed 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 703H and Parallel State Com 803H wells.
- 6. 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.
- 7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
 - 8. Case No. 23842 is currently set for contested hearing on April 9, 2024.
- 9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division 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 the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35,

N.M.P.M., Lea County, New Mexico;

B. Approving, to the extent necessary, the proposed overlapping spacing unit;

C. Designating Franklin as operator of this unit and the wells to be drilled thereon;

D. Authorizing Franklin to recover its costs of drilling, equipping and completing the

wells;

E. Approving actual operating charges and costs charged for supervision, together

with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the wells in

the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS

& SISK, P.A.

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.

Deana M. Bennett

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Albuquerque, New Mexico 87103-2168

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deana.cometeamouran.com

Attorneys for Applicant

CASE NO. 24358: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 703H and Gold State Com 803H wells, to be horizontally drilled from proposed surface hole locations in the NW/4NE/4 (Unit B) of Section 35 to proposed bottom hole locations in the NW/4NE/4 (Unit B) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 703H and Parallel State Com 803H wells. 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 24 miles west of Hobbs, New Mexico.



May 31, 2024

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Deana M. Bennett 505.848.1834 dmb@modrall.com

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

CASE NO. 24359 (FORMERLY 23844)

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

CASE NO. 24360 (FORMERLY 23843)

TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain Energy 3") has filed the enclosed amended applications. The applications in the above captioned cases amend applications in Case Nos. 23844 and 23843. Franklin filed the amended applications, to the extent necessary, to provide notice that the spacing units in the applications will partially overlap proposed and/or existing spacing units.

In Case No. 24359, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Gold State Com 702H and Gold State Com 802H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Wolfcamp

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Page 2

horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 702H and Parallel State Com 802H wells. 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 24 miles west of Hobbs, New Mexico.

In Case No. 24360, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 502H and Gold State Com 602H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 302H and Parallel State Com 502H wells. 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 24 miles west of Hobbs, New Mexico.

The hearing is set for June 26, 2024 beginning at 8:30 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,

Page 3

including the right to present evidence either in support of or in opposition to the applications. Failure to appear at the hearing may preclude you from any involvement in these cases at a later date.

You are further notified that if you desire to appear in these cases, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

Deana M. Bennett

Attorney for Applicant

Deena H. Bennett

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

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

CASE NO. 24359

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 280-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 280-acre, more or less, Wolfcamp horizontal spacing unit.
- 3. Franklin plans to drill the Gold State Com 702H and Gold State Com 802H wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled from

¹ This application amends the application filed in Case No. 23844.

proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox.

- 4. Franklin filed Case No. 23844 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would "partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E." Application Case No. 23844, ¶ 4.
- 5. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 702H and Parallel State Com 802H wells.
- 6. 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.
- 7. The pooling of all interests in the Wolfcamp formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
 - 8. Case No. 23844 is currently set for contested hearing on April 9, 2024.
- 9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division 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 the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
 - B. Approving, to the extent necessary, the proposed overlapping spacing unit;
 - C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
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500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
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deana.bennett@modrall.com
Attorneys for Applicant

Received by OCD: 3/5/2024 10:08:44 PM

CASE NO. 24359: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 702H and Gold State Com 802H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 702H and Parallel State Com 802H wells. 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 24 miles west of Hobbs, New Mexico.

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

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

CASE NO. 24360

APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended 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 280-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 280-acre, more or less, Bone Spring horizontal spacing unit.
- 3. Franklin plans to drill the Gold State Com 502H and Gold State Com 602H wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from

¹ This application amends the application filed in Case No. 23843.

proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox.

- 4. Franklin filed Case No. 23843 on September 5, 2023, in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice that the unit proposed in that application would "partially overlap a spacing unit in Section 35, Township 18 South, Range 34 E." Application Case No. 23843, ¶ 4.
- 5. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 302H and Parallel State Com 502H wells.
- 6. 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.
- 7. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
 - 8. Case No. 23843 is currently set for contested hearing on April 9, 2024.
- 9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for contested hearing on April 9, 2024.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division 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 the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
 - B. Approving, to the extent necessary, the proposed overlapping spacing unit;
 - C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

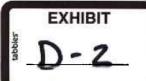
Earl E. DeBrine, Jr.
Deana M. Bennett
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505 848 1800

Telephone: 505.848.1800 Attorneys for Applicant

CASE NO. 24360: Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 502H and Gold State Com 602H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 302H and Parallel State Com 502H wells. 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 24 miles west of Hobbs, New Mexico.

Type of Mailing: CERTIFIED MAIL 05/31/2024

rlene Schuman drall Sperling Roehl Harris & Sisk P.A. Fourth Street, Suite 1000 uquerque NM 87102		erling Roehl Harris & Sisk P.A. Street, Suite 1000 Type of Mailing: CERTIFIED MAIL					
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0121 7914 47	TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood CO 80401	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
2	9314 8699 0430 0121 7914 54	COG Operating, LLC Operating, LLC 600 West Illinois Ave Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
3	9314 8699 0430 0121 7914 61	Concho Oil & Gas, LLC Oil & Gas, LLC 600 West Illinois Ave Midland TX 79701	\$1,63	\$4,40	\$2.32	\$0.00	10154.0010.24356. Notice
4	9314 8699 0430 0121 7914 78	Crump Family Partnership, Ltd PO Box 50820 Midland TX 79710	\$1,63	\$4.40	\$2.32	\$0.00	10154.0010.24356. Notice
5	9314 8699 0430 0121 7914 85	Warren Ventures, Ltd. 808 West Wall Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0,00	10154.0010 24356 Notice
6	9314 8699 0430 0121 7914 92	Tarpon Industries Corp. PO Box 52002 Midland TX 79710	\$1.63	\$4 40	\$2.32	\$0,00	10154.0010.24356 Notice
7	9314 8699 0430 0121 7915 08	Charles D. Ray PO Box 51608 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010 24356 Notice
8	9314 8699 0430 0121 7915 15	Buckhorn Energy, LLC 505 N. Big Spring Stree Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356 Notice
9	9314 8699 0430 0121 7915 22	Sharktooth Resources, Ltd. 300 N. Marienfeld, Suite 700 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356 Notice
10	9314 8699 0430 0121 7915 39	Hanley Petroleum, Inc. 415 W. Wall Street, Suite 1500 Midland TX 79701	\$1.63	\$4.40	\$2 32	\$0.00	10154.0010 24356 Notice
11	9314 8699 0430 0121 7915 46	LHAH Properties, LLC 250 Jungle Road Palm Beach FL 33480	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356 Notice
12	9314 8699 0430 0121 7915 53	H6 Holdings, LLC 16275 NE 85th Street, Suite A Redmond WA 98052	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356 Notice
13	9314 8699 0430 0121 7915 60		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356 Notice
14	9314 8699 0430 0121 7915 77	Mavros Oil Company, LLC PO Box 50820 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.24356 Notice
15	9314 8699 0430 0121 7915 84	TSF WI LP PO Box 222 Midland TX 79702	\$1.63	\$4.40	\$2.32	SO 00	10154.0010.24356



Type of Mailing: CERTIFIED MAIL 05/31/2024

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Irall Sperling Roehl Harris & Sisk P.A. Fourth Street, Suite 1000 uquerque NM 87102		Type of Mailing: 05/3	Firm Mailing Book ID: 266962				
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0121 7915 91	Hanley Petroleum, LLC 1999 Bryan Street, Suite 900 Dallas TX 75201	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356 Notice
17	9314 8699 0430 0121 7916 07	Marathon Oil Permian LLC 990 Town & Country Blvd Houston TX 77024	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356 Notice
18	9314 8699 0430 0121 7916 14	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24350 Notice
19	9314 8699 0430 0121 7916 21		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice
20	9314 8699 0430 0121 7916 38	Good News Minerals, LLC 4000 NORTH BIG SPRING, SUITE 310 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice
21	9314 8699 0430 0121 7916 45	Oak Valley Mineral and Land, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice
22	9314 8699 0430 0121 7916 52	Post Oak Crown IV-B, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice
23	9314 8699 0430 0121 7916 69	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice
24	9314 8699 0430 0121 7916 76		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice
25	9314 8699 0430 0121 7916 83	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice
26	9314 8699 0430 0121 7916 90		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice
27	9314 8699 0430 0121 7917 06		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice
28	9314 8699 0430 0121 7917 13	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice
29	9314 8699 0430 0121 7917 20		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice
30	9314 8699 0430 0121 7917 37		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice

Type of Mailing: CERTIFIED MAIL 05/31/2024

ourth :	erling Roehl Harris & Sisk P.A. Street, Suite 1000	Type of Mailing	Form 3877 :: CERTIFIED MAIL					
querqu	NM 87102 05/31/2024					Firm Mailing Book ID: 266962		
Lme	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents	
31	9314 8699 0430 0121 7917 44	Kaleb Smith PO BOX 50620 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356 Notice	
32	9314 8699 0430 0121 7917 51	Deane Durham PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice	
33	9314 8699 0430 0121 7917 68	State of New Mexico Commissioner of Public Lands PO BOX 1148 SANTA FE NM 87504	\$1,63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice	
34	9314 8699 0430 0121 7917 75	MRC Permian Company Matador 5400 LBJ Freeway Ste 1500 Dallas TX 75240	\$1.63	\$4,40	\$2.32	\$0.00	10154.0010.2435 Notice	
35	9314 8699 0430 0121 7917 82	EG3 Development, LLC PO Box 1567 Graham TX 76450	\$1.63	\$4,40	\$2.32	\$0.00	10154.0010.2435 Notice	
36	9314 8699 0430 0121 7917 99	Allar Development, LLC PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010 2435 Notice	
37	9314 8699 0430 0121 7918 05	Slash Exploration LP 500 North Main Street, Suite 200 Roswell NM 88201	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010 2435 Notice	
38	9314 8699 0430 0121 7918 12		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice	
39	9314 8699 0430 0121 7918 29	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010 2435 Notice	
40	9314 8699 0430 0121 7918 36	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010 2435 Notice	
41	9314 8699 0430 0121 7918 43	Ridge Runner Holdings, LLC 4000 NORTH BIG SPRING SUITE 210 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice	
42	9314 8699 0430 0121 7918 50	John Lawrence Thoma, Trustee of the Cornerstone Family Trust 10864 MCKISSICK ROAD PEYTON CO 80813	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice	
43	9314 8699 0430 0121 7918 67	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice	
44	9314 8699 0430 0121 7918 74	The Allar Company PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.2435 Notice	

Type of Mailing: CERTIFIED MAIL 05/31/2024

g. 6/2	Line	USPS Article Number	Name, Street, City, State, Zip		Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
7/202/	45	9314 8699 0430 0121 7918 81	EG3, Inc. PO Box 1567 Graham TX 76450		\$1.63	\$4.40	\$2.32	\$0.00	10154 0010.24356. Notice
77.07.70	46	9314 8699 0430 0121 7918 98	GMT New Mexico Royalty Company LLC 1560 BROADWAY SUITE 2000 DENVER CO 80202		\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.24356. Notice
	47	9314 8699 0430 0121 7919 04	Armstrong Energy Corporation PO BOX 1973 ROSWELL NM 88202		\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.24356. Notice
	48	9314 8699 0430 0121 7919 11	Blue Ridge Royalties, LLC PO BOX 1973 ROSWELL NM 88202		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24356 Notice
	49	9314 8699 0430 0121 7919 28	Chimney Rock Oil & Gas, LLC 500 NORTH MAIN STREET SUITE 1000 ROSWELL NM 88201		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010 24356 Notice
			*	Totals:	\$79.87	\$215.60	\$113.68	\$0.00	
						Grand	Total:	\$409.15	

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





Type of Mailing: CERTIFIED MAIL 05/31/2024

	uman rling Roehl Harris & Sisk P.A.	PS F	orm 3877				
Fourth Street, Suite 1000 uquerque NM 87102		Type of Mailing 05/	Firm Mailing Book ID: 266				
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fe	e RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0121 7930 14	TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood CO 80401	\$1.63	\$4,40	\$2.32	\$0.00	10154.0010.24358 Notice
2	9314 8699 0430 0121 7930 21		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358 Notice
3	9314 8699 0430 0121 7930 38	- · · · · · · · · · · · · · · · · · · ·	\$1.63	\$4 40	\$2.32	\$0.00	10154.0010.24358 Notice
4	9314 8699 0430 0121 7930 45	Concho Oil & Gas, LLC Oil & Gas, LLC 600 West Illinois Ave Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358 Notice
5	9314 8699 0430 0121 7930 52	Crump Family Partnership, Ltd. PO Box 50820 Midland TX 79710	\$1,63	\$4 40	\$2.32	\$0.00	10154.0010 24358 Notice
6	9314 8699 0430 0121 7930 69		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010 24358 Notice
7	9314 8699 0430 0121 7930 76	Tarpon Industries Corp. PO Box 52002 Midland TX 79710	\$1.63	\$4 40	\$2.32	\$0.00	10154.0010.24358 Notice
8	9314 8699 0430 0121 7930 83	Charles D. Ray PO Box 51608 Midland TX 79710	\$1.63	\$4 40	\$2 32	\$0.00	10154.0010.24358 Notice
9	9314 8699 0430 0121 7930 90	Buckhorn Energy, LLC 407 N. Big Spring Street, Ste 240 Midland TX 79701	\$1.63	\$4.40	\$2 32	\$0.00	10154.0010.24358 Notice
10	9314 8699 0430 0121 7931 06	Sharktooth Resources, Ltd. 407 N. Big Spring Street, Ste 240 Midland TX 79701	\$1.63	\$4.40	\$2 32	\$0.00	10154.0010.24358 Notice
11	9314 8699 0430 0121 7931 13		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358 Notice
12	9314 8699 0430 0121 7931 20		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358 Notice
13	9314 8699 0430 0121 7931 37	H6 Holdings, LLC 16275 NE 85th Street, Suite A Redmond WA 98052	\$1.63	\$4.40	\$2.32	\$0.00	10154 0010.24358 Notice
14*	9314 8699 0430 0121 7931 44	TBO Oil & Gas, LLC PO Box 10502 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	10154 0010 24358 Notice
15	9314 8699 0430 0121 7931 51	Mavros Oil Company, LLC PO Box 50820 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358 Notice

Carlene Schuman

Modrall Sperling Roehl Harris & Sisk P.A.

300 Fourth Street, Suite 1000

Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL 05/31/2024

Firm Mailing Book ID: 266965

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0121 7931 68	TSF WI LP PO Box 222 Midland TX 79702	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
17	9314 8699 0430 0121 7931 75	Hanley Petroleum, LLC 415 West Wall, Ste 1500 Midland TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010 24358. Notice
18	9314 8699 0430 0121 7931 82	Marathon Oil Permian LLC 990 Town & Country Blvd Houston TX 77024	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
19	9314 8699 0430 0121 7931 99	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
20	9314 8699 0430 0121 7932 05	Nestegg Energy Corporation 2308 SIERRA VISTA ROAD ARTESIA NM 88210	\$1.63	\$ 4.40	\$2.32	\$0.00	10154.0010.24358. Notice
21	9314 8699 0430 0121 7932 12	Good News Minerals, LLC 4000 NORTH BIG SPRING, SUITE 310 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
22	9314 8699 0430 0121 7932 29	Oak Valley Mineral and Land, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358 ₊ Notice
23	9314 8699 0430 0121 7932 36	Post Oak Crown IV-B, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
24	9314 8699 0430 0121 7932 43	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$ 4.4 0	\$2.32	\$0.00	10154.0010.24358. Notice
25	9314 8699 0430 0121 7932 50	Collins & Jones Investments, LLC 508 WEST WALL STREET, SUITE 1200 MIDLAND TX 79701	\$1 63	\$4 40	\$2.32	\$0.00	10154.0010.24358. Notice
26	9314 8699 0430 0121 7932 67	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
27	9314 8699 0430 0121 7932 74	LMC Energy, LLC 550 WEST TEXAS AVENUE, SUITE 945 MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
28	9314 8699 0430 0121 7932 81	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
29	9314 8699 0430 0121 7932 98	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
30	9314 8699 0430 0121 7933 04	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice

Arlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 300 Fourth Street, Suite 1000 Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL 05/31/2024

Firm Mailing Book ID: 266965

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
Line 31 32 32 33	9314 8699 0430 0121 7933 11	Mike Moylett PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358 Notice
32	9314 8699 0430 0121 7933 28	Kaleb Smith PO BOX 50620 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
33	9314 8699 0430 0121 7933 35	Deane Durham PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
34	9314 8699 0430 0121 7933 42	State of New Mexico Commissioner of Public Lands PO BOX 1148 SANTA FE NM 87504	\$1.63	\$4.40	\$2.32	\$0,00	10154 0010.24358. Notice
35	9314 8699 0430 0121 7933 59	MRC Permian Company Matador 5400 LBJ Freeway Ste 1500 Dallas TX 75240	\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.24358. Notice
36	9314 8699 0430 0121 7933 66	EG3 Development, LLC PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
37	9314 8699 0430 0121 7933 73	Allar Development, LLC PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.24358. Notice
38	9314 8699 0430 0121 7933 80	ConocoPhillips Company 600 West Illinois Ave Midland TX 76450	\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.24358. Notice
39	9314 8699 0430 0121 7933 97	MCT Energy Ltd. 262 CARROLL STREET SUITE 100 FORT WORTH TX 76107	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
40	9314 8699 0430 0121 7934 03	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
41	9314 8699 0430 0121 7934 10	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
42	9314 8699 0430 0121 7934 27	Ridge Runner Holdings, LLC 4000 NORTH BIG SPRING SUITE 210 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
43	9314 8699 0430 0121 7934 34	John Lawrence Thoma, Trustee of the Cornerstone Family Trust 10864 MCKISSICK ROAD PEYTON CO 80813	\$1.63	\$4.40	\$2.32	\$0,00	10154 0010.24358. Notice
44	9314 8699 0430 0121 7934 41	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	\$1 63	\$4.40	\$2.32	\$0,00	10154.0010.24358. Notice

52

PS Form 3877

Type of Mailing: CERTIFIED MAIL 05/31/2024

Fourth S	uman erling Roehl Harris & Sisk P.A. Street, Suite 1000 e NM 87102		PS Form 38 iling: CERT 05/31/202	CIFIED MAI	L		Firm Mail	ing Book ID: 266965
Line	USPS Article Number Name, Street, City, State, Zip		Postage		Service Fee	Service Fee RR Fee	Rest.Del.Fee	Reference Contents
45	9314 8699 0430 0121 7934 58	The Allar Company PO Box 1567 Graham TX 76450		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358. Notice
46	9314 8699 0430 0121 7934 65	EG3, Inc. PO Box 1567 Graham TX 76450		\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.24358. Notice
47	9314 8699 0430 0121 7934 72	GMT New Mexico Royalty Company LLC 1560 BROADWAY SUITE 2000 DENVER CO 80202		\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.24358. Notice
48	9314 8699 0430 0121 7934 89	Brazos, LP PO Box 911 Breckenridge TX 76424		\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.24358. Notice
49	9314 8699 0430 0121 7934 96	Slash Exploration LP 500 North Main Street, Suite 200 Roswell NM 88201		\$1.63	\$4 40	\$2.32	\$0.00	10154.0010.24358. Notice
50	9314 8699 0430 0121 7935 02	Armstrong Energy Corporation PO BOX 1973 ROSWELL NM 88202		\$1.63	\$4.40	\$2,32	\$0.00	10154.0010.24358. Notice
51	9314 8699 0430 0121 7935 19	Blue Ridge Royalties, LLC PO BOX 1973 ROSWELL NM 88202		\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.24358. Notice
52	9314 8699 0430 0121 7935 26	Chimney Rock Oil & Gas, LLC 500 NORTH MAIN STREET SUITE 1000 ROSWELL NM 88201		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.24358 Notice
			Totals:	\$84.76	\$228.80	\$120.64	\$0.00	
					Grand	l Total:	\$434.20	

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



Type of Mailing: CERTIFIED MAIL 05/31/2024

00 Fourth Street, Suite 1000 lbuquerque NM 87102		Type of Mailing: 05/		Firm Mail	ing Book ID: 266963		
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0121 7923 07	EG3 Development, LLC PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2 32	\$0.00	10154.0010.59, 60. Notice
2	9314 8699 0430 0121 7923 14	Allar Development, LLC PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.59, 60. Notice
3	9314 8699 0430 0121 7923 21	Marathon Oil Permian, LLC 990 Town and Country Blvd Houston TX 77024	\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.59, 60. Notice
4	9314 8699 0430 0121 7923 38	TH McElvain Oil & Gas, LLLP 1819 Denver West Dr, Ste 260 Lakewood CO 80401	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
5	9314 8699 0430 0121 7923 45	COG Operating, LLC 600 West Illinois Ave Midland TX 76450	\$1.63	\$4.40	\$2.32	\$0,00	10154.0010.59, 60 Notice
6	9314 8699 0430 0121 7923 52	Concho Oil & Gas, LLC Oil & Gas, LLC 600 West Illinois Ave Midland TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
7	9314 8699 0430 0121 7923 69	ConocoPhillips Company 600 West Illinois Ave Midland TX 76450	\$1.63	\$4.40	\$2.32	\$0 00	10154 0010.59, 60. Notice
8	9314 8699 0430 0121 7923 76	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM 87508	\$1 63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
9	9314 8699 0430 0121 7923 83	Good News Minerals, LLC PO BOX 50820 MIDLAND TX 79710	\$1 63	\$4 40	\$2.32	\$0.00	10154.0010.59, 60. Notice
10	9314 8699 0430 0121 7923 90		\$1,63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
11	9314 8699 0430 0121 7924 06	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE SUITE 210 HOUSTON TX 77056	\$1.63	\$4,40	\$2.32	\$0.00	10154.0010.59, 60. Notice
12	9314 8699 0430 0121 7924 13	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.4 0	\$2 32	\$0.00	10154.0010.59, 60. Notice
13	9314 8699 0430 0121 7924 20	Oak Valley Mineral and Land, LP 4000 NORTH BIG SPRING SUITE 310 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
14	9314 8699 0430 0121 7924 37	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice
15	9314 8699 0430 0121 7924 44	Collins & Jones Investments, LLC 508 WEST WALL STREET SUITE 1200 MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice

Type of Mailing: CERTIFIED MAIL 05/31/2024

rlene Schu	uman rling Roehl Harris & Sisk P.A.	PS Fe	orm 3877					
) Fourth Street, Suite 1000 ouquerque NM 87102		Type of Mailing: 05/.	Type of Mailing: CERTIFIED MAIL 05/31/2024					
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents	
16	9314 8699 0430 0121 7924 51	MCT Energy Ltd. 262 CARROLL STREET SUITE 100 FORT WORTH TX 76107	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
17	9314 8699 0430 0121 7924 68	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
18	9314 8699 0430 0121 7924 75	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
19	9314 8699 0430 0121 7924 82	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
20	9314 8699 0430 0121 7924 99	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
21	9314 8699 0430 0121 7925 05	Ridge Runner Holdings, LLC 4000 NORTH BIG SPRING SUITE 210 MIDLAND TX 79705	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
22	9314 8699 0430 0121 7925 12	John Lawrence Thoma, Trustee of the Cornerstone Family Trust 10864 MCKISSICK ROAD PEYTON CO 80813	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
23	9314 8699 0430 0121 7925 29	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
24	9314 8699 0430 0121 7925 36		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
25	9314 8699 0430 0121 7925 43	EG3, Inc. PO Box 1567 Graham TX 76450	\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
26	9314 8699 0430 0121 7925 50		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
27	9314 8699 0430 0121 7925 67		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
28	9314 8699 0430 0121 7925 74		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
29	9314 8699 0430 0121 7925 81		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	
30	9314 8699 0430 0121 7925 98		\$1.63	\$4.40	\$2.32	\$0.00	10154.0010.59, 60. Notice	

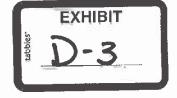
PS Form 3877

Type of Mailing: CERTIFIED MAIL 05/31/2024

lene Schuman drall Sperling Roch Fourth Street, Suit uquerque NM 8710	l Harris & Sisk P.A. e 1000 2	Тур	PS Form be of Mailing: CEI 05/31/20	RTIFIED MAI	L		Firm Maili	ng Book ID: 266963
Line USPS A	article Number Na	me, Street, City, State, Zip		Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
			Totals:	\$48.90	\$132.00 Grand	\$69.60 Total:	\$0.00 \$250.50	
st Number of Pieces sted by Sender 30	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:	_				



Generated: 6/18/2024 2 59 02 PM										
USPS Article Number	Date Created Reference Number		Name 2	City	State	Zip	Mailing Status	Service Options	Mad Delivery Date	
931 869904300121791928	2024-05-31 2:20 PM 1D154.0010 24356.	Chimney Rock Oil & Gas, LLC		ROSWELL	NM	88201	Delivered	Ret in Receipt Electronic Certified Mail	2024-06-06 12:18 PM	
93 4869904300121791911	2024-05-31 2:20 PM 10154.0010 24356	Blue Ridge Royalties, LLC		ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 10.05 AM	
93 4869904300121791904	2024 05 1 2:20 PM 10154 m10 24356	Armstrong Energy Corporation		ROSWELL	NM	88202	Delivered	Ret_rn Receipt Electronic, Certified Mail	2024-06-06 10:05 AM	
9 1 869904300121791898	2024-05 1 2:20 PM 10154.0010 24356.	GMT New Mexico Royalty Company LLC		DENVER	co	80202	Undelivered To Be Returned	Ret rn Receipt - Electronic, Certified Mail		
931 869904300121791881	2024-05 1 2:20 TM 10154.0010 24356.	EG3, Inc		Graham	TX	76450	Delivered	Ret r Rec ipt - Electronic, Certified Mail	2024-06-10 10:35 AM	
9 1 869904300121791874	2024 OS 1 2:20 PM 10154.0010 24356	The Allar Company		Graham	TX	76450	Delivered	Ret r , Receipt - Electron c Certified Mail	2024-06-10 10:34 AM	
9 1 869904300121791867	2024-05 1 2:20PM 10154 0:10 24356.	CrownRock Minerals, L P		Midland	TX	79710	Undelivered	Ret r maleipt Electron c Certified Mail		
931_869904300121791850	2024-05 1 2.00Pm 10154 0010 24356	John Lawrence Thoma, Trustee of the	Cornerstone Family Trust	PEYTON	co	20813	Delivered	Return Receipt Electron c Certified Mail	2024 D6 D3 6 50 PM	
931 869904300121791843	2024 05 1 2:20 PM 10154.0010 24356.	Ridge Runner Holdings, LLC		MIDLAND	TX	79705	Undelivered	Retur Receipt Electron c Certified Mail		
93 4869904300121791836	2024-05 1 2:20 PM 10154.0 0 24356.	Sitka Consulting, ELC		SPRING	TX	77386	Deliv_red	Ret rn Receipt Electron c Certified Mail	7074 05 07 7 55 814	
931 869904300121791829	2024-05 3 2:20 PM 10154.0010 24356.	SHG Energy, LLC		MIDLAND	TX TX	79707	Deliv red	Ret rn Receipt Electron c Certified Mail	2024 D6 03 2 55 PM	
93 '869904300'2179'812	2024-05 2:20 °M 10154 0011 24356	MCT Energy Ltd.		FORT WORTH	TX	76107	Deliv red	Ret r Recript - Electron c Certified Mail	2024-06-04 11.31 AM	
9 1 869904300121791805	2024 05 J 2:20 PM 10154 D 10 24356	Slash Exploration LP		Roswell	NM	88201	Deliv red	Retur , Receipt - Electron c Certified Mail	2024-06-06 12:22 PM	
93 4869904300121791799	2024 0 1 1 10PM 1D154 0.10 24356	Allar Development, LLC		Graham	TX	76450	Deliv red	Ret in Receipt Electronic Certified Mail	2024-06-10 10:35 AM	
931 869904300121791782	2024-05-31 2:20 PM 10154 11 10 24356	EG3 Development, LLC	** * *	Graham	TX	76450	Deliv red	Ret r Receipt - Electron c Certified Mail	2024-06-10 10:34 AM	
931 869904300121791775	2024-05-31 2:20 PM 10154 010 24356.	MRC Perm an Company	Matador Commissioner of Public Lands	Dallas SANTA FE	TX NM	75240 87504	Deliv red	Ret F, Receipt - Electron c Certified Mail	2024-06-03 11:24 AM 2024-06-03 10:37 AM	
931 869904300121791768	2024-05-31 2:20 PM 10154 0010 24356.	State of New Mexico	Commissioner of Public Lands				Deliv_red	Ret r Receipt - Electron c Certified Mail		
93' 869904300'21791751	2024-05 1 2:20 °M 10154.001 24356	Deane Durham		MIDLAND	TX	79710 79710	Deliv red Undelivered	Returned int - Electron Certified Mail	2024-06-06 12:06 PM	
931 869904300121791744	2024-05 1 2:20 PM 10154.0 0 24356	Kaleb Smith		MIDLAND	TX TX	79710 79710	Delivered	Ret Charles Certified Mail	2024 05 05 12 05 014	
931 869904300121791737	2024-05 1 200PM 10154-0010-24356	Mike Moylett		MIDLAND			Delivered Delivered	Ret in Receipt - Electronic Certified Mail	2024-06-06 12:06 PM	
931 869904300121791720	2024-05 1 2:20 PM 10154-0010 24356	Sortida Resources, LLC		MIDLAND	TX:	79710	*	Ret rn Receipt - Electron c Certified Mail	2024-05-06 12:06 PM	
9 4869904300121791713	2024-05 1 2:20 PM 10154.0010 24356	David W Cromwell		MIDLAND	TX TX	79701 79707	Delivered	Ret r, Receipt - Electron c Certified Mail	2024-06-03 10:17 AM	
9 4869904300121791706	2024-05 1 2:20 PM 10154 0010 24356	H Jason Wacker		MIDLAND	TX		Undelivered Forwarded	Return Receipt - Electron c Certifled Mail		
9 4869904300121791690	2024-05 1 2:20 PM 1D154 0D10 24356	EMC Energy, LLC		MIDLAND	TX	79701 77056	Undelivered - To Be Returned	Ret rn Receipt Electron c Certified Mail	2024-D6-04 12-26 PM	
9 4869904300121791683	2024-05 _1 2:20 PM 1D154 DD10 24356	Post Oak Mavros II, LLC		NOTZUOH	TX	79701	Deliv red	Return Receipt Electron c, Certified Mail	2024-D6-04 12-26 PM	
9 4869904300121791676	2024 05 1 220PM 10154.0010 24356.	Callins & Jones Investments, LLC		MIDLAND	TX	77056	Deliv red	Re _ rn Receipt - Electron c Certified Mail	2024-06-03 4:03 PM 2024-06-04 12:27 PM	
9314869904300121791669 9314869904300121791652	2024-05 1 200 mm 10154.0010 24356.	Post Oak Crown IV, LLC Post Oak Crown IV-B, LLC		HOUSTON	TX	77056	Deliv red Deliv red	Re in Receipt - Electronic - ertified Mail Re in Receipt - Electronic - ertified Mail	2024-06-04 12:27 PM	
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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 June 06, 2024 and ending with the issue dated June 06, 2024.

Publisher

Sworn and subscribed to before me this 6th day of June 2024.

Business Manager

My commission expires

January 29 2027 OF NEW MEXICO (Seal) **NOTARY PUBLIC** GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

This 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.

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LEGAL

LEGAL NOTICE June 6, 2024

CASE NO. 24359: Notice to all affected parties, as well as heirs and devisees of: EG3 Development, LLC; Allar Development, LLC; Marathon Oil Permian, LLC; TH McElvain Oil & Gas, LLLP; COG Operating, LLC; Concho Oil & Gas, LLC; ConcooPhillips Company; State of New Mexico; Good News Minerals, LLC; Post Oak Crown IV, LLC; Post Oak Mavros LLC; Sortida Resources, LLC; Oak Valley Mineral and Lend, LP; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd.; Is anon Wacker; David W. Cromwell; SHG Energy, LLC; Sitka Consulting, LLC; Ridge Runner Holdings, LLC; John Lawrence Thoma, Trustee of the Corneratone Family Trust; CrownRock Minerals, L.P.; The Allar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Nestegg Energy Corporation; Brazos, LP; Permian Resources Operating, LLC; MRC Permian Company; Matador Resources Company of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and to the extent necessary, approval of an overlapping spacing unit, Lea County, New pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:30 a.m. on June 26, 2024 to consider this application. The hearing will be will conduct a public hearing at 8:30 a.m. on June 26, 2024 to consider this application. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minorals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the 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/. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW. of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 702H and Gold State Com 802H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 702H and Parallel State Com 702H an Name Name Learning New Mexico, decidated to Franklin's proposed Parallel State Com 702H and Parallel State Com 802H wells. 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 24 miles west of Hobbs, New Mexico.

CASE NO. 24360: Notice to all affected parties, as well as heirs and devisees of: EG3 Development, LLC; Allar Development, LLC; Marathon Oil Permian, LLC; TH McElvain Oil & Gas, LLLP; COG Operating, LLC; Concho Oil & Gas, LLC; ConcooPhillips Company; State of New Mexico; Good News Minèrals, LLC; Post Oak Crown IV, LLC; Post Oak Mavros LLC; Sortida Resources, LLC; Oak Valley Mineral and Land, LP; Crown Oil Partners, LP; Collins & Jones Investments, LLC; MCT Energy Ltd., H. Jašon Wacker; David W. Cromwell; SHG Energy, LLC; Sitka Consulting, LLC; Ridge Runner Holdings, LLC; John Lawrence Thoma, Trustee of the Cornerstone Family Trust; CrownRock Minerals, L.P.; The Allar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Nestegg Energy Corporation; Brazos, LP; Permian Resources Operating, LLC; MRC Permian Company; Matador Resources Company of the Application of Franklin Mountain Energy 3, LLC for compulsory Matador Resources Company of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:30 a.m. on June 26, 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 Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the 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/. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 280-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2/SW of Section 23, the E/2W/2 of Section 26, and the NE/NW of Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 502H and Gold State Com 602H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NW/4 (Unit C) of Section 35 to proposed bottom hole locations in the NE/4SW/4 (Unit K) of Section 23, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and Ei/2SW of Section 2 (the equivalent of the E/2W/2 of Section 2), Township 19 South, Range 34 East, AM.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 302H and Parallel State Com 502H wells. Also to be considered will be the cost of drilling and completing said wells, the State Com 502H wells. Also to be considered will be the cost of drilling and completing said wells, the alfocation 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 walls. Said area is located approximately 24 miles west of Hobbs, New Mexico. #0291102

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DOLORES SERNA MODRALL, SPERLING, ROEHL, HARRIS & P. O. BOX 2168 ALBUQUERQUE, NM 87103-2168

LEGAL NOTICE June 6, 2024

Publisher

Sworn and subscribed to before me this 6th day of June 2024.

Business Manager

My commission expires

January 29, 2027 OF NEW MEXICO (Seal) **NOTARY PUBLIC** GUSSIE RUTH BLACK

COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

This 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.

Affidavit of Publicatio

Affidavit of Publicatio

CASE No. 24356: Notice to all affected partites, se well as helrs and dayless of: MRC Permian Company: Matador Resources Company: TH McEtveln Oll & Gas, LLLP; COIG Operating, LLC: Control Oll & Gas, LLC; Crump Famili Partnership, Ltd.; Was enemures, Ltd.; Tarpon industries corp.; Charles D. Ray; Buckhorn Energy Ltd.; Charles of Gorp.; Charles D. Ray; Buckhorn Energy Ltd.; Charles of Gorp.; Charles D. Ray; Buckhorn Energy Ltd.; Tarbon industries corp.; Charles D. Ray; Buckhorn Energy, Ltd.; Tarbon industries corp.; Charles D. Ray; Buckhorn Energy, Ltd.; Tarbon industries corp.; Charles D. Ray; Buckhorn Energy, Ltd.; Tarbon industries corp.; Charles D. Ray; Buckhorn Energy, Ltd.; Tarbon industries corp.; Charles D. Ray; Buckhorn Energy, Ltd.; Tarbon industries corp.; Corp.; Charles D. Ray; Buckhorn Energy, Ltd.; Tarbon industries corp.; Charles D. Ray; Buckhorn Energy, Ltd.; Tarbon industries corp.; Corp.; Charles D. Ray; Buckhorn Energy, Ltd.; Tarbon industries corp.; Corp.; Charles D. Ray; Buckhorn Energy, Ltd.; Tarbon industries corp.; Corp.; Charles D. Ray; Buckhorn Energy, Ltd.; wells. 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 24 miles west of Hobbs, New Mexico.

CASE NO. 24358: Notice to all affected parties, as well as heirs and devisees of: MRC Permian Company; Matador Resources Company; TH McElvain Oil & Gas, LLLP; Otter Creek, LLC; COG Operating, LLC; Concho Oil & Gas, LLC; Crump Family Partnership, Ltd.; Warren Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; H6 Holdings, LLC; TBO Oil & Gas, LLC; Mavros Oil Company, LLC; TSF Wi LP; Hanley Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC: Oak Vailey Mineral and Land, LP; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy, LLC; H, Jason Wacker; David W. Cromwell; Sorlida Resources, LLC; Mike Moylett; Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands; EG3 Development, LLC: Allar Development, LLC: ConocoPhillips Company; MCT Energy, Ltd.; SHG Development, LLC; Ailar Davelopment, LLC; ConocoPhillips Company; MCT Energy Ltd.; SHG Energy, LLC; Sitka Consulting, LLC; Ridge Runner Holdings, LLC; John Lawrence Thoma, Trustee of the Cornerstone Family Trust; CrownRock Minerals, LP; The Aliar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Brazos, LP; Slash Exploration; Armstrong Energy Corporation; Blue Ridge Royalties, LLC; Chimney Rock Oil & Gas, LLC of the Application of Franklin Mountain Energy Alumentary and the polication of Franklin Mountain Energy 3, LLC of compulsory pooling and, to the extent necessary, approval of an overlapping spacing unit, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:30 a.m. on June 26, 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 virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emrrd.nm.gov/ocd/hearing-info/. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 360-acre, more class. Wolfcamp horizontal spacing unit committed without States of Sections 23 and 26 and the NW/NE of Sections 25 and 25 and 26 and 26 and 26 and 25 and or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Sections 23 and 26, and the NW/NE of Section 35, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Gold State Com 703H and Gold State Com 803H wells, to be horizontally drilled from proposed surface hole locations in the 703H and Gold State Com 803H wells, to be horizontally drilled from proposed surface hole locations in the NW/4NE/4 (Unit B) of Section 35 to proposed bottom hole locations in the NW/4NE/4 (Unit B) of Section 35, and the producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap a proposed 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (the equivalent of the W/2E/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico, dedicated to Franklin's proposed Parallel State Com 703H and Parallel State Com 803H wells. Also to be considered will be the cost of drilling and completing said wells, the ellocation of these costs of the same and the same and the same area. 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 24 miles west of Highest New Mexico.

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DOLORES SERNA MODRALL, SPERLING, ROEHL, HARRIS & P. O. BOX 2168 ALBUQUERQUE, NM 87103-2168

LEGAL NOTICE September 20, 2023

Beginning with the issue dated September 20, 2023 and ending with the issue dated September 20, 2023.

Publisher

Sworn and subscribed to before me this 20th day of September 2023.

My commission expires

(Seal) STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK

Affidavit of Publication

CASE NO. 23841: Notice to all affected parties, as well as helps and devisees of: COG Operating, LLC: Marathon Oil Permian, LLC: EG3 Development, LLC: Aller Development, LLC: Siesh Exploration, LP: TH McElvain Oil & Gas, LLP: State of New Moxico; Good News Minerale, LLC: Post Oak Crown IV. LC: Post Oak Mavros LLC: Sortida Recourses, LLC: Quart Valley Mineral and Land, LP: Crown Oil Partners, LP: Collins & Jones Investments, LLC: MCT Energy Ltd.: H. Jason Wacker; David W. Crownell, SHG Energy, LtC: Sixta County, LC: Sixta County, Lec. South Convent IV. LC: Post Oak Mavros LtC: Sortida Revision State (LC: MCT Energy Ltd.: H. Jason Wacker; David W. Crownell; SHG Energy, LtC: Sixta County, LtC: Sixta County, New Maxico, Holdings, LP: The Allier Company; EG3, Inc.; GMT New Mexico Royalty Company; LtC: Armstrong Energy Corporation; Blue Ridge Royaltes, LP: The Allier Company; EG3, Inc.; GMT New Mexico Royalty Company; LtC: Armstrong Energy Corporation; Blue Ridge Royaltes, LP: The Allier Company; EG3, Inc.; GMT New Mexico Royalty Company; LtC: Armstrong Energy Corporation; Blue Ridge Royaltes, LP: The Allier Company; EG3, Inc.; GMT New Mexico Royalty Company; LtC: Armstrong Energy Corporation; Blue Ridge Royaltes, LP: The Allier Company; EG3, Inc.; GMT New Mexico Royalty Company; LtC: Armstrong Energy Corporation; Blue Ridge Royaltes, LP: The Allier Company; EG3, Inc.; GMT New Mexico, Company; LtC: Sixta Company; LtC: Sixta Company; LtC: Sixta Company; LtC: Armstrong Energy Corporation; Blue Ridge Royaltes, LtC: State Company; LtC: Sixta Co

miles west of Hobbs, New Mexico.

CASE NO. 23842: Notice to all affected parties, as well as heirs and devisees of: COG Operating, IACC Marathon Oil Pormian, LLC; Eds Development, LLC; Allar Development, LLC; Shaft Exploration, I.P. TH McErvain Oil & Gas, LLP; Otter Crook, LLC; State of New Mexico; Good News Minerals, LLC; Post Oak Maryos LLC; Colline & Jones Investments, LLC; McTerrey; LLG; Hussen Mexico; Cook News Minerals, LLC; Post Oak Maryos LLC; Colline & Jones Investments, LLC; McTerrey; LLG; H. Jason Mexico; Deut Control Partners, LPC; Colline & Jones Investments, LLC; RCT Energy LLG; H. Jason Mexico; Deut Control Partners, LC; Colline & Jones Investments, LLC; Ridge Runner Holdings, LLC; John Lavretts, Thoma, Trustee of the Cornerstone Family Trust; CrownRock Minerals, L.P.; The Allar Company; Eds., Inc.; GMT New Mexico Royalty Company; LLC; Armstrong Energy Corporation; Blue Ridge of Royaltide, LLC; Chinney Rock Oil & Gas, LLC of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lee County, New Mexico. The State of New Mexico and Conservation Division hereby gives notice that the Division Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lee County, New Mexico. The State of New Mexico and Conservation Division to a subsequent docket date. Applicant seeks an order from the Division pooling all uncommitted mineral Interests within a 398-Jacre, more or less, Wolfcamp info This application. The production of the State Conservation of the State Conservation of the Production of the State Conservation of the Production of the State Conservation of the Production of the Production of the State Conservation of the Production of the State Conservation, designation of Franklin Mountain Energy 3, LLC as operator of the wells is expected to be orthodox. The speacing unit proposed in this application will partially overlap a spacing unit in Section 35, NM-PM. Lea County, New Mexico, Also to be considered will be the cost of drillin

As involved in drilling salf wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 23843: Notice to all affected parties, as well as helirs and deviseers of, EG3 Development, LLC; Allar Development, LLC; Charthan, LLC; Charthan

GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/202
CASE NO. 23844. Notice to all affected parties, as well is help and devisees of: E03 Development, LLC; Harathon Oil Permian, LLC; State of New Mexico. One New Market of Hobbs (New Modeo)
This newspaper is duly qualified to public Mineral and Land, LP; Crown Oil Partners, LLC; Sortice Resources, LLC; Coak Very Minerals, LLC; Post Oak Crown IV, LLC; Post Oak Meyros LLC; Sortice Resources, LLC; Coak Very Minerals, LLC; Post Oak Crown Oil Partners, LLC; Sortice Resources, LLC; Coak Very Minerals, LLC; Post Oak Crown Oil Partners, LLC; Sortice Resources, LLC; Coak Very Minerals, LLC; Hote Comment of New Mexico Royalty Company LLC; MIGHT Energy Legistration of Section 3, Chapter 167, Law Minerals, L.P; The Allar Company; E03, Inc.; GMT New Mexico Royalty Company LLC; Ridge Ruring Minerals, L.P; The Allar Company; E03, Inc.; GMT New Mexico Royalty Company LLC; Ridge Ruring Minerals, L.P; The Allar Company; E03, Inc.; GMT New Mexico Royalty Company LLC; Ridge Ruring Minerals, L.P; The Allar Company; E03, Inc.; GMT New Mexico Royalty Company LLC; Ridge Ruring Minerals, L.P; The Allar Company; E03, Inc.; GMT New Mexico Royalty Company LLC; New Mexico Royalty Company Royalty Company Royalty Roy