

# ENERGY

## Parallel State Com

Case No. 24348, 24350-24355, 24362 Wolfcamp/Bone Spring

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

APPLICATIONS 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 NOS. 24348, 24350-24355, 24362

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

CASE NOS. 24327-24334

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  - Exhibit B-23-c: Well Proposal Letter and AFEs
  - Exhibit B-23-d: Parties to Be Pooled

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  - Exhibit B-24-d: Parties to Be Pooled

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- Exhibit D-2: Mailing List of Interested Parties
- Exhibit D-3: Certified Mailing Tracking List
- Exhibit D-4: Affidavit of Publication

Received by OCD: 6/19/2024 4:22:58 PM  COMPULSORY POOLING APPLICAT	ION CHECKLIST
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24348	APPLICANT'S RESPONSE
Date	June 19, 2024
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC (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 OFOVERLAPPING SPACING UNIT
Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
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):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.81 acres more or less
Building Blocks:	40 acres
Orientation:	North South
Description: TRS/County	E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 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?	Υ
Other Situations	
Depth Severance: Y/N. If yes, description	N .
Proximity Tracts: If yes, description	N .
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-24-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)	EXHIBIT

Received by OCD: 6/19/2024 4:22:58 PM	Page 6 of
Well #1: Parallel State Com 704H (API: 30-025-52418)	SHL: 1031' FNL & 960' FEL, (Unit A), Section 35, T-18-S, R-34-E FTP: 100' FNL & 980' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 980' FEL, (Unit P), Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp A 11,057' TVD, 21,057' MVD
Well #2: Parallel State Com 804H (API: 30-025-52546)	SHL: 991' FNL & 2475' FEL, (Unit B), Section 35, T-18-S, R-34-E FTP: 100' FNL & 360' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 360 FEL, (Unit P), Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp B 11,642' TVD, 21,642' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-24-a
Completion Target (Formation, TVD and MD)	See Exhibit B-24-c
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-24 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to 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-24-b
Tract List (including lease numbers and owners) If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	Exhibit B-24-b  NA
Pooled Parties (including ownership type)	ExhibitB-24-d
Unlocatable Parties to be Pooled  Ownership Depth Severance (including percentage above & below)	NA NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-24-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-24-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900
Cost Estimate to Drill and Complete	Exhibit B-24-c
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Received by 0 cb. 0/17/2024 4.22.30 1 M	i i i i i i i i i i i i i i i i i i i
Cost Estimate for Production Facilities	Exhibit B-24-c
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-4-a;C-4-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-4-a;C-4-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-4-a;C-4-d
HSU Cross Section	Exhibit C-4-b; C-4-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-24-a
Tracts	Exhibit B-24-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-24-b
General Location Map (including basin)	Exhibit B-1; C-1
Well Bore Location Map	Exhibit C-4-a;C-4-d
Structure Contour Map - Subsea Depth	Exhibit C-4-a;C-4-d
Cross Section Location Map (including wells)	Exhibit C-4-a;C-4-d
Cross Section (including Landing Zone)	Exhibit C-4-b; C-4-e
Additional Information	<ul> <li>A transfer continues of the second transfer continues of the second of th</li></ul>
Special Provisions/Stipulations	
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 B	E SUPPORTED BY SIGNED AFFIDAVITS
Case: 24350	APPLICANT'S RESPONSE
Date	June 19, 2024
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC (331595)
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Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
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):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.91 acres more or less
Building Blocks:	40 acres
Orientation:	North South
Description: TRS/County	W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 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?	- <b>r</b>
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-21-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

Received by OCD: 6/19/2024 4:22:58 PM	Page 9 of
Well #1: Parallel State Com 303H (API: 30-025-52529)	SHL: 1031' FNL & 1110' FEL, (Unit A), Section 35, T-18-S, R-34-E FTP: 100' FNL & 2305' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 2305' FEL, (Unit O) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: First Bone Spring 9,170' TVD, 19,170' MVD
Well #2: Parallel State Com 503H (API: 30-025-52533)	SHL: 1031' FNL & 1080' FEL, (Unit A), Section 35, T-18-S, R-34-E FTP: 100' FNL & 1680' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 1680' FEL, (Unit O) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Second Bone Spring 9,478' TVD, 19,478 MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-21-a
Completion Target (Formation, TVD and MD)	See Exhibit B-21-c
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	See Exhibit B, paragraph 93
Requested Risk Charge	200%
Notice of Hearing	y (.)
Proposed Notice of Hearing	Exhibit B-21 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to D-3
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Tract List (including lease numbers and owners)	Exhibit B-21-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	NA
Pooled Parties (including ownership type)	Exhibit B-21-d
Unlocatable Parties to be Pooled Ownership Depth Severance (including percentage above & below)	NA NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-21-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-21-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
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Cost Estimate to Drill and Complete	Exhibit B-21-c
Cost Estimate to Equip Well	Exhibit B-21-c
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Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-3-a;C-3-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3-a; C-3-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-3-a; C-3-d
HSU Cross Section	Exhibit C-3-b; C-3-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-21-a
Tracts	Exhibit B-21-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-21-b
General Location Map (including basin)	Exhibit B-1; C-1
Well Bore Location Map	Exhibit C-3-a; C-3-d
Structure Contour Map - Subsea Depth	Exhibit C-3-a; C-3-d
Cross Section Location Map (including wells)	Exhibit C-3-a; C-3-d
Cross Section (including Landing Zone)	Exhibit C-3-b; C-3-e
Additional Information	
Special Provisions/Stipulations	
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 BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24351	APPLICANT'S RESPONSE
Date	June 19, 2024
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC (331595)
	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
Applicant's Counsel: Case Title:	APPLICATION OF FRANKLIN MOUNTAIN
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	OF OVERLAPPING SPACING UNIT
Entries of Appearance/Intervenors:	MRC Operating & Matador Production
	Slash Exlporation & Armstrong Energy
Well Family	EOG Resources Parallel
ven ramily	Parallel
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):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.81 acres more or less
Building Blocks:	40 acres
Orientation:	North South
Description: TRS/County	
	E/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 1,
	the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East,
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	N.M.P.M., Lea County, New Mexico
is approval of non-standard unit requested in this application	
	<u></u>
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-23-b
Well(s)	
Name & API (if assigned), surface and bottom hole location,	Add wells as needed

(standard or non-standard)

footages, completion target, orientation, completion status

Received by OCD: 6/19/2024 4:22:58 PM	Page 12 of
Well #1: Parallel State Com 304H (API: 30-025-52530)	SHL: 1031' FNL & 1050' FEL, (Unit A), Section 35, T-18-S, R-34-E FTP: 100' FNL & 980' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 980' FEL, (Unit P), Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: First Bone Spring 9,170' TVD, 19,170' MVD
Well #2: Parallel State Com 504H (API: 30-025-52534)	SHL: 1031' FNL & 1020' FEL, (Unit A), Section 35, T-18-S, R-34-E FTP: 100' FNL & 360' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 360 FEL, (Unit P), Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Second Bone Spring 9,452' TVD, 19,452' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-23-a
Completion Target (Formation, TVD and MD)	See Exhibit B-23-c
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
Notice of Hearing	,
Proposed Notice of Hearing	Exhibit B-23 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to 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-23-b
Tract List (including lease numbers and owners) If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	
Pooled Parties (including ownership type)	Exhibit B-23-d
Unlocatable Parties to be Pooled	NA
Ownership Depth Severance (including percentage above & below)	NA
Joinder	
Sample Copy of Proposal Letter	ExhibitB-23-c
List of Interest Owners (ie Exhibit A of JOA)	ExhibitB-23-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900 .
Cost Estimate to Drill and Complete	Exhibit B-23-c
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Restassimatedagingoch/2012002dcilities:40 AM	Exhibit B-23-c

Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-3-a;C-3-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3-a;C-3-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-3-a;C-3-d
HSU Cross Section	Exhibit C-3-b; C-3-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-23-a
Tracts	Exhibit B-23-b
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Cross Section (including Landing Zone)	Exhibit C-3-b; C-3-e
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Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett
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Well Family	Parallel
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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):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
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Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-20-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)	And wells as ficeuca

Received by OCD: 6/19/2024 4:22:58 PM	Page 15 o
Well #1: Parallel State Com 702H (API: 30-025-52416)	SHL: 987' FNL & 1823' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 1660' FWL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 1660' FWL, (Unit N) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp A 9,789' TVD, 19,789' MVD
Well #2: Parallel State Com 802H (API: 30-025-52532)	SHL: 987' FNL & 1883' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 2,300' FWL, Section 35, T-18-S R-34-E BHL: 130' FSL & 900' FWL, (Unit N) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp B 10,457' TVD, 20,457' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-20-a
Completion Target (Formation, TVD and MD)	See Exhibit B-20-c
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Tract List (including lease numbers and owners)	Exhibit B-20-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	NA -
Pooled Parties (including ownership type)	Exhibit B-20-d
Unlocatable Parties to be Pooled Ownership Depth Severance (including percentage above & below)	NA NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-20-c
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Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900
Cost Estimate to Drill and Complete	Exhibit B-20-c
Cost Estimate to Equip Well	Exhibit B-20-c
Rekussimelengingodu211/2024cNitie6:40 AM	Exhibit B-20-c

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Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-4-a; C-4-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-4-a; C-4-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-4-a; C-4-d
HSU Cross Section	Exhibit C-4-b; C-4-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-20-a
Tracts	Exhibit B-20-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-20-b
General Location Map (including basin)	Exhibit B-1; C-1
Well Bore Location Map	Exhibit C-4-a; C-4-d
Structure Contour Map - Subsea Depth	Exhibit C-4-a; C-4-d
Cross Section Location Map (including wells)	Exhibit C-4-a; C-4-d
Cross Section (including Landing Zone)	Exhibit C-4-b; C-4-e
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information pro-	vided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett
Date:	6/19/2024

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS		
Case: 24353	APPLICANT'S RESPONSE	
Date	June 19, 2024	
Applicant	Franklin Mountain Energy 3, LLC	
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC (331595)	
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.	
Case Title:  Entries of Appearance/Intervenors:	APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OFOVERLAPPING SPACING UNIT MRC Operating & Matador Production	
	Slash Exlporation & Armstrong Energy EOG Resources	
Well Family	Parallel	
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):	NA	
Well Location Setback Rules (Only if NSP is Requested):	NA	
Spacing Unit		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	324.13 acres more or less	
Building Blocks:	40 acres	
Orientation:	North South	
Description: TRS/County	W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 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?	Υ	
Other Situations	·	
Depth Severance: Y/N. If yes, description	N	
Proximity Tracts: If yes, description	N	
Proximity Defining Well: if yes, description	N/A	
Applicant's Ownership in Each Tract	Exhibit B-2; 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	

Received by OCD: 6/19/2024 4:22:58 PM	Page 18 of 3
Well #1: Parallel State Com 701H (API: 30-025-52415	SHL: 987' FNL & 1793' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 360' FWL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 360' FWL, (Unit M) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp A 9,793' TVD, 19,793' MVD
Well #2: Parallel State Com 801H (API: 30-025-52531)	SHL: 987' FNL & 1853' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 900' FWL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 900' FWL, (Unit M) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp B 10,469' TVD, 20,469' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-18-a
Completion Target (Formation, TVD and MD)	See Exhibit B-18-c
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-18 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to 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-18-b
Tract List (including lease numbers and owners)	Exhibit B-18-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	NA
Pooled Parties (including ownership type)	Exhibit B-18-d
Unlocatable Parties to be Pooled  Ownership Depth Severance (including percentage above & below)	NA NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-18-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-18-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900
Cost Estimate to Drill and Complete	Exhibit B-18-c
Restassimatato squis Malo24 11:06:40 AM	Exhibit B-18-c

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Cost Estimate for Production Facilities	Exhibit B-18-c
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-4-a; C-4-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-4-a; C-4-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-4-a; C-4-d
HSU Cross Section	Exhibit C-4-b; C-4-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-18-a
Tracts	Exhibit B-18-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-18-b
General Location Map (including basin)	Exhibit B-1; C-1
Well Bore Location Map	Exhibit C-4-a; C-4-d
Structure Contour Map - Subsea Depth	Exhibit C-4-a; C-4-d
Cross Section Location Map (including wells)	Exhibit C-4-a; C-4-d
Cross Section (including Landing Zone)	Exhibit C-4-b; C-4-e
Additional Information	
Special Provisions/Stipulations	
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

### **COMPULSORY POOLING APPLICATION CHECKLIST**

Case: 24354	APPLICANT'S RESPONSE
Date	June 19, 2024
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC (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 OVERLAPPING SPACING UNIT
Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
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):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	324.13 acres more or less
Building Blocks:	40 acres
Orientation:	North South
Description: TRS/County	W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lo 4, the SW/NW, and W/2SW of Section 2, Township 19 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?	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; 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)	Add wells as liceucu

Received by OCD: 6/19/2024 4:22:58 PM	Page 21 of
Well #1: Parallel State Com 301H (API: 30-025-52527)	SHL: 987' FNL & 1673' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 360' FWL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 360' FWL, (Unit M) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: First Bone Spring 9,150' TVD, 18,150' MVD
Well #2: Parallel State Com 501H (API: 30-025-52531)	SHL: 987' FNL & 1703' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 900' FWL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 900' FWL, (Unit M) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Secon Bone Spring 9,150' TVD, 19,150' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-17-a
Completion Target (Formation, TVD and MD)	See Exhibit B-17-c
AFE Capex and Operating Costs	1
Drilling Supervision/Month \$	\$9,000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-17 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to 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
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	NA
Pooled Parties (including ownership type)	Exhibit B-17-d
Unlocatable Parties to be Pooled	NA
Ownership Depth Severance (including percentage above & below)	NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-17-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-17-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900
Cost Estimate to Drill and Complete	Exhibit B-17-c
Reference Francis Avello 24 11:06:40 AM	Exhibit B-17-c

Cost Estimate for Production Facilities	Exhibit B-17-c
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-3-a; C-3-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3-a; C-3-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-3-a; C-3-d
HSU Cross Section	Exhibit C-3-b; C-3-e
Depth Severance Discussion	NA
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 B-1; C-1
Well Bore Location Map	Exhibit C-3-a; C-3-d
Structure Contour Map - Subsea Depth	Exhibit C-3-a; C-3-d
Cross Section Location Map (including wells)	Exhibit C-3-a; C-3-d
Cross Section (including Landing Zone)	Exhibit C-3-b; C-3-e
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information prov	vided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett
Date:	6/19/202

COMPULSORY POOLING APPLICA	TION CHECKLIST
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24355	APPLICANT'S RESPONSE
Date	June 19, 2024
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC (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 OFOVERLAPPING SPACING UNIT,
Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
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):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	324.02 acres more or less
Building Blocks:	40 acres
Orientation:	North South
Description: TRS/County  Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	E/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3 the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico  Y
and and agreement in the appropriation:	
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-19-b
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status	Add wells as needed

(standard or non-standard)

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Well #1: Parallel State Com 302H (API: 30-025-52528)	SHL: 987' FNL & 1733' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 1660' FWL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 1660' FWL, (Unit N) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: First Bone Spring 10,496' TVD, 19,496' MVD
Well #2: Parallel State Com 502H (API: 30-025-52532)	SHL: 987' FNL & 1763' FWL, (Unit C), Section 35, T-18-S, R-34-E FTP: 100' FNL & 2,300' FWL, Section 35, T-18-S R-34-E BHL: 130' FSL & 900' FWL, (Unit N) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Second Bone Spring 9,150' TVD, 19,150' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-19-a
Completion Target (Formation, TVD and MD)	See Exhibit B-19-c
AFE Capex and Operating Costs	\$9,000
Drilling Supervision/Month \$	\$900
Production Supervision/Month \$	
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-19 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to 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-19-b
Tract List (including lease numbers and owners) If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	Exhibit B-19-b  NA
Pooled Parties (including ownership type)	Exhibit B-19-d
Unlocatable Parties to be Pooled Ownership Depth Severance (including percentage above & below)	NA NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-19-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-19-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900
Cost Estimate to Drill and Complete	Exhibit B-19-c
Cost Estimate to Equip Well	Exhibit B-19-c
Kost Estimate for Production 5acilities: 40 AM	Exhibit B-19-c

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Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-3-a; C-3-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-3-a; C-3-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-3-a; C-3-d
HSU Cross Section	Exhibit C-3-b; C-3-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-19-a
Tracts	Exhibit B-19-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-19-b
General Location Map (including basin)	Exhibit B-1; C-1
Well Bore Location Map	Exhibit C-3-a; C-3-d
Structure Contour Map - Subsea Depth	Exhibit C-3-a; C-3-d
Cross Section Location Map (including wells)	Exhibit C-3-a; C-3-d
Cross Section (including Landing Zone)	Exhibit C-3-b; C-3-e
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information pro	vided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett
Date:	6/19/2024

COMPULSORY POOLING APPLICATION CHECKLIST  ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Date	June 19, 2024
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC (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 OVERLAPPING SPACING UNIT
Entries of Appearance/Intervenors:	MRC Operating & Matador Production Slash Exlporation & Armstrong Energy EOG Resources
Well Family	Parallel
Formation/Pool	N.
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):	NA
Well Location Setback Rules (Only if NSP is Requested):	NA
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.91 acres more or less
Building Blocks:	40 acres
Orientation:	North South
Description: TRS/County	W/2E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2, Township 19 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?	Υ
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-3; B-22-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)	nad wells as needed

Received by OCD: 6/19/2024 4:22:58 PM	Page 27 o
Well #1: Parallel State Com 703H (API: 30-025-52417)	SHL: 1031' FNL & 990' FEL, (Unit A), Section 35, T-18-S, R-34-E FTP: 100' FNL & 2305' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 2305' FEL, (Unit O), Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp A 11,070' TVD, 21,070' MVD
Well #2: Parallel State Com 803H (API: 30-025-52455)	SHL: 990' FNL & 2505' FEL, (Unit B), Section 35, T-18-S, R-34-E FTP: 100' FNL & 1780' FEL, Section 35, T-18-S, R-34-E BHL: 130' FSL & 1780' FEL, (Unit O) Section 2, T-19-S, R-34-E Orientation: North/South Completion Target: Wolfcamp B 11,673' TVD, 21,673' MVD
Horizontal Well First and Last Take Points	See C-102s Exhibit B-22-a
Completion Target (Formation, TVD and MD)	See Exhibit B-22-c
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	See Exhibit B, Paragraph 93
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-22 and Exhibit D
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit D-1 to 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-22-b
Tract List (including lease numbers and owners)	Exhibit B-22-b
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	NA
Pooled Parties (including ownership type)	Exhibit B-22-d
Unlocatable Parties to be Pooled	NA
Ownership Depth Severance (including percentage above & below)	NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-22-c
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-22-b
Chronology of Contact with Non-Joined Working Interests	Exhibit B-16
Overhead Rates In Proposal Letter	9000/900
Cost Estimate to Drill and Complete	Exhibit B-22-c
Cost Estimate to Equip Well	Exhibit B-22-c
Retstusstimatmingingochraticmosacilities:40 AM	Exhibit B-22-c

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Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-4-a;C-4-d
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-4-a;C-4-d
Well Orientation (with rationale)	Exhibit C-2
Target Formation	Exhibit C-4-a;C-4-d
HSU Cross Section	Exhibit C-4-b; C-4-e
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-22-a
Tracts	Exhibit B-22-b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-22-b
General Location Map (including basin)	Exhibit B-1; C-1
Well Bore Location Map	Exhibit C-4-a;C-4-d
Structure Contour Map - Subsea Depth	Exhibit C-4-a;C-4-d
Cross Section Location Map (including wells)	Exhibit C-4-a;C-4-d
Cross Section (including Landing Zone)	Exhibit C-4-b; C-4-e
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information prov	vided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett
Date:	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, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 24348, 24350-24355, 24362

**EXHIBIT** 

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

CASE NOS. 24327-24334<sup>1</sup>

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. 24348, 24350-24355, and 24362. I am also familiar with the applications filed by MRC Permian ("MRC") in Case Numbers 24327-24334. I am familiar with the land matters involved in these cases.

<sup>&</sup>lt;sup>1</sup> MRC Permian Company ("MRC") has now withdrawn its objection to FME3's Parallel State Com cases and FME3 is presenting these cases as uncontested affidavit cases. MRC has not yet dismissed its competing cases in Case Nos. 24327-24334 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. FME3's cases involve applications for a 1295.88-acre development comprised of Bone Spring and Wolfcamp horizontal spacing units underlying Section 35, Township 18 South, Range 34 East, and Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. FME3 has proposed a total of sixteen wells, known as its Parallel State Com wells.
- 7. In these cases, 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 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. There are several reasons, from a land perspective, that FME3 should be designated operator of this acreage. First, as I will discuss in more detail, FME3 has the highest working interest in the proposed units and has the highest working interest control in the proposed units. Second, 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. Third, 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 within the Parallel Development Area.
  - 11. With respect to the Wolfcamp units, as shown on **Exhibit B-2**, FME3 has:
    - 84.3026% working interest in the W/2 W/2 Wolfcamp Unit (Case No. 24353);
    - 79.0630% working interest in the E/2 W/2 Wolfcamp Unit (Case No. 24352);
    - 37.0462% working interest in the W/2 E/2 Wolfcamp Unit (Case No. 24362);
    - 49.4117% working interest in the E/2 E/2 Wolfcamp Unit (Case No. 24348).
- 12. FME3 has an interest across every tract in Sections 35 and 2 in conjunction with elections to participate, which is demonstrated on Exhibit B-2.
  - 13. With respect to the Bone Spring units, as shown on **Exhibit B-3**, FME3 has:
    - 84.3026% working interest in the W/2 W/2 Bone Spring Unit (Case No. 24354);
    - 79.0630% working interest in the E/2 W/2 Bone Spring Unit (Case No. 24355);
    - 37.0462% working interest in the W/2 E/2 Bone Spring Unit (Case No. 24350);
    - 49.4117% working interest in the E/2 E/2 Bone Spring Unit (Case No. 24351)
- 14. FME3 has an interest across every tract in Sections 35 and 2 in conjunction with elections to participate, which is demonstrated on Exhibit B-3.
- 15. I will now discuss FME3's ability to prudently operate the property and, thereby, prevent waste and FME3's ability to timely locate well sites and to operate on the surface.
- 16. **Exhibit B-4** provides an overview of ownership by acreage. 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%).
- 17. Attached as **Exhibit B-5** is a map demonstrating that the Parallel Units are part of FME3's comprehensive development plan for the area. The Parallel Development Area, which is the subject of these cases, is outlined in red. As this exhibit shows, FME3's Parallel 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.

- 18. **Exhibit B-6** 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.
- 19. 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 Parallel development will share drill pads with the Gold 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.
- 20. **Exhibit B-7** 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.

- 21. FME3 understands the take-away constraints in this area and is taking steps to proactively address them.
- 22. **Exhibit B-8** 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-9 to 11** provide greater detail on the constraints and FME3's proactive approach to resolve them.
- 23. **Exhibit B-9** 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.
- 24. **Exhibit B-10** 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.
- 25. **Exhibit B-11** 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.
- 26. **Exhibit B-12** 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.

- 27. FME3 has been diligently working to develop this area. **Exhibit B-13** identifies the timeline and future target dates.
- 28. Exhibit B-13 also identifies support FME3 has received for its development plan, namely:
  - Warren Ventures, Ltd.: Executed JOA, naming FME3 as Operator and Letter of Support
  - Surface Grazing Lessee: Letter of Support for FME3
  - Otter Creek, LLC: Election to participate
  - TBO Oil and Gas, LLC: Election to participate
- 29. **Exhibit B-14** is the letter of support FME3 received from Warren Ventures and the letter of support FME3 received from the Surface Grazing Lessee.
- 30. **Exhibit B-15** provides further detail on FME3's overlapping development plans and how those plans maximize production. Included in Exhibit B-15 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-15-a.
- 31. 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.

- 32. FME3 sent its well proposal letters to the working interest owners and unleased mineral interest owners in July 2023.
- 33. **Exhibit B-16** is a summary of FME3's communications with working interest owners and unleased mineral interest owners, including MRC.
  - 34. FME3 negotiated with the uncommitted interest owners in good faith.
- 35. I now provide specific testimony and exhibits for each of the Parallel cases. I address the cases from West to East rather than by case number.

#### CASE NO. 24354 SPECIFIC TESTIMONY AND EXHIBITS

- 36. Below is a brief description of the facts and exhibits for Case No. 24354.
- 37. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2 W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (W/2 W/2 equivalent), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 301H and Parallel State Com 501H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24354 is attached as **Exhibit B-17**.
- 38. Attached as **Exhibit B-17-a** are the C-102s for the wells proposed in Case No. 24354. The wells will develop the Airstrip, Bone Spring (Pool Code 960) and the Scharb, Bone Spring (Pool Code 55610).<sup>2</sup>
  - 39. The producing area for the wells will be orthodox.

<sup>&</sup>lt;sup>2</sup> 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.

- 40. Attached as **Exhibit B-17-b** is a lease tract map for Case No. 24354. This map shows the ownership breakdown. FME3 has 84.3026% working interest control (committed interests).
- 41. Attached as **Exhibit B-17-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-17-d** is a list of the parties to be pooled in Case 24354.

#### **CASE NO. 24353 SPECIFIC TESTIMONY AND EXHIBITS**

- 44. Below is a brief description of the facts and exhibits for Case No. 24353.
- 45. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.13 -acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (W/2 W/2 equivalent), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 701H and Parallel State Com 801H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24353 is attached as **Exhibit B-18**.

- 46. Attached as **Exhibit B-18-a** are the C-102s for the wells proposed in Case No. 24353. The wells will develop the Airstrip; Wolfcamp Pool (Pool Code 970). The producing area for the wells will be orthodox.
- 47. Attached as **Exhibit B-18-b** is a lease tract map for Case No. 24353. This map shows the ownership breakdown and FME3 has 84.3026% working interest control (committed interests).
- 48. 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.
  - 49. There are no depth severances within the proposed spacing unit.
  - 50. **Exhibit B-18-d** is a list of the parties to be pooled in Case 24353.

#### CASE NO. 24355 SPECIFIC TESTIMONY AND EXHIBITS

- 51. Below is a brief description of the facts and exhibits for Case No. 24355.
- 52. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (E/2 W/2 equivalent), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 302H and Parallel State Com 502H wells**, to be horizontally drilled. The producing area for the wells is

expected to be orthodox. A copy of the application for Case No. 24355 is attached as **Exhibit B-19.** 

- 53. Attached as **Exhibit B-19-a** are the C-102s for the wells proposed in Case No. 24355. The wells will develop the Airstrip, Bone Spring (Pool Code 960) and the Scharb, Bone Spring (Pool Code 55610). The producing area for the wells will be orthodox.
- 54. Attached as **Exhibit B-19-b** is a lease tract map for Case No. 24355. This map shows the ownership breakdown and FME3 has 79.0630% working interest control (committed interests).
- 55. Attached as **Exhibit B-19-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-19-d** is a list of the parties to be pooled in Case 24355.

#### **CASE NO. 24352 SPECIFIC TESTIMONY AND EXHIBITS**

- 58. Below is a brief description of the facts and exhibits for Case No. 24352.
- 59. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2 W/2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2 (E/2 W/2 equivalent), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 702H and Parallel**

**State Com 802H wells**, to be horizontally drilled. The producing area for the wells is expected to be orthodox. A copy of the application for Case No. 24352 is attached as **Exhibit B-20**.

- 60. Attached as **Exhibit B-20-a** are the C-102s for the wells proposed in Case No. 24352. The wells will develop the Airstrip; Wolfcamp Pool (Pool Code 970). The producing area for the wells will be orthodox.
- 61. Attached as **Exhibit B-20-b** is a lease tract map for Case No. 24352. This map shows the ownership breakdown and FME3 has 79.0630% working interest control (committed interests).
- 62. Attached as **Exhibit B-20-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.
  - 63. There are no depth severances within the proposed spacing unit.
  - 64. **Exhibit B-20-d** is a list of the parties to be pooled in Case 24352.

#### **CASE NO. 24350 SPECIFIC TESTIMONY AND EXHIBITS**

- 65. Below is a brief description of the facts and exhibits for Case No. 24350.
- 66. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2 E/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 W/2 E/2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State**

Com 303H and Parallel State Com 503H wells, to be horizontally drilled. A copy of the application for Case No. 24350 is attached as Exhibit B-21.

- 67. Attached as **Exhibit B-21-a** are the C-102s for the wells proposed in Case No. 24350. The wells will develop the Airstrip, Bone Spring (Pool Code 960) and the Scharb, Bone Spring (Pool Code 55610). The producing area for the wells will be orthodox.
- 68. Attached as **Exhibit B-21-b** is a lease tract map for Case No. 24350. This map shows the ownership breakdown and FME3 has 50.7866% working interest control (committed interests).
- 69. Attached as **Exhibit B-21-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.
  - 70. There are no depth severances within the proposed spacing unit.
  - 71. **Exhibit B-21-d** is a list of the parties to be pooled in Case 24350.

#### CASE NO. 24362 SPECIFIC TESTIMONY AND EXHIBITS

- 72. Below is a brief description of the facts and exhibits for Case No. 24362.
- 73. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 E/2 of Section 35, Township 18 South, Range 34 East, and Lot 2, the SW/NE, and W/2SE of Section 2 (W/2 E/2 equivalent), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 703H and Parallel**

**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. 24362 is attached as **Exhibit B-22**.

- 74. Attached as **Exhibit B-22-a** are the C-102s for the wells proposed in Case No. 24362. The wells will develop the Airstrip; Wolfcamp Pool (Pool Code 970). The producing area for the wells will be orthodox.
- 75. Attached as **Exhibit B-22-b** is a lease tract map for Case No. 24362. This map shows the ownership breakdown and FME3 has 50.7866% working interest control (committed interests).
- 76. Attached as **Exhibit B-22-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.
  - 77. There are no depth severances within the proposed spacing unit.
  - 78. **Exhibit B-22-d** is a list of the parties to be pooled in Case 24362.

#### CASE NO. 24351 SPECIFIC TESTIMONY AND EXHIBITS

- 79. Below is a brief description of the facts and exhibits for Case No. 24351.
- 80. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 E/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 E/2 E/2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 304H**

and **Parallel State Com 504H wells**, to be horizontally drilled. A copy of the application for Case No. 24351 is attached as **Exhibit B-23**.

- 81. Attached as **Exhibit B-23-a** are the C-102s for the wells proposed in Case No. 24351. The wells will develop the Airstrip, Bone Spring (Pool Code 960) and the Scharb, Bone Spring (Pool Code 55610). The producing area for the wells will be orthodox.
- 82. Attached as **Exhibit B-23-b** is a lease tract map for Case No. 24351. This map shows the ownership breakdown and FME3 has 50.8029% working interest control (committed interests).
- 83. Attached as **Exhibit B-23-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.
  - 84. There are no depth severances within the proposed spacing unit.
  - 85. **Exhibit B-23-d** is a list of the parties to be pooled in Case 24351.

#### CASE NO. 24348 SPECIFIC TESTIMONY AND EXHIBITS

- 86. Below is a brief description of the facts and exhibits for Case No. 24348.
- 87. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2 E/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 E/2 E/2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 704H and**

**Parallel State Com 804H wells**, to be horizontally drilled. A copy of the application for Case No. 24348 is attached as **Exhibit B-24**.

- 88. Attached as **Exhibit B-24-a** are the C-102s for the wells proposed in Case No. 24348. The wells will develop the Airstrip; Wolfcamp Pool (Pool Code 970). The producing area for the wells will be orthodox.
- 89. Attached as **Exhibit B-24-b** is a lease tract map for Case No. 24348. This map shows the ownership breakdown and FME3 has 50.8029 % working interest control (committed interests).
- 90. Attached as **Exhibit B-24-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.
  - 91. There are no depth severances within the proposed spacing unit.
  - 92. **Exhibit B-24-d** is a list of the parties to be pooled in Case 24348.

#### ADDITIONAL TESTIMONY AND EXHIBITS APPLICABLE TO ALL CASES

93. 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.

- 94. FME3 requests the maximum cost plus 200% risk charge be assessed against non-consenting pooled working interest owners.
  - 95. FME3 requests that it be designated operator of the wells.
  - 96. FME3 requests that overriding royalty interest owners be pooled.
- 97. I provided Modrall with the names and addresses of uncommitted interest owners and overriding royalty interests owners of record in the Parallel units.
  - 98. To the extent necessary, FME3 requests approval of overlapping spacing units.
- 99. 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 Parallel 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.
- 100. 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.
- 101. 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 <u>Derver</u>

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 Colorado

Commission Number: 20234007312

My Commission Expires: 2 23 2

## Location Map – Lea County, NM



175 t2E	175 3312	L/S 34E	175 356	175 36E	17S 37€	1 <b>75</b> 38É
18S 32E	18\$ 33 <b>E</b>	185 34E	185 35E	185 368	185 378	Hobbs
195 32E	19 <b>5</b> 33E	195 348	195 35E	<b>1</b> 95 36E	19S 37E	19S 38E
20S 32E	20S 33E	705 34F	20S 35E	20S 36E	20S 37E	20S 38E
21 <b>S</b> 31E	215 32E	21S 33E	21S 34E <b>Lea</b>	215 35E	215 36E	21S 37E
225 31E	225 32E	725 33E	77S 34E	72S 3SF	27S 36E	22S 37E
235 31E	<b>2</b> 35 J2€	235 33E	23S 34E	235 356	23S 36E	23S 37E



T18S-R34E

Section 35: All

T19S-R34E

Section 2: Lots 1-4, S2N2, S2

Containing 1295.88

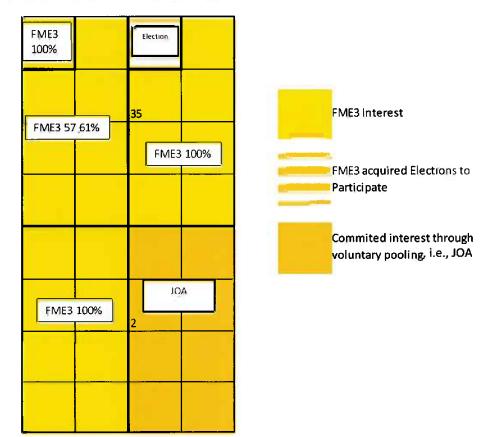


# Ownership Comparison Table – Wolfcamp Overview



	Wolfcamp				
	W2W2	E2W2	W2E2	E2E2	
Franklin Mountain Energy 3, LLC	84.3026%	79.0630%	37.0462%	49.4117%	

FME3 WI – Wolfcamp



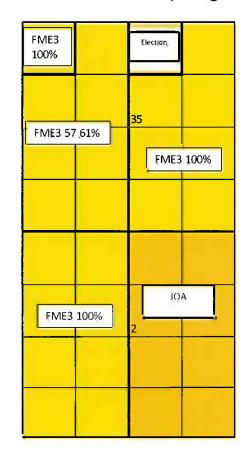


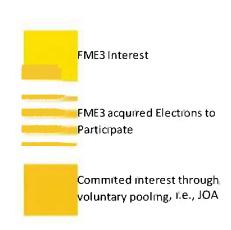
# Ownership Comparison Table – Bone Spring Overview



	Bone Spring				
	W2W2 E2W2 W2E2 E2E2				
Franklın Mountain Energy 3, LLC	84.3026%	79.0630%	37.0462%	49.4117%	

# FME3 WI – Bone Spring

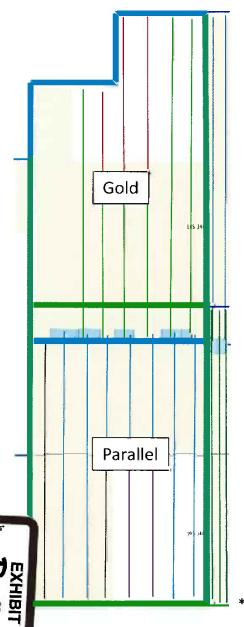






# Ownership comparison in Gold and Parallel Units





#### 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%

#### Ownership in Gold Unit

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

#### 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

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#### FME3's Development Plans in and around Parallel Development Area FRANKLIN MOUNTAIN 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 FIME3 has approved Compulsory FME3 has filed applications for Pooling Orders in Cross: Compulsory Pooling Orders in 1) R-23177, W2W2 Wolfcamp Gold (E2W2 & E2) :d 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 FME3 has filed applications for 8) R-23180, E2E2 Bone Spring

Parallel

Cross

Compulsory Pooling Orders in Parallel

Parallel

SHIBIT EXHIBIT Area of Development

T18S-R34E

Sec. 23, 24, 25, 26, 35 & 36,

T19S-R34E

Sec. 1 & 2

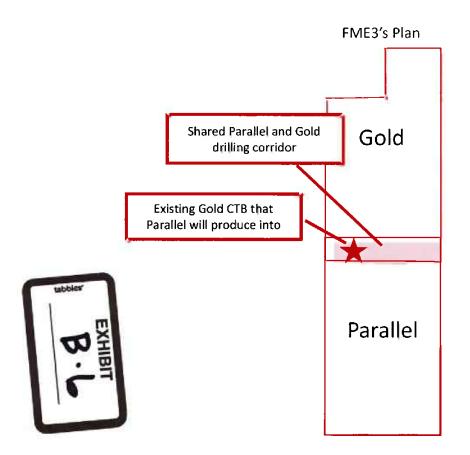
Lea County, NM

#### FME3's Development Plan Minimizes Surface Disturbances



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

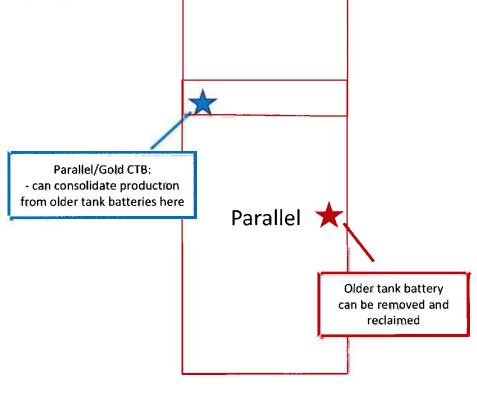


# Page 52 of 3

### FME3's Development Plan Cleans Up Asset and Helps Third Parties Prevent Waste



- FME3's development plan provides the ability to decommission and reclaim one tank battery and consolidate production into a newer CTB
  - One older tank battery can be decommissioned
  - Removal of equipment and partial reclamation (still has pumping units)
- Consolidation of Parallel production into the Gold CTB creates a single point for 3<sup>rd</sup> Party connections
  - Plains (oil takeaway) is already connected to the Gold/Parallel CTB
  - Water takeaway is already connected to the Gold/Parallel CTB



Gold



## FME3 Is Addressing Gas and Water Takeaway Constraints

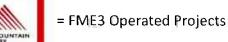


- FME3 is investing significant capital into gas and water infrastructure to ensure pipeline solutions are in place
  - 2024 approved budget of \$37mm
  - FME3's consolidated position supports FME3's significant investment in infrastructure
- Existing infrastructure is not sized to support a 16-well horizontal project
  - Investments in pipelines are necessary
- 3<sup>rd</sup> 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





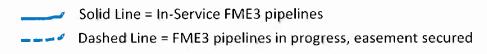
# Page 54 of 304

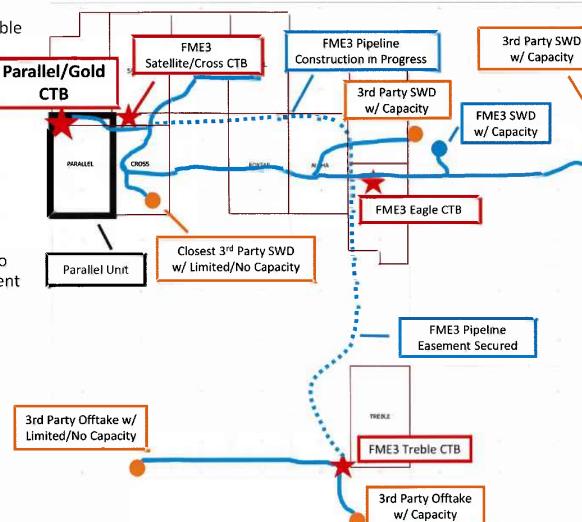
### FME3 Is Investing \$17.2mm of Capital to Solve Water Takeaway Constraints



- Adequate water takeaway does not exist to support a 16-well horizontal project
  - Closest 3<sup>rd</sup> Party SWD to project has limited to no capacity
  - FME3's recent projects at Eagle, Treble and Gold have pushed 3<sup>rd</sup> party capacities
- 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

    terruptible takeaway contracts

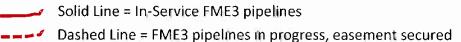


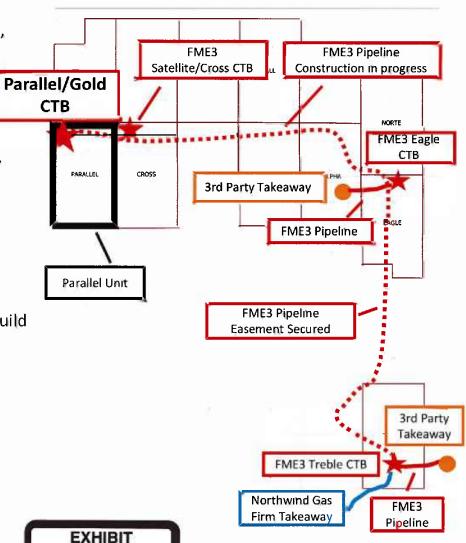


#### FME3 Is Investing \$19.8mm of Capital to Solve Gas Takeaway Constraints



- Adequate gas takeaway does not exist to support a 16-well horizontal project
  - FME3's recent projects at Eagle, Treble and Gold have maxed out 3<sup>rd</sup> 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 3<sup>rd</sup> party midstream companies
  - Allows multiple 3<sup>rd</sup> 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
- 3<sup>rd</sup> 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

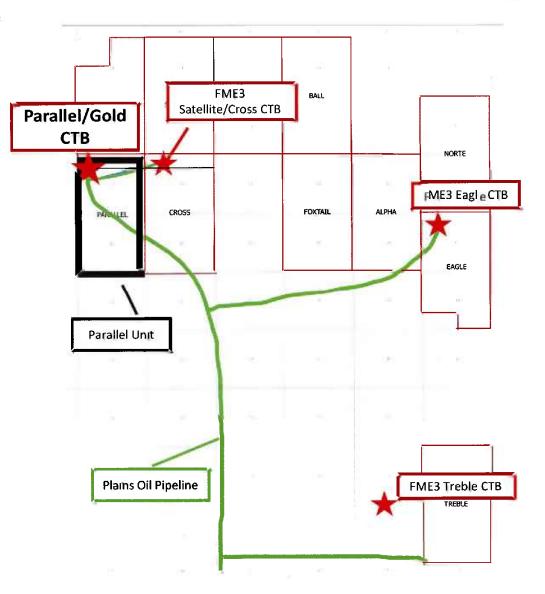




# FME3 Has a Reliable Oil Pipeline Solution in Place



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





# FME3 Is All Systems Go

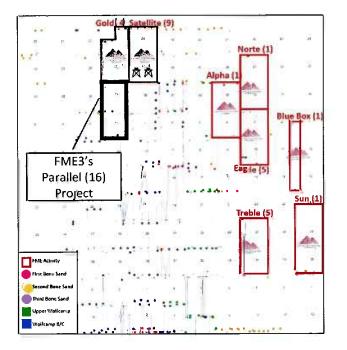


- FME3 is very active in the 6-mile radius of Parallel Development Area
  - FME3 has turned on production 18 wells between October 2023 and June 2024
  - FME3 has 2 drilling rigs on the Satellite (9) well project as of June 2024
- In 18 months, FME3 was able to obtain 130 permits.



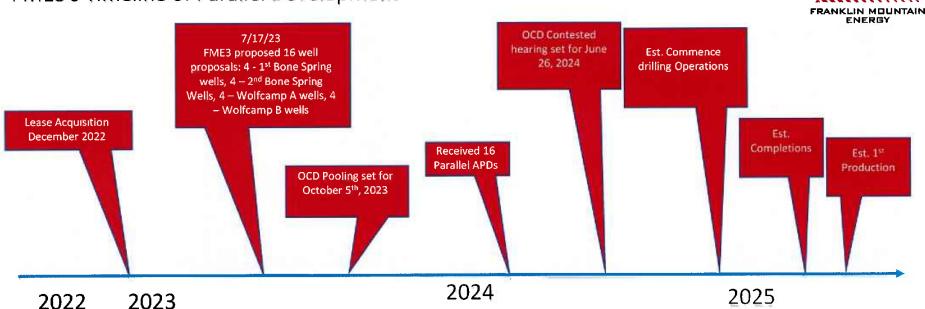
# Operator Active Permits 6-mile Radius

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





## FME3's Timeline of Parallel Development



- FME3's timeline from lease acquisitions, to initiated development plans, to commencing drilling operations, to 1st production in the Parallel State Unit is estimated at ~28 months
- December 2022: Closes on its initial transactions in Northern Lea County, establishing its position in the Parallel Development Area
- July 2023, FME3 sends out 16 Parallel well proposals
- December 2023: FME3 closes an additional lease acquisition in Parallel
- January 2024: FME3 received 16 approved Parallel unit APDs

- December 2024: FME3 estimates to commence drilling operations
- FME3 received support from 3<sup>rd</sup> Parties:
  - JOA, Election to Participate, and Letter of support from Warren Ventures, Ltd.
  - Support letter from Surface Grazing Lessee
  - Election to participate received from Otter Creek, LLC
  - Election to participate received from TBO Oil and Gas, LLC



# Warren Ventures, Ltd.

808 W. Wall Street Midland Texas 79701

June 11, 2024

New Mexico Oil Conservation Division Via e-filing by Franklin Mountain Energy 3, LLC in Case Nos. 23845-23852

Re: Support for Franklin Mountain Energy 3, LLC Parallel State cases, Case Nos. 23845-23852, Lea County, New Mexico.

Dear OCD:

Warren Ventures, Ltd. respectfully submits this letter in support of Franklin Mountain Energy 3, LLC's ("Franklin") Parallel State cases, Case Nos. 23845-23852, Lea County, New Mexico. In Warren Ventures' opinion, Franklin's proposed development plans will prevent waste and protect correlative rights as Franklin's proposals will efficiently and effectively develop the acreage. Warren Ventures and Franklin are in discussions regarding entering into a JOA. Warren Ventures hereby grants Franklin the right to represent its interests and supports the designation of Franklin as operator and its planned development described in the above captioned cases.

Should you have any questions, please email me at jdavis@texcap.net or call me at 432-253-6364

Sincerely

Joseph S. Davis Warren Ventures, Ltd. June 10, 2024

To Whom It May Concern, Since May of 2023, Tivis Ranch ("Tivis") has been cooperatively working with Franklin Mountain Energy 3, LLC ("FME3") as they plan their oil & gas development near and within our acreage boundaries. FME3 has been operating responsibly on the Tivis Lands since that time. To date, FME3 has drilled 4 wells and currently has 2 rigs drilling on Tivis Lands. Production infrastructure including power, pipelines, flowlines, and access roads have all been installed in conjunction with input of Tivis Ranch.

FME3 is the most communicative Operator that Tivis Ranch works with. The planned use of Tivis Lands has been communicated in detail and timely compensation has been provided for surface disturbances. FME3 consistently offers meetings to answer questions and provide development updates. FME3 has shown the upmost respect to the Tivis Ranch and family; we are grateful for the care they have taken while developing assets on our lands. I look forward to their continued partnership.

Sincerely,

Wilberta Tivis

Wilberta Diris

# Overlapping Spacing Units Maximize Producing Reservoir



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

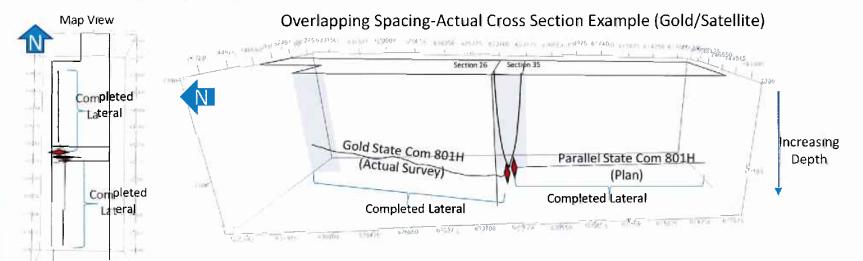
Increasing Depth

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

Increasing Depth

Spacing Unit First Take Point Wellbore

- 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



<u>District.</u>
1625 N. French Dr. Hobus, NM, 88240
Phote (575) 393-6161 Fax: (575) 393-0720
<u>District.</u>
1811 S. Friga St., Artesia NM 88210
Photes (575) 748-1283 Fax: (575) 748-9720
<u>District.</u>
1600 Rato Brazon Roso Azice, NM 87410
Phote (505) 334-6178 Fax: (505) 334-6170
<u>District.</u>
170 <u>District.</u>
171 District. (V

# 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

X AMENDED REPORT
AS-DRILLED

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

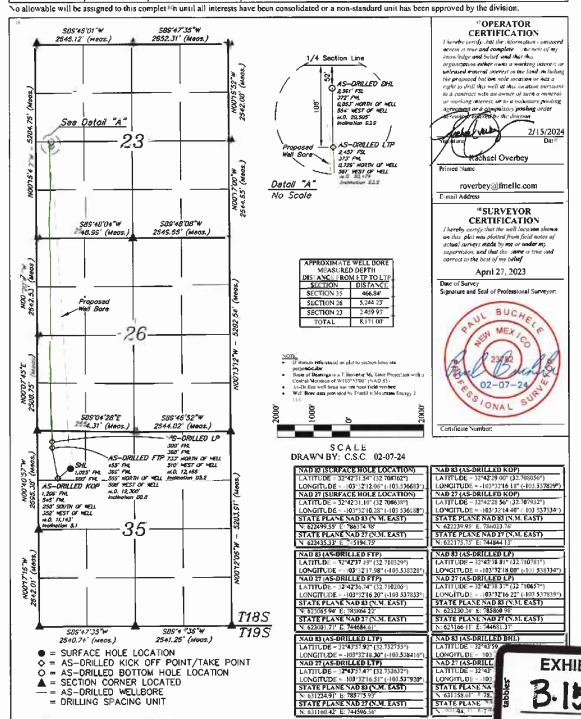
- 1	1 API Number		<sup>2</sup> Pool Cade						
]	30-025-51669		990 & 970	0 [990] AIRSTRIP; WOLFCAMP, NORTH, [970] AIRSTRIP; WC					
1	* Property Code			roperty Name	* Well Number				
	334169		GOL	STATE COM	801H				
	OGRID No.		"0	perator Name	* Elevation				
	331595		FRANKLIN MOU	3989.9'					

"Surface Location

UL or lot no.	Section 35	Township 18S	Range 34E	l.ot idn	Feet from the 1025	North/South line NORTH	Feet from the 900	WEST	LEA -	
,							- ^			

"Bottom Hole Location If Different From Surface

UL or let no.	Section	Township	Range	Lat Idn	Feet from the	North/South line	Feet frum the	Eust/West line	County
L	23	18S	34E		2591	SOUTH	372	WEST	LEA
12 Dedicated Acres 13 Joint or Infill 280		14 Consc	solidation Code Properties		-				



# Summary of Communication-Parallel



	I	
Date	Owner	Exchange
	TH McElvain Oil & Gas, LLLP	Sold to Franklin Mountain Energy 3, LLC
	MRC Permian Company	Currently in negotiations
7/25/2023	COG Operating, LLC Operating, LLC	Email received requesting WI information, Sold to MRC Permian Company
7/25/2023	Concho Oil & Gas, LLC Oil & Gas, LLC	Email received requesting WI information, Sold to MRC Permian Company
8/22/2023	Crump Family Partnership, Ltd.	Email requesting WI information, sent JOA
8/1/2023	Warren Ventures, Ltd.	Elected to participate, Signed JOA and Letter of Support
8/28/2023	Tarpon Industries Corp.	Multiple emails, discussing sale of interest and participation
9/12/2023	Charles D. Ray	Phone call and multiple emails requesting WI information, elected to not participate. Entity now known as CD Ray Exploration, LLC
8/9/2023	Buckhorn Energy, LLC	Multiple emails requesting WI information
8/9/2023	Sharktooth Resources, Ltd.	Multiple emails requesting WI Information
7/25/2023	Hanley Petroleum, Inc.	Emails exchanged, Sent JOA
7/25/2023	LHAH Properties, LLC	Emails exchanged, Sent JOA
1/16/2024	H6 Holdings, LLC	Email received requesting WI on different unit. Followed up giving WI for the Parallel Unit as well.
7/28/2023	TBO Oil & Gas, LLC	Elected to participate, no JOA signed
8/22/2023	Mavros Oil Company, LLC	Email requesting WI information, sent JOA
8/5/2023	TSF WI LP	Proposals received 8/5/2023, No further communications
7/25/2023	Hanley Petroleum, LLC	Emails exchanged, Sent JOA
7/31/2023	Marathon Oil Permian LLC	Email requesting WI information
8/4/2023	Otter Creek, LLC	Elected to participate, no JOA signed
8/22/2023	Crown Oil Partners	Email requesting WI information, sent JOA
8/22/2023	Crump Energy Partners	Email requesting WI information, sent JOA



# 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. \_\_\_\_\_

#### **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 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 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/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 324.13-acre, more or less, Bone Spring horizontal spacing unit.



<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23848.

Page 2 of 5

- 3⊛ Franklin plans to drill the Parallel State Com 301H and Parallel State Com 501H wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4 SW/4 (Unit M) of Section 2; and the producing area for the wells is expected to be orthodox.
- 4. Franklin filed Case No. 23848 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. 23848, ¶ 4.
- 5. On December 1, 2023, the Division issued Order R-22971, which pooled uncommitted interests in a Bone Spring spacing unit comprised of the W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East, Lea County, NM.
- 6. That unit is dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells.
- 7. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap the Gold State Com Bone Spring spacing unit described above.
- 8. Franklin's proposed spacing unit in this case will also partially overlap existing Bone Spring spacing units as follows:
  - a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

- b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).
- c. A 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549).
- 9. 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.
- 10. 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.
  - 11. Case No. 23848 is currently set for contested hearing on April 9, 2024.
- 12. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for a 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 W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 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. 24354 : 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 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 301H and Parallel State Com 501H wells, to be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4SW/4 (Unit M) of Section 2. 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 proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells. Franklin's proposed spacing unit in this case will also partially overlap the following Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549). 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.

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<u>District 1</u> 1625 N. French Dr. (Bobos, NW, 88240 Phone (575) 191 6161 Fax (575) 393-0720 <u>Oristrict II</u> 811 S. First St., Artesia, NAI 88210 Phone (575) 748-1283 Fax (575) 748-9720

Phone (573) 748-128J Fax (573) 743-9720
Districk III
1000 Rio Brazos Roao, Azice, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St. Francis Dr., Santa Fc. NM 87505
Phone (305) 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

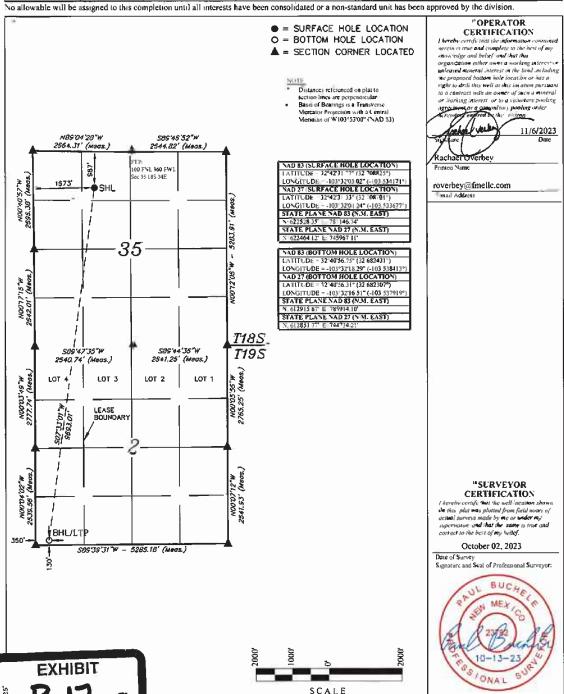
API Number		<sup>2</sup> Post Code	<sup>1</sup> Pool Name		
30-025-52527		55610 & 960	55610 & 960 [55610] SCHARB; BONE SPRING, [960]		
4 Property Code		9 P1	roperty Name	Well Number	
335188		PARALI	301H		
<sup>7</sup> OGRID No.		*0	9 Elevation		
331595		FRANKLIN MOU	3987.2'		

"Surface Location

C 35 18S 34E 987 NORTH 1673 WEST LEA	L'E or lat no. C	Section 35	Township 18S	Range 34E	Lot Idn	Feet from the 987	North/South line NORTH	Feet from the 1673	East/West line WEST	County LEA
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"Bottom Hole Location If Different From Surface

UL or let no. VI	Section 2	1 uwnship 198	Range 34É	Lot Idn	Feet from the 130	North/South line SOUTH	Feet from the 360	East/West line WEST	County LEA	ļ
12 Dedicated Acro 324.13	es 13	Joins or Lafill	II Cons	olidation Code	15 Order No.					



DRAWN BY: Z L 10-13-23

Certificate Numbe

Detrict 1
1625 N. French Dr., Hobis, N.M. 88140
Phone (875) 391-6161 Fax: (575) 393-0720
District 1
811 S. Frist St., Artesia, N.M. 88210
Phone (575) 748-1831 Fax: (575) 748-9720
District 11
1000 Rio Brazos Roso, Aztic, N.M. 87410
Phone (595) 334-6176 Fax: (907) 334-6170

1000 Rto Brazos Road, Aztoc, NM 87410 Phone: (505) 334 6178 Fax: (505) 334-6170 District IV. 1220 S St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476 3400 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

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

■ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	.	² Pool Code	3 Pool Name			
30-025-525	27 90	50	AIRSTRIP; BONESPRING			
* Property Code		5 Pr	operty Name	4 Well Number		
335188		PARALL	EL STATE COM	301H		
OGRID No.		101	perator Name	* Elevation		
331595		FRANKLIN MOU	INTAIN ENERGY 3, LLC	3987.2'		

Surface Location

C C	35	188	34E	Lot Idii	987	NORTH	1673	WEST	LEA

"Bottom Hole Location If Different From Surface

I	UL er lot ne. M	Section 2	Township 19S	Range 34E	Lot Idn	Feet from the 130	North/South line SOUTH	Feet from the 360	East/West line WEST	County LEA
ı	12 Dedicated Acre	K 13.	leint or Infil	14 Cens	olidation Code	15 Order No.				
ı	160			1						

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.

#### "OPERATOR = SURFACE HOLE LOCATION CERTIFICATION ERRIFICATION I hereby certify that the information contained herein as true and complete to the hest of my knowledge and belief and that this organization either owns a working interest or wheused material interest in the land including the proposed bottom hele location or has a right to drill this well as this location pursuant to a control with an owner of such a microil or warring interest, or to a technology profiling a stranger and in the surface of the interest or warring interest, or to a technology could be obtained in the surface of the interest of o O = BOTTOM HOLE LOCATION ▲ = SECTION CORNER LOCATED NOTE Distances rescrenced on plat to section lines are perpendicular. Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 33) 11/6/2023 N85'04'28"W 554.31' (Meos 589'45'52"W 2544.82" (Meas.) VAD 83 (SURFACE HOLE LOCATION) LATHUDE - 32°42°31.77° (32°706825°) LONGHUDE - 103°32°03°02° (-103.5341°11°) AAD 2° (SURFACE HOLE LOCATION) LATHUDE - 12°42°31.33° (32°708701°) LONGHUDE - 103°32°01′, 24°\*(-103°3367°) STATE PLANE NAD 83 (N.M. EAST) N: 0232523.37° L\*93146.74° STATE PLANE NAD 27 (N.M. EAST) N: 02216112 E: 745°967 11° acha FTP 100 FNL 360 FW Sec 35 188 34 E 587 Printed Name NOO'80'57"W ?555.38" (Meds., 1673 roverbey@fmellc.com E-mail Address 35 NAD 83 (BOTTOM HOLE LOCATION) LATITUDE 32 40756 "5" (32 682431") LONGITUDE 103/32/18 29" (-103 538413") NAD 27 (BOTTOM HOLE LOCATION) W.S.Y.T.CON 542.01' (Meds LATIT. DE =12 40% 31" (32 68230") LONGITI DE =103°32"16.51" (-103.537919° STATE PLANE NAD 83 (N.M. EAST) N 612915 67" E. 785914 10" STATE PLANE NAD 27 (N.M. EAST) N. 612851 77 \_:: 744734.21" T185 585 44'35"W 589'47'35"W T19S 2540.74' (Meas.) 2541.25' (Meas.) (\*SOOM) AL.95. NO0703'45"W 777.74" (Meos.) LOT LOT 3 LOT 2 LOT 1 NOU'DS. 25" \$553.01\* LEASE BOUNDARY (Meas. "SURVEYOR CERTIFICATION NO0'07' NO0'04' I hereby corrigi, teat the well logation views on this plat was plotted from field notes of actual servers made by me or under men supervision, and that he same is true and correct to the best of my belief. BHL/LT October 02, 2023 SBS'35'31'W - 5285.18' (Meas.) Signature and Scal of Professional Surveyor BUCHE MEX ONAL SCALE

DRAWN BY. Z.L. 10-13-23

Certificate Number

District [ 1025 N. French Dr., Hobbs, NM 88240 Phone (575) 391-6161 Fax (575) 393-0720 District [] 811 S. Fran St., Artesia, NM 88210 Phone, (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rto Brazos Road, Azlec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fc, NM 87505 Phone: (305) 476-3402 Fax: (505) 476-3402

Released to Imaging: 6/21/2024 11:06:40 AM

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

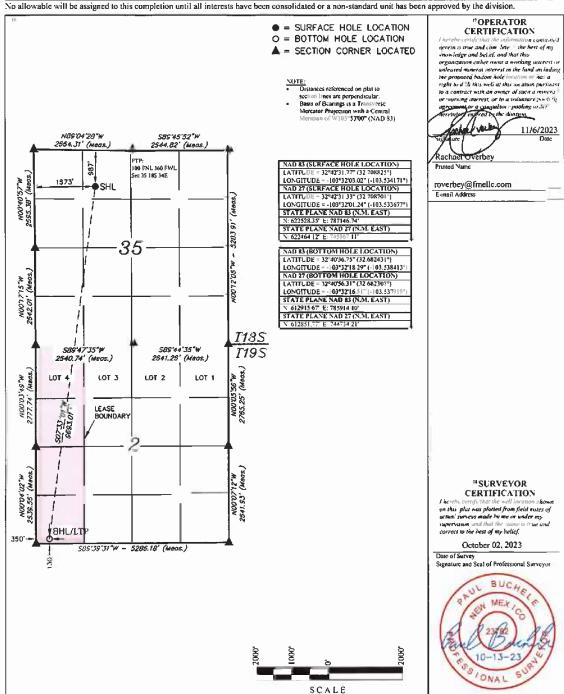
<sup>1</sup> API Number 30-025-525	<sup>2</sup> Pool Cade 55610	<sup>3</sup> Pool Name SCHARB; BONE SPRI	NG
4 Property Code 335188		operty Name LEL STATE COM	• Well Number 301H
7 OGRID No. 331595		perator Name ONTAIN ENERGY 3, LLC	* Elevation 3987.2'

Use I day Surface Location

Let I day Feet from the North/South line
987 NORTH

CL or lot no.	Section 35	Township 18S	Range 34E	Let fdn	Feet from the 987	North/South line NORTH	Feet from the 1673	East/West line WEST	County LEA		
"Bottom Hole Location If Different From Surface											
UL or lot no. M	Section 2	Township 19S	Range 34E	Lot Idn	Feet from the 130	North/South line SOUTH	Feet from the 360	East/West line WEST	County LEA		

12 Dedicated Acres 12 Joint or Infill 14 Consolidation Code 15 Order No. 124.13



DRAWN BY: Z.L. 10-13-23

Certificate Number:

District IV 1320 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Released to Imaging: 6/21/2024 11:06:40 AM

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

	WELL DOCKTION A.	AD MCKEMOE DEDICTION TEN				
API Number	² Pool Code	<sup>3</sup> Pool Name	LANGTEN BONFORDING			
30-025-5253	55610 & 960	[55610] SCHARB; BONE SPRING, [960] AIRSTRIP; BONESPRING				
4 Property Code		Property Name	* Well Number			
335188	PARAL	LLEL STATE COM	501H			
7 OGRIO No.		Operator Name	* Elevation			
331595	FRANKLIN MO	DUNTAIN ENERGY 3, LLC	3987.2'			

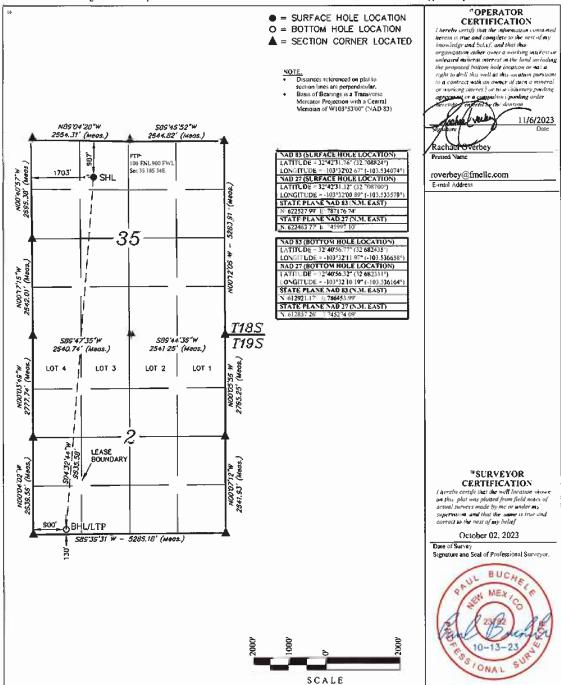
\*Surface Location

1	C	35	188	34E	LOLIGA	987	NORTH	1703	WEST	LEA				
-	Patraci Hala I antica IS Different Form Confine													

Bottom Hole Location If Different From Surface

ĺ	UL or let no. M	Section 2	Township 19S	Range 34E	Let Idn	Feet from the 130	SOUTH	Feet from the 900	East/West line WEST	County LEA	1
	12 Dedicated Aero 324.13	רנו אַ	foist or InGU		distantion Code	1! 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.



DRAWN BY: Z.L. 10-13-23

Certificate Sumber

35

Released to Imaging: 6/21/2024 11:06:40 AM\_

188

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

Caunty LEA

WELL LOCATION AND ACREAGE DEDICATION PLAT

		" LUL L	ZOTATION MAND MORESTON	DEDICITION	
ſ	API Number		ool Code		
ı	30-025-5253	1 960			
- [	* Property Code		5 Property Name	* Well Number	
1	335188		PARALLEL STATE COM	501H	
ı	<sup>7</sup> OGRID No.		Operator Name		* Elevation
1	331595		FRANKLIN MOUNTAIN ENERG	3987.2'	

"Surface Location

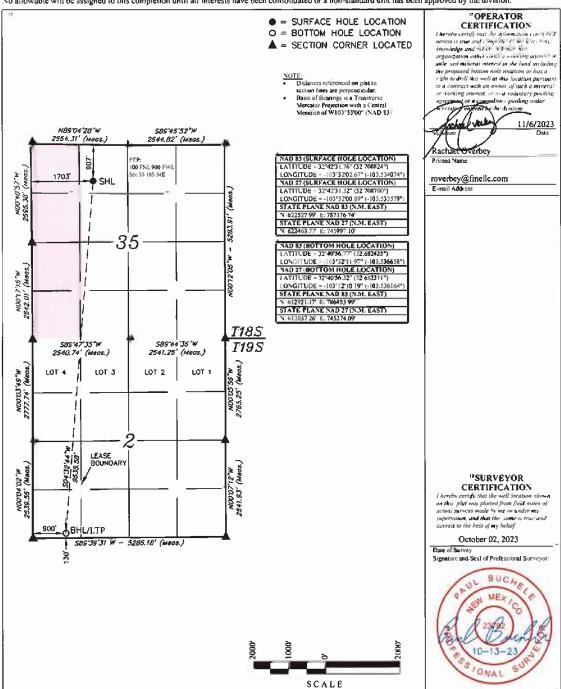
Feet from the 1703 East West line

WEST

Lot Idn Feet from the North/South line 987 NORTH

				Rottom H	ole Location I	f Different From	Surface		
UL or let no.	Section	Township	Range	Let Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	2	1 <b>9S</b>	34E		130	SOUTH	900	WEST	LEA =
12 Dodlanzod San	u 13 fa	Hillari so tole	N Cons	didation Code	If Dedge 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.



DRAWN BY: Z.L. 10-13-23

Certificate Number

UL or lot so. Section Township Range Lot Ide

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 30-025-5253		SCHARB; BONE SPRING	
* Property Code 335188	1	Property Name PARALLEL STATE COM	
* OGRID No. 331595		*Operator Name FRANKLIN MOUNTAIN ENERGY 3, LLC	

\*Surface Location

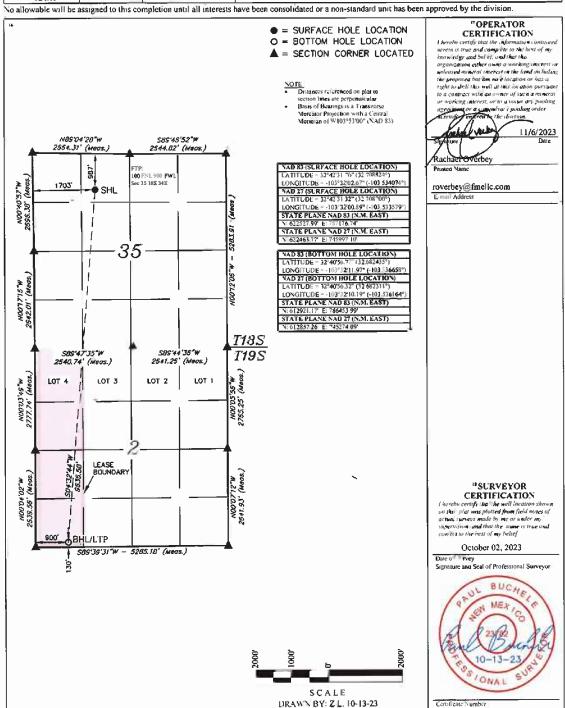
Feet from the

C	35	185	34E		987	NORTH	1703	WEST	LEA	J
				Rattom H	ole Location I	f Different From	Surface			

North South line Feet from the

Bottom Hole Location If Different From Surface

ſ	UL or let no. M	Section 2	Township 198	Range 34F	Let Idn	Feet from the 130	North/South line SOUTH	Feet from the 900	East/West line WEST	County LEA
ľ	12 Dedicated Acre	13 J.	oint or Infill	14 Censi	nlidation Code	15 Order No.	<del></del>			



### Case No. 24354 Unit Summary

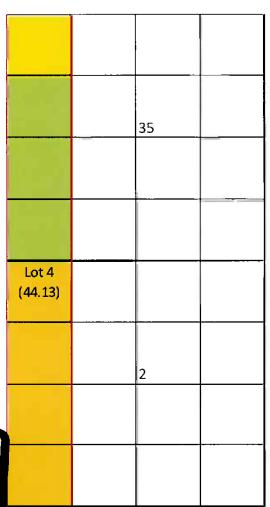


Case No. 24354

W2W2 of Sec 35-T18S-R34E & Lot 4, SWNW, W2SW of Sec 2-T19S-R34E, 324.13 Acres

Parallel State Com 301H

Parallel State Com 501H



Proposed Bone Spring Unit
Tract 1 (40.00 Acres)
Tract 2 (120.00 Acres)
∏ηact 3 (164.13 Acres)

est
84.3026%
rest
15.6974%
100.0000%

Tract	Lease	%
1	VC-0456	12 3407%
2	VB-1199	37.0222%
3	VB-1297	50.6371%



Sent via USPS: 9400109205568025175414

July 17, 2023

TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood, CO 80401 Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 18 South, Range 34 East Section 35: W2W2 Township 19 South, Range 34 East Section 3: Lot 4 (44.13), SWNW, W2SW Lea County, New Mexico 324.13 acres, more or less

Dear Working Interest Owner:

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

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Parallel State Com 301H	1BS	9150	18,150'	Sec 35- T18S- R34E 987 FNL 1675 FWL	Sec 2- T19S- R34E 130 FSL 360 FWL	\$11,355,549.08	N/A
Parallel State Com 501H	2BS	9150 19,150'		Sec 35- T18S- R34E 987 FNL 1700 FWL	Sec 2- T19S- R34E 130 FSL 900 FWL	\$11,355,549.08	N/A
Parallel State Com 701H	WCA	9793	19,793'	Sec 35- T18S- R34E 987 FNL 1775 FWL	Sec 2- T19S- R34E 130 FSL 360 FWL	\$11,650,592.43	N/A
Parallel State Com 801H	WCB	10469	20,469'	Sec 35- T18S- R34E 987 FNL 1825 FWL	Sec 2- T19S- R34E 130 FSL 900 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 <a href="mailto:djohnson@fmellc.com">djohnson@fmellc.com</a> 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



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



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

	:	TVD 9,150', MD 18,150'.		AFE#:		DCE230629	
		Intan To Drillin C				Intangible Completion Costs	
Major	Minor	Description	A	lajor	Minor	Description	Ameunt
Major	5	ADMINISTRATIVE OVERHEAD	5-1,000	240	5	ADMINISTRATIVE OVERHEAD	\$8,200
225	10	CASING CREW & EQPT	\$45,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,635
225	15 16	CEMENTING INTERMEDIATE CASING CEMENTING PRODUCTION CASING	\$40,000	240	15 20	CASING CREW & EQPT COILED TUBING/SNUBBING UNIT	\$0 \$194,313
225	20	CEMENTING SUFACE CASING	\$80,000 \$36,000	240	25	COMMUNICATIONS	51,8%
225	25	COMMUNICATIONS	\$19,000	240	30	COMPANY DIRECT LABOR	\$0
225	30	COMPLETION FLUIDS	56,000	240	35	COMPLETION/WORKOVER RIG	\$75,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	340	45	CONTRACT LABOR/ROUSTABOUTS	\$23,697
225	40	CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	\$1,8%
225	45	DAMAGES	\$15,000	240	55 60	DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION	\$2,844 \$0
225 225	50 55	DAYWORK CONTRACT DRILLING - DIRECTIONAL	\$520,000 \$200,000	240	62	ENGINEERING	30 \$5,687
225	60	DRILLING - FOOTAGE	\$90,000	340	65	ENVIRONMENTAL/CLEANUP	\$0
225	65	DRILLING BITS	\$90,000	240	70	FISHING TOOLS / SERVICES	\$0
225	70	ELECTRICAL POWER\GENERATION	SO	240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
225	75	ENGINEERING	\$20,000	340	72	FILAC WATER/COMPLETION FLUID	\$470,000
225	80	ENVIRONMENTAL SERVICES	5200,000	240	75	FUEL, POWER/DIESEL	\$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$40,000	240	80 85	HEALTH & SAFETY	\$4,700
225	85 90	FISHING TOOLS/SERVICES	\$50,000	240 240	90	HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES	\$14,000 \$0
225	95	HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	so
225	100	HOUSING AND SUPPORT SERVICES	\$18,000	240	100	MUD & CHEMICALS	\$10,000
225	105	INSURANCE	\$1,700	240	110	P&A/TA COSTS	\$0
225	106	INSPECTIONS	\$15,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,403
1000	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$0
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,000
225 225	120	MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE	\$5,000 \$1,000	240 240	130 135	STIMULATION SUBSURFACE EQUIPMENTAL RENTAL	\$2,616,000 \$37,915
225	125 130	MUD & CHEMICALS	\$120,000	240	140	SUPERVISION	\$90,047
225	140	OPENHOLE LOGGING	\$120,000	240	145	SURFACE EQUIP RENTAL	\$189,573
225	141	CASED HOLE LOGGING	SO-	240	150	TRANSPORTATION/TRUCKING	\$2,844
225	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,872
215	150	POWER FUEL & WATER HAULING	\$160,000	240	160	WELDING SERVICES	\$0
225	155	RIG MOVE & RACKING COSTS	2130,000	240	165	WELL TESTING/FLOWBACK	2165,000
225	160 163	RIG UP TEAR OUT & STANDBY SITE RESTORATION	\$0 000,012	240 240	14B 40	TAXES CONTINGENCY COSTS 5%	\$273,599 \$248,726
225	165	STAKING & SURVEYING	\$6,000	240	40	Total Intangible Completion Costs:	35,496,846
225	170	SUPERVISION	\$71,400			1 ment total filtre Forductions France	30,170,010
225	175	SUPERVISION - GEOLOGICAL	539,000	310		Tangible Completion Co *11	
225	180	TRANSPORTATION/TRUCKING	\$20,000	Major	Minor	Description	Amount
225	178	TAXES	\$125,131	245	3	ARTIFICIAL LIFT	\$175,000
225	35	CONTINGENCY COSTS 5%	\$113,755	245	15	FLOWLINES	\$20,000
		Total Intangible Brilling Costs:	\$2,513,986	245	25	FRAC STRING	\$0
		- 11 to 18 (Co.)		245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0 \$0
Malan	24/	Tangible Drilling Costs	Ampont	245	40	PRODUCTION LINER. PRODUCTION PROCESSING FACILITY	\$0
htajor 230	10	Description INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	15	PRODUCTION TUBING	\$150,000
230	30	PACKERS/SLEEVES/PLUGS	\$66,000	24	60	RODS/PUMPS	\$0
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,034,380	245	95	SUBSURFACE EQUIPMENT	\$50,000
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	34	3	WELLHEAD EQUIPMENT	\$125,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,600
230	40	TAXES	\$83,263	J		Total Tangible Completion Custs:	\$348,600
		Total Tangible Drilling Costs:	8 35577141			Inta Ble Fa	
		Tangilde Feility Casts		Major	Minor	Description	Amount
			Amount	65	3	CONSULTING	\$18,100
Major	Minor	Description			12	COMPANY DIRECT LABOR	
270	10	FACILITY PIPE/VALVES/FITTINGS	\$180,000	265			\$0
270 270	10 15	FACILITY PIPE/VALVES/FITTINGS CONTAINMENT	000,0818 02	261	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
270 270 270	10 15 25	FACILITY PIPEVALVES/FITTINGS CONTAINMENT DEHYDRATION	\$180,000 ! \$0 \$0	261	20 22	DAMAGES/RÚW/PERMITS, ETC PAD/RÚAD CONSTRUCTION	\$24,900 \$50,000
270 270 270 270 270	10 15 25 30	FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS	\$180,000 \$0 \$0 \$56,000	265 265	20 22 25	DAMAGES/RI)W/PERMITS, ETC PAD/RIGAD CONSTRUCTION ENGINEERING / SCIENCE	\$24,000 \$50,000 \$22,000
270 270 270 270 270 270	10 15 25 30 50	FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$180,000 ! \$0 \$0	261	20 22	DAMAGES/ROW/FERMITS, ETC PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	\$24,900 \$50,000
270 270 270 270 270	10 15 25 30 50 60	FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION FRUMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$180,000 \$0 \$0 \$56,000 \$47,000 \$0	261 265 65	20 22 25 40	DAMAGES/RI)W/PERMITS, ETC PAD/RIGAD CONSTRUCTION ENGINEERING / SCIENCE	\$24,000 \$50,000 \$22,000 \$0
270 270 270 270 270 270 270	10 15 25 30 50	FACILITY PIPE/VALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$180,000 \$0 \$0 \$56,000 \$47,000	265 65 265 265 265 265 265	20 22 25 40 43	DAMAGES/RÜWPERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75	FACILITY PIPEVALVES/FITTINGS CONTAINABLENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLENES / PIPELINE / HOOKUP 12S TREATING EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	\$180,000 \$0 \$1 \$16,000 \$47,000 \$0 \$125,000 \$0	265 65 265 265 265 265 265 265	20 22 25 40 45 60 80 85	DAMAGESROWMERMITS, ETC PADRADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY/PLATS / STAKINOS TRANSPORTATION / TRUCKING	\$24,000 \$50,000 \$22,000 \$0 \$3,000 \$3,500 \$0
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75	FACILITY PIPEWALVES/FITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES; PIPELINE / HOOKUP HES TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FARRICATED SKIDS FACILITY SURFACE EQUIPMENT	\$180,000 \$0 \$1 \$56,000 \$47,000 \$125,000 \$0 \$0 \$127,000	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERAMTS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SASETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$24,000 \$50,000 \$22,000 \$0 \$3,000 \$3,500 \$3,500 \$6,523
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86	FACILITY PIPEVALVES/FITTINGS CONTAINABENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP 12S TREATING FQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT BS SAFETY SYSTEM	\$180,000 \$0 \$15,000 \$47,000 \$125,000 \$0 \$0 \$0 \$17,000 \$4,000	265 65 265 265 265 265 265 265	20 22 25 40 45 60 80 85	DAMAGES/RÜWPERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5%	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 15 86 90	FACILITY PREVALVES/RITTINGS CONTAINABLE CONTAINABLE DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP HES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA	\$180,000 \$0 \$1,000 \$47,000 \$125,000 \$0 \$0 \$127,000 \$4,000 \$86,000	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERAMTS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SASETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$24,000 \$50,000 \$22,000 \$0 \$3,000 \$3,500 \$3,500 \$6,523
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 15 86 90 100	FACILITY PREVALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES, PIPELINE / HOOKUP HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROADILOCATION/FENCING/REPAIRS PRE-FAGRICATED SKIDS FACILITY SURFACE EQUIPMENT HIS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$180,000 \$30 \$31 \$35,000 \$47,000 \$50 \$30 \$3125,000 \$4,000 \$36,	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 110	FACILITY PIPEWALVES/RITTINGS CONTAINABINT DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES : PIPELINE / HOOKUP HIS TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL DATTERY BUILD	\$180,000 \$0 \$1 \$25,000 \$47,000 \$0 \$125,000 \$4,000 \$4,000 \$6,000 \$90,000 \$154,000	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/RÜWPERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5%	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 110 130 132	FACILITY PREVALVES/FITTINGS CONTAINMENT DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES, PIPELINE / HOOKUP HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROADILOCATION/FENCING/REPAIRS PRE-FAGRICATED SKIDS FACILITY SURFACE EQUIPMENT HIS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$180,000 \$30 \$31 \$35,000 \$47,000 \$50 \$30 \$3125,000 \$4,000 \$36,	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 13 25 30 50 60 65 66 75 86 90 100 110 130	FACILITY PIPEWALVES/FITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES; PIPELINE / HOOKUP HES TREATING EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELKC BATTERY BUILD	\$180,000 \$10 \$10 \$10 \$10 \$10 \$10 \$10 \$10 \$10	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 110 130 132	FACILITY PIPEVALVES/RITTINGS CONTAINABENT DEHYDRATION RIMARY POWER MATERIALS PLOWLINES / PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT RS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EINC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD	\$180,000 \$0 \$1 \$15,000 \$47,000 \$125,000 \$0 \$117,000 \$4,000 \$4,000 \$154,000 \$45,000 \$45,000	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 138	FACILITY PREVALVES/RITTINGS  CONTAINABLE  CONTAINABLE  CONTAINABLE  CONTAINABLE  RIBMARY POWER MATERIALS  FLOWLINES / PIPELINE / HOOKUP  HES TREATING EQUIPMENT  ROADLOCATION/FENCING/REPAIRS  PRE-FABRICATED SKIDS  FACILITY SURFACE EQUIPMENT  HOS SAFETY SYSTEM  CONTROL / INSTRUMENT / METERS / SCADA  TANKS & WALKWAYS  MECHANICAL BATTERY BUILD  CONTROL BATTERY BUILD  FRIMARY POWER BUILD  FRIMARY FOR BUIL	\$180,000 \$0 \$0 \$1 \$25,000 \$47,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$90,000 \$154,000 \$5,000 \$27,000 \$27,000	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$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	FACILITY PIPEWAL VESTITTINGS CONTAINABLY DEHYDRATION RIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT RS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIKC BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY ELECTRICAL SIGNAGE TAXES TAXES	\$180,000 \$0 \$1 \$15,000 \$47,000 \$125,000 \$0 \$137,000 \$4,000 \$4,000 \$45,000 \$45,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000 \$5,000	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 138	FACILITY PREVALVES/RITTINGS  CONTAINABLE  CONTAINABLE  CONTAINABLE  CONTAINABLE  RIBMARY POWER MATERIALS  FLOWLINES / PIPELINE / HOOKUP  HES TREATING EQUIPMENT  ROADLOCATION/FENCING/REPAIRS  PRE-FABRICATED SKIDS  FACILITY SURFACE EQUIPMENT  HOS SAFETY SYSTEM  CONTROL / INSTRUMENT / METERS / SCADA  TANKS & WALKWAYS  MECHANICAL BATTERY BUILD  CONTROL BATTERY BUILD  FRIMARY POWER BUILD  FRIMARY FOR BUIL	\$180,000 \$0 \$0 \$1 \$25,000 \$47,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$90,000 \$154,000 \$5,000 \$27,000 \$27,000	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 110 130 132 134 138 140 125	FACILITY PIPEWAL VESTITTINGS CONTAINABLY DEHYDRATION RIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT RS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIKC BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY ELECTRICAL SIGNAGE TAXES TAXES	\$180,000 \$0 \$1 \$150,000 \$47,000 \$0 \$125,000 \$125,000 \$4,000 \$4,000 \$4,000 \$45,000 \$45,000 \$55,000 \$55,000 \$27,000 \$27,000 \$1,007,924	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 90 100 110 132 134 136 138	FACILITY PIPEWAL VESTITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES PIPELINE / HOOKUP 12S TREATING EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELIC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FILMING STALLATION SIGNAGE TAXES TOTAL TAMBIEL PRICITY TAXES TOTAL TAMBIEL PRICITY TOTAL TAMBIEL TAMBIEL TAXES TOTAL TAMBIEL PRICITY TOTAL TAMBIEL TAXES TOTAL TAMBIEL PRICITY TOTAL TAMBIEL TAXES TOTAL TAMBIEL PRICITY TAXES TOTAL TAMBIEL PRICITY TAXES TOTAL TAMBIEL PRICITY CONT.	\$180,000 \$0 \$1 \$16,000 \$47,000 \$125,000 \$0 \$1125,000 \$4,000 \$4,000 \$4,000 \$154,000 \$5,000 \$5,000 \$5,000 \$27,000 \$1,007,921	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 13 25 30 60 65 66 75 86 90 110 130 132 134 136 140 125	FACILITY PIPEWAL VESTITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES PIPELINE / HOOKUP 12S TREATING EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELIC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FILMING STALLATION SIGNAGE TAXES TOTAL TAMBIEL PRICITY TAXES TOTAL TAMBIEL PRICITY TOTAL TAMBIEL TAMBIEL TAXES TOTAL TAMBIEL PRICITY TOTAL TAMBIEL TAXES TOTAL TAMBIEL PRICITY TOTAL TAMBIEL TAXES TOTAL TAMBIEL PRICITY TAXES TOTAL TAMBIEL PRICITY TAXES TOTAL TAMBIEL PRICITY CONT.	\$180,000 \$0 \$1 \$156,000 \$47,000 \$125,000 \$125,000 \$127,000 \$4,000 \$36,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$27,000 \$36,000 \$45	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 13 25 30 60 65 66 75 86 66 75 86 100 110 132 134 134 125	FACILITY PIPEWAL VESTITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES I PIPELINE / HOOKUP 123 TREATING EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELIC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTRUMENT / METERS / BUILD FLOWLINE INSTRUMENT / METERS / STADA SIGNAGE TAXES TOME INSTRUMENT TAXES TOME INSTRUMENT TAXES TOME INSTRUMENT TAXES TOME INSTRUMENT TAXES TOME TAMES TOME INSTRUMENT TAXES TOME TAMES TOME TAMES TOME TAMES TOMES TOMES TOMES TOMES TAXES TOMES TOMES TOMES TAXES TAXES TOMES TAXES TAXE	\$180,000 \$0 \$1 \$16,000 \$47,000 \$125,000 \$0 \$1125,000 \$4,000 \$4,000 \$36,000 \$154,000 \$5,000 \$5,000 \$5,000 \$17,000 \$1,000 \$	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 13 25 30 60 65 66 75 86 90 100 110 132 134 136 138 140 125	FACILITY PIPEVAL VESTITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES ? PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD TAXES TOTAL Tangible Facility Conts:	\$180,000 \$0 \$1 \$156,000 \$47,000 \$125,000 \$125,000 \$127,000 \$4,000 \$36,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$27,000 \$36,000 \$45	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 13 25 30 60 65 66 75 86 90 100 110 132 134 136 138 140 125	FACILITY PIPEVAL VESTITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES ? PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD TAXES TOTAL Tangible Facility Conts:	\$180,000 \$10 \$10 \$17,000 \$17,000 \$125,000 \$125,000 \$137,000 \$4,000 \$4,000 \$45,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$27,000 \$27,000 \$27,000 \$1,007,000 \$21,000 \$21,0	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 130 132 114 138 140 125	FACILITY PIPEVAL VESTITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES ? PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD TAXES TOTAL Tangible Facility Conts:	\$180,000 \$0 \$1 \$25,000 \$47,000 \$0 \$125,000 \$125,000 \$4,000 \$4,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$1,111,725,79 \$6,013,445,54 \$1,103,978,75 \$1,103,978,75 \$1,103,978,75 \$1,103,978,75 \$1,103,978,75 \$1,103,978,75 \$1,103,978,75 \$1,103,978,75 \$1,103,978,75 \$1,103,978,75 \$1,103,978,75 \$1,103,978,75	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 130 132 114 138 140 125	FACILITY PIPEVAL VESTITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES ? PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD TAXES TOTAL Tangible Facility Conts:	\$180,000 \$10 \$10 \$17,000 \$17,000 \$125,000 \$125,000 \$137,000 \$4,000 \$4,000 \$45,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$27,000 \$27,000 \$27,000 \$1,007,000 \$21,000 \$21,0	265 65 265 265 265 265 265 265 265	20 22 25 40 45 60 80 85 83	DAMAGES/ROWNERMITS, ETC PAD/RADA CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINOS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intengible Facility Custs:	\$24,000 \$50,000 \$22,000 \$0 \$0 \$3,000 \$1,500 \$6,521 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 75 86 90 100 130 131 134 136 125	FACILITY PIPEVAL VESTITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES ? PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD TAXES TOTAL Tangible Facility Conts:	\$180,000 \$0 \$1 \$150,000 \$47,000 \$125,000 \$125,000 \$127,000 \$4,000 \$45,000 \$45,000 \$45,000 \$45,000 \$56,000 \$45,000 \$154,000 \$45,000 \$154,000 \$15,000 \$27,000 \$27,000 \$27,000 \$21,007,923 \$41,111,726,79 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54	261 263 65 265 265 266 266 265 265 265 265	20 22 25 40 45 60 80 85 83 10	DAMAGES/ROWNERAMTS, ETC PAD/RAGD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intungible Facility Costs:  Office Use Only:	\$24,000 \$50,000 \$22,000 \$0 \$3,000 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 66 75 86 66 110 125 124 125 125 125 125 125 125 125 125 125 125	FACILITY PIPEWALT VESTITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES PIPELINE / IKOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT MS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD TAXES TOTAL Tangible Facility Conts.	\$180,000 \$0 \$1 \$150,000 \$47,000 \$125,000 \$125,000 \$127,000 \$4,000 \$45,000 \$45,000 \$45,000 \$45,000 \$56,000 \$45,000 \$154,000 \$45,000 \$154,000 \$15,000 \$27,000 \$27,000 \$27,000 \$21,007,923 \$41,111,726,79 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54	261 263 65 265 265 266 266 265 265 265 265	20 22 25 40 45 60 80 85 83 10	DAMAGES/ROWNERAMTS, ETC PAD/RAGD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intungible Facility Costs:  Office Use Only:	\$24,000 \$50,000 \$22,000 \$0 \$3,000 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 65 66 66 75 86 66 110 125 124 125 125 125 125 125 125 125 125 125 125	FACILITY PIPEVAL VESTITTINGS CONTAINABLE TO DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP IBS TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-ABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROL / AND SCADA BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD TANGE TAKES TOME TAMBLE FACILITY CONTS.	\$180,000 \$0 \$1 \$150,000 \$47,000 \$125,000 \$125,000 \$127,000 \$4,000 \$45,000 \$45,000 \$45,000 \$45,000 \$56,000 \$45,000 \$154,000 \$45,000 \$154,000 \$15,000 \$27,000 \$27,000 \$27,000 \$21,007,923 \$41,111,726,79 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54	261 263 65 265 265 266 266 265 265 265 265	20 22 25 40 45 60 80 85 83 10	DAMAGES/ROWNERAMTS, ETC PAD/RAGD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intungible Facility Costs:  Office Use Only:	\$24,000 \$50,000 \$22,000 \$0 \$3,000 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 66 15 86 60 100 110 110 110 110 110 110 110 110	FACILITY PIPEWALVES/FITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP 123 TREATING EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOUL INSTRUMENT / METERS / SCADA TAXES TOULT STATEMY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOULT INSTRUMENT / METERS TOULT INSTRUMENT / METERS / SCADA BATTERY BUILD LOWLING INSTALLATION SIGNAGE TAXES TOULT INSTRUMENT / METERS TOULT INSTRUMENT / METERS / SCADA BLE	\$180,000 \$0 \$1 \$150,000 \$47,000 \$125,000 \$125,000 \$127,000 \$4,000 \$45,000 \$45,000 \$45,000 \$45,000 \$56,000 \$45,000 \$154,000 \$45,000 \$154,000 \$15,000 \$27,000 \$27,000 \$27,000 \$21,007,923 \$41,111,726,79 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54	261 263 65 265 265 266 266 265 265 265 265	20 22 25 40 45 60 80 85 83 10	DAMAGES/ROWNERAMTS, ETC PAD/RAGD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intungible Facility Costs:  Office Use Only:	\$24,000 \$50,000 \$22,000 \$0 \$3,000 \$1,500 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 66 15 86 60 100 110 110 110 110 110 110 110 110	FACILITY PIPEVAL VESTITTINGS CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT RS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL DATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD SIGNAGE TAMES TOIL TANGEN  TOIL TANGEN  TOIL TANGEN  SIGNAGE TAMES  TOIL TANGEN  TO THE TANGE  TO THE TANGEN  TO THE TANGEN  TO THE TANGEN  TO THE TANGEN  TO	\$180,000 \$0 \$1 \$150,000 \$47,000 \$125,000 \$125,000 \$127,000 \$4,000 \$45,000 \$45,000 \$45,000 \$45,000 \$56,000 \$45,000 \$154,000 \$45,000 \$154,000 \$15,000 \$27,000 \$27,000 \$27,000 \$21,007,923 \$41,111,726,79 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54	265 -85 -265 -265 -265 -265 -265 -265 -265 -26	20 22 25 40 45 60 80 85 83 10	DAMAGES/ROWNERAMTS, ETC PAD/RAGD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intungible Facility Costs:  Office Use Only:	\$24,000 \$50,000 \$22,000 \$0 \$3,000 \$3,500 \$5,533 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 66 15 86 60 100 110 110 110 110 110 110 110 110	FACILITY PIPEWALVES/FITTINGS CONTAINABLY DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP 123 TREATING EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOUL INSTRUMENT / METERS / SCADA TAXES TOULT STATEMY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES TOULT INSTRUMENT / METERS TOULT INSTRUMENT / METERS / SCADA BATTERY BUILD LOWLING INSTALLATION SIGNAGE TAXES TOULT INSTRUMENT / METERS TOULT INSTRUMENT / METERS / SCADA BLE	\$180,000 \$0 \$1 \$150,000 \$47,000 \$125,000 \$125,000 \$127,000 \$4,000 \$45,000 \$45,000 \$45,000 \$45,000 \$56,000 \$45,000 \$154,000 \$45,000 \$154,000 \$15,000 \$27,000 \$27,000 \$27,000 \$21,007,923 \$41,111,726,79 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54	265 -85 -265 -265 -265 -265 -265 -265 -265 -26	20 22 25 40 45 60 80 85 83 10	DAMAGES/ROWNERAMTS, ETC PAD/RAGD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intungible Facility Costs:  Office Use Only:	\$24,000 \$50,000 \$22,000 \$0 \$3,000 \$3,500 \$5,533 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 50 60 65 66 66 15 86 60 100 110 110 110 110 110 110 110 110	FACILITY PIPEVAL VESTITTINGS CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT RS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL DATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD SIGNAGE TAMES TOIL TANGEN  TOIL TANGEN  TOIL TANGEN  SIGNAGE TAMES  TOIL TANGEN  TO THE TANGE  TO THE TANGEN  TO THE TANGEN  TO THE TANGEN  TO THE TANGEN  TO	\$180,000 \$0 \$1 \$150,000 \$47,000 \$125,000 \$125,000 \$127,000 \$4,000 \$45,000 \$45,000 \$45,000 \$45,000 \$56,000 \$45,000 \$154,000 \$45,000 \$154,000 \$15,000 \$27,000 \$27,000 \$27,000 \$21,007,923 \$41,111,726,79 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54	265 -85 -265 -265 -265 -265 -265 -265 -265 -26	20 22 25 40 45 60 80 85 83 10	DAMAGES/ROWNERAMTS, ETC PAD/RAGD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intungible Facility Costs:  Office Use Only:	\$24,000 \$50,000 \$22,000 \$0 \$3,000 \$3,500 \$5,533 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 66 66 65 66 66 75 86 90 110 132 134 135 125 125 125 125 125 125 125 125 125 12	FACILITY PIPEVAL VESTITTINGS CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT RS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL DATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD SIGNAGE TAMES TOIL TANGEN  TOIL TANGEN  TOIL TANGEN  SIGNAGE TAMES  TOIL TANGEN  TO THE TANGE  TO THE TANGEN  TO THE TANGEN  TO THE TANGEN  TO THE TANGEN  TO	\$180,000 \$0 \$1 \$150,000 \$47,000 \$125,000 \$125,000 \$127,000 \$4,000 \$45,000 \$45,000 \$45,000 \$45,000 \$56,000 \$45,000 \$154,000 \$45,000 \$154,000 \$15,000 \$27,000 \$27,000 \$27,000 \$21,007,923 \$41,111,726,79 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54	265 -85 -265 -265 -265 -265 -265 -265 -265 -26	20 22 25 40 45 60 80 85 83 10	DAMAGES/ROWNERAMTS, ETC PAD/RAGD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intungible Facility Costs:  Office Use Only:	\$24,000 \$50,000 \$22,000 \$0 \$3,000 \$3,500 \$5,533 \$5,930
270 270 270 270 270 270 270 270 270 270	10 15 25 30 66 66 65 66 66 75 86 90 110 132 134 135 125 125 125 125 125 125 125 125 125 12	FACILITY PIPEVAL VESTITTINGS CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT RS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL DATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD SIGNAGE TAMES TOIL TANGEN  TOIL TANGEN  TOIL TANGEN  SIGNAGE TAMES  TOIL TANGEN  TO THE TANGE  TO THE TANGEN  TO THE TANGEN  TO THE TANGEN  TO THE TANGEN  TO	\$180,000 \$0 \$1 \$150,000 \$47,000 \$125,000 \$125,000 \$127,000 \$4,000 \$45,000 \$45,000 \$45,000 \$45,000 \$56,000 \$45,000 \$154,000 \$45,000 \$154,000 \$15,000 \$27,000 \$27,000 \$27,000 \$21,007,923 \$41,111,726,79 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54	265 -85 -265 -265 -265 -265 -265 -265 -265 -26	20 22 25 40 45 60 80 85 83 10	DAMAGES/ROWNERAMTS, ETC PAD/RAGD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intungible Facility Costs:  Office Use Only:	\$24,000 \$50,000 \$0 \$0 \$3,000 \$3,500 \$45,233 \$5,930 \$1,051
270 270 270 270 270 270 270 270 270 270	10 15 25 30 60 60 65 66 66 75 66 75 100 110 110 110 110 110 110 110 110 11	FACILITY PIPEVAL VESTITTINGS CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO CONTAINABLE TO PIPELINE / HOOKUP IES TREATING EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT RS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL DATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD FRIMARY POWER BUILD SIGNAGE TAMES TOIL TANGEN  TOIL TANGEN  TOIL TANGEN  SIGNAGE TAMES  TOIL TANGEN  TO THE TANGE  TO THE TANGEN  TO THE TANGEN  TO THE TANGEN  TO THE TANGEN  TO	\$180,000 \$0 \$1 \$150,000 \$47,000 \$125,000 \$125,000 \$127,000 \$4,000 \$45,000 \$45,000 \$45,000 \$45,000 \$56,000 \$45,000 \$154,000 \$45,000 \$154,000 \$15,000 \$27,000 \$27,000 \$27,000 \$21,007,923 \$41,111,726,79 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54 \$1,193,976,75 \$6,045,445,54	265 -85 -265 -265 -265 -265 -265 -265 -265 -26	20 22 25 40 45 60 80 85 83 10	DAMAGES/ROWNERAMTS, ETC PAD/RAGD CONSTRUCTION ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY CUSTS 5% Total Intungible Facility Costs:  Office Use Only:	\$24,000 \$50,000 \$0 \$0 \$3,000 \$3,500 \$45,233 \$5,930 \$1,051

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



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

Purpase:		TVD 9,150', MD 19,150'		AFE#:		DCE230631	
			<del> </del>				
75		I minglible Drilling Custs				Intangible Completion Costs	
Major 225	Minor	Description ADMINISTRATIVE OVERHEAD	Arnount \$4,000	Major 240	Alinar 5	Description ADMINISTRATIVE OVERHEAD	mount 58,200
225	10	CASING CREW & EOPT	345,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,615
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT	\$0
225	16	CEMENTING PRODUCTION CASING	580,000	340	20	COILED TUBING/SNUBBING UNIT	\$194,313
225 225	20 25	CEMENTING SUFACE CASING COMMUNICATIONS	\$36,000	240 240	25 30	COMMUNICATIONS COMPANY DIRECT LABOR	51,896 02
225	30	COMPLETION FLUIDS	56,000	240	35	COMPLETION/WORKOVER RIG	\$75,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	340	45	CONTRACT LABOUROUSTABOUTS	\$23,697
225	40	CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	\$1,896
225 225	45 50	DAMAGES DAYWORK CONTRACT	\$15,000 \$520,000	240 240	55 60	DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION	\$2,844 \$0
225	55	DRILLING - DIRECTIONAL	\$200,000	240	62	ENGINEERING	55,687
225	60	DRILLING - FOOTAGE	\$90,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	65	DRILLING BITS ELECTRICAL POWER/GENERATION	\$90,000	240	70	FISHING TOOLS / SERVICES	\$0
225 225	70 75	ENGINEERING	\$0 \$20,000	240 240	71 72	FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID	\$180,000 \$470,000
225	80	ENVIRONMENTAL SERVICES	\$200,000	240	75	FUEL, POWER/DIESEL	\$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$40,000	240	80	HEALTH & SAFETY	\$4,700
225	85	EQUIPMENT RENTAL	\$50,000	240	25	HOUSING AND SUPPORT SERVICES	\$14,000
225 225	90 95	FISHING TOOLS/SERVICES HEALTH & SAFETY	\$0 \$7,000	240	90 95	MATERIALS & SUPPLIES MISCELLANEOUS	\$0 \$0
225	100	HOUSING AND SUPPORT SERVICES	\$18,000	240	100	MUD & CHEMICALS	\$10,000
225	105	INSURANCE	51,700	240	110	PRA/TA COSTS	30
225	106	INSPECTIONS	\$15,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,403
225	110	LEGAL, TITLE SERVICES	\$6,000	340	120	PIPE INSPECTION	50
225 225	115 120	MATERIALS & SUPPLIES MISCELLANEOUS	\$5,000 \$5,000	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	\$180,000	240	140	SUPERVISION	390,047
225	140	OPENTIOLE LOOGING	50	240	145	SURFACE EQUIP RENTAL	\$189,573
225 225	141 145	CASED HOLE LOGGING PERMITS, LICENSES, ETC	\$20,000	240 240	021 221	TRANSPORTATION/TRUCKING WATER TRANSFER	\$2,844 \$56,872
225	150	POWER FUEL & WATER HAULING	\$20,000	240	160	WELDING SERVICES	30,612 30
225	155	RIG MOVE & RACKING COSTS	\$130,000	340	165	WELL TESTING/FLOWBACK	\$165,000
#3 #3	160	RIO UP TEAR OUT & STANDBY	50	240	148	TAXES	\$273,599
225	163 165	SITE RESTORATION	\$10,000 \$6,000	240	40	CONTINGENCY COSTS 5% Total Intangible Completion Costs.	\$248,726 \$5,496,846
225	170	STAKING & SURVEYING SUPERVISION	\$71,400			Tital Imangiate Completion Costs.	\$7,470,040
22.5	175	SUPERVISION - GEOLOGICAL	\$39,000			Tangible Completion C	
225	180	TRANSPORTATION/TRUCKING	\$20,000	Major		Description	Amount
22	178 35	TAXES CONTINGENCY COSTS 5%	\$125,131 \$113,755	245 245	5 15	ARTIFICIAL LIFT FLOWLINES	\$175,000 \$20,000
27	33	Intel Intengible Drilling Costs:	3,986	245	25	FRAC STRING	50
				245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	20
		Tungible Drilling Costs		245	45	PRODUCTION LINER	\$0
		Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	02
230	10 20	INTERMEDIATE CASING & ATTACHMENTS PACKERS/SLEEVES/PLUGS	\$173,758 \$66,000	245 245	55	PRODUCTION TUBING RODS/PUMPS	\$150,000 \$0
210	25	PRODUCTION CASING & ATTACHMENTS	\$1,034,380	245	65	SUBSURFACE EQUIPMENT	\$50,000
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$125,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,600 \$548,600
230	40	TAXES Total Tangible Drilling Coxes:	\$83,263 \$1,397,141			Total Tangible Completion Costs:	3348,000
			1 1111 1111			Intan ble Facility Cost	W.
	***	Tangible Facility Costs		Major 265	Minor	Description CONSULTING	mount \$18,100
Major 270	10	Description FACILITY PIPE/VALVES/FITTINGS	Amount \$180,000	265	12	COMPANY DIRECT LABOR	\$10,100
270	13	CONTAINMENT	20	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
270	2.5	DEHYDRATION	90	265	22	PAD/ROAD CONSTRUCTION	250,000
270	30	PRIMARY POWER MATERIALS	\$56,000	265	25 40	ENGINEERING / SCIENCE	\$22,000 \$0
70 70	50 60	PLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$47,000 \$0	265 265	45	IIEALTIVSAFETYÆNVIRÖNMENTAL CONTRACT LABOR & SERVICES	50
70	65	SEPARATION EQUIPMENT	\$125,000	265	60	OVERHEAD	\$3,000
70	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1,500
70	75	PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	50
70	86	FACILITY SURFACE EQUIPMENT	\$137,000 \$4,000	265 265	83 10	CONTINUENCY COSTS EN	\$6,523 \$5,930
270 70	90 100	H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA	\$86,000	1	10	CONTINGENCY COSTS 5% Total Intangible Facility Costs:	35,730
70	110	TANKS & WALKWAYS	\$90,000	-			
70	130	MECHANICAL BATTERY BUILD	\$154,000	1		Office Use Only:	
70	132	EI&C BATTERY BUILD	\$45,000				
70 70	134	CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	250,000	1			
70	138	PLOWLINE INSTALLATION	\$27,000	1			
70	140	SIGNAGE	\$250	1			
-70	125	TAXES	\$55,674				
		Total Tangible Facility Costs:	31,007,924	1			
				1			
Total Dri		121	\$4,111,126.79	1			
Total Cor Total Fac			\$6,045,445.54 \$1,198,976.75				1
Total DC	Imangil	ble:	\$8,010,831 04	1			
Total DC	Tangib	le	\$2,345,741.29				
Total Al-I	E		\$11,355,549.08				
	THIS AL	UTHORITY FOR EXPENDITURE IS BASED ON COST E	STIMATES BILLING V	VILL REFI	EFTY	OUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS
	i i ii J	_	aramara. Bracino				
Operator		Franklin Mountain Prierry 3, LLC	_				
Approved	Ву	COL		Date			6/21/2023
		Craig Walees					
		Chief Executive Officer					
WI Owne	a						
WI Owne				Date			

Title

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

Printed Name

Parallel W2W2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company

**ORRI to Be Pooled** 

Nestegg Energy Corporation



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

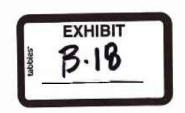
APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24353

#### **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 324.13-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 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/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 324.13-acre, more or less, Wolfcamp horizontal spacing unit.



<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23846.

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3. Franklin plans to drill the Parallel State Com 701H and Parallel State Com 801H

wells to a depth sufficient to test the Wolfcamp formation. The wells will 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 SW/4SW/4 (Unit M) of Section 2, and the producing area for the wells is

expected to be orthodox.

4. Franklin filed Case No. 23846 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. 23846, ¶ 4.

5. On December 1, 2023, the Division issued Order R-22970, which pooled

uncommitted interests in a Wolfcamp spacing unit comprised of the W/2SW/4 of Section 23, the

W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East,

Lea County, NM.

6. That unit is dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 701H

well (API 30-0025-51668) and Gold State 801H (API 30-0025-51669) wells.

7. Franklin is filing this amended application, to the extent necessary, to provide

notice that the spacing unit proposed in this application will partially overlap the Gold State Com

Wolfcamp spacing unit described above.

8. 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.

2

- 9. 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.
  - 10. Case No. 23846 is currently set for contested hearing on April 9, 2024.
- 11. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for a 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/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 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

Attorneys for Applicant

deana.bennett@modrall.com

Received by OCD: 3/5/2024 9:49:16 PM

CASE NO. 24353 : 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 324.13-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 701H and Parallel State Com 801H 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 SW/4SW/4 (Unit M) of Section 2, 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 proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 701H well (API 30-0025-51668) and Gold State 801H (API 30-0025-51669) 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>Opinic | 1</u> | 1025 N. French Dr., Hobbs, NM 88240 | Phone (575) 197-6161 | Fax: (575) 193-0720 | <u>Opinic II</u> | 811 S. First St., Artesia NM 88210 | Phone: (575) 748-1283 | Fax: (575) 748-9720 | <u>Opinic II</u> | 100 | Phone: 1975 | 748-9720 | <u>Opinic II</u> | 100 | Phone: 1975 | 748-9720 | <u>Opinic II</u> | 100 | <u>Opinic II</u> | District III. 1000 Rto Brazos Road, Azice, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV. 1220 S St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

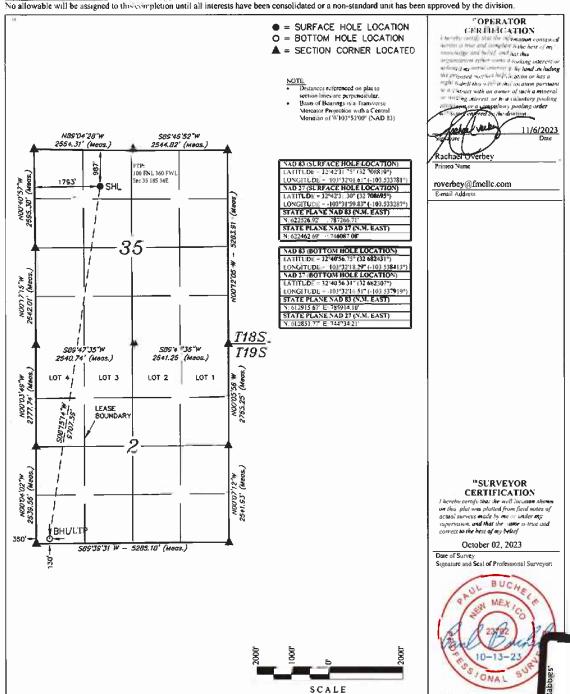
	WELL LOCISIO.	S TICKETICE DEDICTION TELL	
1 API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name	
30-025-5241	5 970	AIRSTRIP; WOLFCA	AMP
4 Property Code		operty Name	* Well Number
335188	PARALL	EL STATE COM	701H
7 OGRID No.		erator Name	* Elevation
331595	FRANKLIN MOU	NTAIN ENERGY 3, LLC	3986.9'

Surface Location

	UL or lot no.	Section 35	Township 18S	Range 34E	Lot Idn	Feet from the 987	North/South line NORTH	Feet from the 1793	East/West line WEST	County LEA
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"Bottom Hole Location If Different From Surface

Ĭ	UL or lot no. M	Section 2	Township 19S	Range 34E	Let Idn	Feet from the 130	North/South line SOUTH	Feet from the 360	East/West line WEST	County LEA
ĺ	12 Dedicated Acre 324.13	S 13 Ja	oint or Infilt	14 Consc	lidation Code	15 Order No.				-



DRAWN BY: Z.L. 10-13-23

EXHIBIT

1623 N. French Dr.; Hobbs, NM 88240 Phone: (\$75) 393-6[6]. Fax: (\$75) 393-0720 District II 811 S. First Sc. Ariesia, NM 88210 Phone: (\$75) 748-1283 Fax. (\$75) 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

UL or lot no. Section Township Range Lot Idn

#### 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

_			THE BOOTHIOTTING			
	API Number 30-025-524			Pool Name AIRSTRIP; WOLFCAMP		
Г	* Property Code			operty Name	* Well Number	
	335188		PARALL	EL STATE COM	801H	
Г	7 OGRID No.		*O;	serator Name	9 Elevation	
L	331595	<u></u>	FRANKLIN MOU	INTAIN ENERGY 3, LLC	3986.7'	

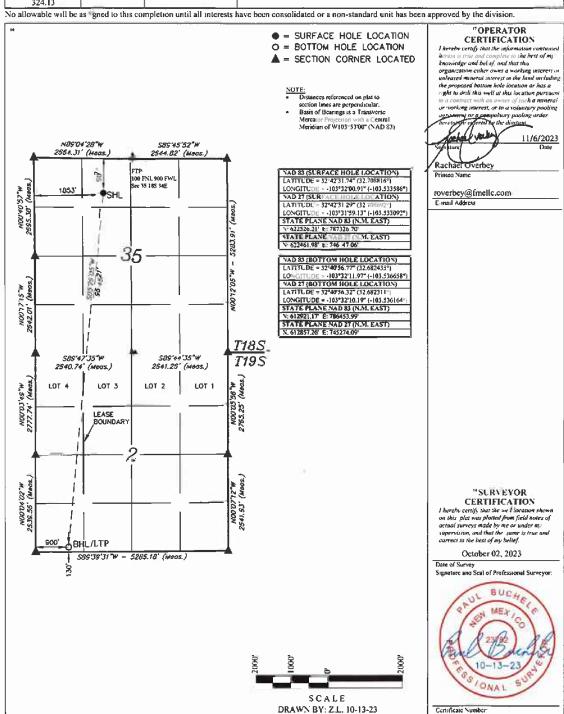
\*Surface Location Feet from the North/South line

С	35	185	34E	987	NORTH	1853	WEST_	LEA
			" E	ottom Hole Location	If Different From	Surface		

Feet from the

East/West line

UL or lot no.	Section 2	Township 19S	Range 34E	Lut Idn	Feet from the 130	North/South line SOUTH	Feet from the 900	East/West line WEST	County LEA
12 Dedicated Acre 324.13	28 13 Ju	oint or Infill	I+ Conse	didation Code	14 Order No.		-		



### Case No. 24353 Unit Summary

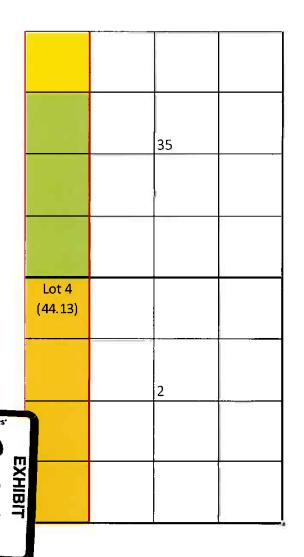


Case No. 24353

W2W2 of Sec 35-T18S-R34E & Lot 4, SWNW, W2SW of Sec 2-T19S-R34E, 324.13 Acres

Parallel State Com 701H

Parallel State Com 801H



Proposed Wolfcamp Unit





T	Fract 3 (164 <sub>,</sub> 13 Acres)
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Commited Working Inte	rest
Franklin Mountain Energy 3, LLC	84.3026%
Uncommited Working Int	erest
MRC Permian Company	15.6974%
Total:	100.0000%

Tract	Lease	%
1	VC-0456	12.3407%
2	VB-1 <b>19</b> 9	37.0222%
3	VB-1297	50.6371%



Sent via USPS: 9400109205568025175414

July 17, 2023

TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood, CO 80401 Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 18 South, Range 34 East Section 35: W2W2 Township 19 South, Range 34 East Section 3: Lot 4 (44.13), SWNW, W2SW Lea County, New Mexico 324.13 acres, more or less

Dear Working Interest Owner:

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

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Parallel State Com 301H	1BS	9150	18,150'	Sec 35- T18S- R34E 987 FNL 1675 FWL	Sec 2- T19S- R34E 130 FSL 360 FWL	\$11,355,549.08	N/A
Parallel State Com 501H	2BS	9150	19,150'	Sec 35- T18S- R34E 987 FNL 1700 FWL	Sec 2- T19S- R34E 130 FSL 900 FWL	\$11,355,549.08	N/A
Parallel State Com 701H	WCA	9793	19,793'	Sec 35- T18S- R34E 987 FNL 1775 FWL	Sec 2- T19S- R34E 130 FSL 360 FWL	\$11,650,592.43	N/A
Parallel State Com 801H	WCB	10469	20,469'	Sec 35- T18S- R34E 987 FNL 1825 FWL	Sec 2- T19S- R34E 130 FSL 900 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



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



Franklin Mountain Energy 3, LLC 44 Cook Street, Suite 1000 Denver, CO 80206 Phone 720-414-7862 franklinmountainenergy.com

 Well Name:
 Parallel State Com 701M

 Location:
 SHL Sec 35-T185-R34E 967 FML 1775 FWL BHL Sec 2-T195-R34E 130 FSL 360 FWL Franklin Mountain Energy 3, LLC Pringles:

 Phripose:
 Drill and complete a 10,000° WCA well TVD 9,793′, MD 19,793′

County/State: Les Co., NM
Date Prepared: 6/21/2023
AFE #: DCE230632

		1 4 D 9, 193, MD 19, 193					
		In 1 Tible Drilling Costs				Intengible Completion Cost	
		Description ADMINISTRATIVE OVERHEAD	Amount \$4,500	Major 240	Minor 5	Description ADMINISTRATIVE OVERHEAD	Amaiint \$3_0
225 225	5 10	CASING CREW & EQPT	\$50,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,63
225	15	CEMENTING INTERMEDIATE CASING	240,000	240	15	CASING CREW & EQPT	S
225	16	CEMENTING PRODUCTION CASING	280,000	240	20 25	COILED TUBING/SKUBBING UNIT	\$194,31; \$1,89
225 225	20 25	CEMENTING SUFACE CASING COMMUNICATIONS	\$36,000 \$21,000	240 240	30	COMMUNICATIONS COMPANY DIRECT LABOR	\$1,a91
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,00
115	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,69
225	40	CONTRACT LABOR	\$55,000	240	50	DAMAGES/RECLAMATION	\$1,89
225 225	45 50	DAMAGES DAYWORK CONTRACT	215,000 2585,000	240 240	55 <b>60</b>	DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION	\$2,84·
225	55	DRILLING - DIRECTIONAL	\$220,000	240	62	ENGINEERING	\$5,68
225	60	DRILLING - FOOTAGE	590,000	240	65	ENVIRONMENTAL/CLEANUP	\$
225	65	DRILLING BITS	\$100,000	240	70	FISHING TOOLS / SERVICES	2 00.0812
225 225	70 75	ELECTRICAL POWER/GENERATION	\$21,000	240 240	71 72	FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID	\$170,000 \$470,000
225	20	ENGINEERING ENVIRONMENTAL SERVICES	\$210,000	240	75	FUEL, POWER/DIESEL	\$550.00
225	24	EQUIPMENT RENTAL DOWNHOLE	\$50,000	240	80	HEALTH & SAFETY	\$4,70
225	25	EQUIPMENT RENTAL	\$50,000	20	85	HOUSING AND SUPPORT SERVICES	\$14,00
225	90	FISHING TOOLS/SERVICES	50	240	90 95	MATERIALS & SUPPLIES MISCELLANEOUS	Si Si
225 225	95 100	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$9,000 \$9,000	240	100	NICELLAMEGOS NICE & CHEMICALS	\$10,00
225	105	INSURANCE	\$1,900	240	110	P&A/TA COSTS	3
225	106	INSPECTIONS	\$17,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,40
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	S
225	115	MATERIALS & SUPPLIES	\$5,000 \$5,000	240	125 130	ROAD, LOCATIONS REPAIRS STIMULATION	\$2,00 \$2,616,00
225 225	120 125	MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,91
225	130	MUD & CHEMICALS	\$190,000	240	140	SUPERVISION	\$90,04
225	140	OPENFIOLE LOGGING	\$0	240	145	SURFACE EQUIP RENTAL	\$189,57
225	141	CASED HOLE LOGGING	50	240	150	TRANSPORTATION/TRUCKING	\$2.84
225	145 150	PERMITS, LICENSES, ETC	\$20,000 \$170,000	240 240	155 160	WATER TRANSFER WELDING SERVICES	\$56,87. Si
225 225	150	POWER FUEL & WATER HAULING RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL, TESTING/FLOWBACK	2165,00
225	160	RIG UP TEAR OUT & STANDBY	50	240	148	TAXES	\$273,59
225	163	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$248,724
225	165	STAKING & SURVEYING	\$6,000	!		Tutal Intangible Completion Costs:	\$5,496,84
225 225	170 175	SUPERVISION SUPERVISION - GEOLOGICAL	\$75,600 \$41,400			Tangible Completion Costs	
225	180	TRANSPORTATION/TRUCKING	\$22,000	Major	Minor	Description	Amount
225	178	TAXES	\$134,057	245	5	ARTIFICIAL LIFT	5175,00
225	35	CONTINGENCY COSTS 5%	\$121,870	245	15	FLOWLINES	\$20,00 \$
		Total Intengible Drilling Costs:	\$2,693,327	245	25 40	FRAC STRING PACKERS/SLEEVES/PLUGS/GL MANDRELS	3
		Tangible Drilling Costs		245 245	45	PRODUCTION LINER	ŝ
Major	Minor	Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	\$
230	ΙÓ	Description  INTERMEDIATE CASING & ATTACHMENTS  PACKEDS STREET (CS.D), MCS.	5173,758	245	55	PRODUCTION TUBING	\$150,00
230	20	PROPERSYSTEM COMPANY	300,000	245	60	RODS/PUMPS	\$
230	25 35	PRODUCTION CASING & ATTACHMENTS	\$1,144,050 \$169,740	245 245	65 75	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$50,00 \$125,00
230 230	J3 45	SURFACE CASING & ATTACHMENTS WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,60
230	40	TAXES	\$89,295			Total Tangible Campleilon Costs:	48,60
		Total Taugible Drilling Costs:	\$1,712,843			Internal laboration Control	
		Tangible Facility Costs		ajor	Miner	Intangible Facility Costs  Description	Amount
Major	Minor	Descrintion	V.minni	265	5	CONSULTING	\$18,10
270	10	FACILITY PIPE/VALVES/FITTINGS	5180,000	265	12	COMPANY DIRECT LABOR	\$
270	15	CONTAINMENT	50	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,00 \$50,00
270 270	25 30	DEHYDRATION BRIDGER ACATERIALS	50 \$56,000	365	22 25	PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE	\$22,00
270	50	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$47,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	5
270	60	H25 TREATING EQUIPMENT	50	265	45	CONTRACT LABOR & SERVICES	\$
270	65	SEPARATION EQUIPMENT	\$125,000	265	60	OVERHEAD	\$3,00
270	66	ROAD/LOCATION/FENCING/REPAIRS	50	265	80	SURVEY / PLATS / STAKINGS	51,50 \$
270	75	PRE-FABRICATED SKIDS	SO \$137,000	265	85 83	TRANSPORTATION / TRUCKING TAXES	56,52
270 270	86 90	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$137,000	265	10	CONTINGENCY COSTS 5%	\$2,22
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000			Total Intengible Facility Casts:	\$131,05
270	110	TANKS & WALKWAYS	000,002	4.1			
270		MECHANICAL BATTERY BUILD	\$154,000			Office Use Only:	
270	132	EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD	\$45,000 \$5,000	1			
270 270		PRIMARY POWER BUILD	\$56,000				
270	138	FLOWLINE INSTALLATION	\$27,000	1			
270	140	SIGNAGE	\$250	1			
270	125	TAXES Total Tangible Facility Costs:	\$55,674 \$1,067,924				
		erim eargure rushing coop;	91,000,724				
				1			
Total Dr			\$4,406,170.14	1			
Total Co Total Fr		·n	\$6,045,445,54 \$1,198,976.73	1			
Total Di	Cintanu	uble	\$8,190,172.54	4			
Total DO	Cangil	ble	\$-,261 43.				
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Total Ai	FE.		\$11,650,592.43				`g
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		The second second					
Орставо	r	Franklin Mountain Engraved LC					
Αρριονο	d Be	(100		Date			6/31/2023
. 4-5-10-70		Craig Walters	_				
		Chief Executive officer					
Wi Own	er.						
0							
Approve	ed Hy			Date		_	
				Title			
Printed à	NAME OF						



Franklin Mountain Energy 3, LLC 44 Cook Street, Suite 1000 Benver, CO 30206 Phone 720-414-7868 franklinmmuntainenergy cont

Well #: #01H

County/State: Lea Co., NM

Date Prepared: 6/21/2023

AFE #: DCE230034

		Introgible Drilling Costs				Intangible Completion Cos **	
Major		Description	Amount			Description	Amount
225	.5 10	ADMINISTRATIVE OVERHEAD CASINO CREW & EOPT	\$5,200 \$55,000	240 240	5 10	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS	58,20 56,63
225 225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT	30,00
22.5	16	CEMENTING PRODUCTION CASING	\$85,000	240	20	COILED TUBING/SNUBBING UNIT	\$194,31
225	30	CEMENTING SUFACE CASING	\$36,000	240	25	COMMUNICATIONS	21,8%
225	25	COMMUNICATIONS	\$22,000	240	30	COMPANY DIRECT LABOR	525 000
225 225	30 34	COMPLETION FLUIDS CONSTRUCTION/LOCATION & BOAD	\$4,000 \$45,000	240 240	35 45	COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS	\$75,000 \$23,69
225	40	CONTRACT LABOR	\$60,000	240	50	DAMAGES/RECLAMATION	\$1,89
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	52,84
225	50	DAYWORK CONTRACT	\$650,000	240	60	ELECTRICAL POWER/GENERATION	24
225	55	DRILLING - DIRECTIONAL	5230,000	240	62	ENGINEERING	25,68°
225	60	DRILLING - FOOTAGE	000,002	240	65 70	ENVIRONMENTAL/CLEANUP	S4 S4
225 225	63 70	DRILLING BITS ELECTRICAL POWER/GENERATION	\$110,000	240 240	71	FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL	5180,000 5180,000
225	75	ENGINEERING	\$25,200	240	72	FRAC WATER/COMPLETION FLUID	\$470,00
225	80	ENVIRONMENTAL SERVICES	\$220,000	240	75	FUEL, POWER/DIESEL	\$550,000
225	84	EQUIPMENT KENTAL DOWNHOLE	\$60,000	240	80	HEALTH & SAFETY	\$4,70
225	85	EQUIPMENT RENTAL	260,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,00
225	90	FISHING TOOLS/SERVICES	50	240	90 95	MATERIALS & SUPPLIES	24
225 225	95 100	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$11,000 \$21,000	240 240	100	MISCELLANEOUS MUD & CHEMICALS	\$10,000
225	105	INSURANCE	\$2,200	240	110	P&A/TA COSTS	\$10,050
225	106	INSPECTIONS	\$20,000	240	115	PERFORATING/WIRELING SERVICE	\$265,40
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	24
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,000
225	120	MISCELLANEOUS	35,000	240	130 135	STIMULATION  SUBSUBSECTS EQUIPMENTAL BENTAL	\$2,616,000 \$37,91;
225 225	125 130	MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS	\$31,000 \$200,000	240	140	SUBSURFACE EQUIPMENTAL RENTAL SUPERVISION	290.04
225	140	OPENHOLE LOGGING	50	240	145	SURFACE EQUIP RENTAL	\$189,57
225	141	CASED HOLE LOGGING	50	240	150	TRANSPORTATION/TRUCKING	\$2,84
225	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,87
225	150	POWER FUEL & WATER HAULING	\$130,000	240	160	WELDING SERVICES	54
225	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTRIGIFLOWBACK	\$165,000 \$269,199
225 225	160	RIG UP TEAR OUT & STANDBY SITE RESTORATION	S0 S0	40	148 40	TAXES CONTINGENCY COSTS 5%	\$244,72
225	165	STAKING & SURVEYING	\$6,000			Total Intangible Completion Cours:	\$ 40K,
225	170	SUPERVISION	588,200			a) 22)	
225	175	SUPERVISION - GEOLOGICAL	\$48,300			Tangible Completion Costs	
225	180	TRANSPORTATION/TRUCKING	\$25,000	Major	Minor	Description	Amount
225	178 35	TAXES CONTINGENCY COSTS 5%	\$143,721 \$130,655	245 245	ls	ARTIFICIAL LIFT FLOWLINES	\$175,000 \$20,000
225	33	Total Intangible Drilling Costs:	U,687,47	243	3	FRAC STRING	220,000
				245	· o	PACKGRS/SLEEVES/PLUGS/GL MANDRELS	Si
		Tangible Drilling Costs		245	3	PRODUCTION LINER	8
		Description	Amaunt	245	0	PRODUCTION PROCESSING FACILITY	24
230	1D	INTERMEDIATE CASING & ATTACHMENTS	\$173,548	245 245	60	PRODUCTION TUBING RODS/FUNDS	\$150,000 Si
230 230	20 25	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$66,000 \$1,165,590	245		SUBSURFACE EQUIPMENT	\$50,000
230	35	SURFACE CASING & ATTACHMENTS	\$173,758	24	3	WELLHEAD EQUIPMENT	\$125,000
230	43	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	0	TAXES	\$28,60
230	40	TAXES	\$90,689			Total Tangible Completion Costs:	\$348,600
		Total Tangible Drilling Conts:	\$1,739,585			Annual Market Control	
		Tangible Facility Costs		Mater	Minor	Intangible Facility Costs  Description	Amount
Major	Migor		Amount	265	5	CONSULTING	\$18,10
270	10	FACILITY PIPE/VALVES/FITTINGS	2 Legitina	265	12	COMPANY DIRECT LABOR	54
				265	20	DAMAGES/ROW/PERMITS, ETC	524,00
270	15	CONTAINMENT	90		22	PAD/ROAD CONSTRUCTION	
270	25	DEHYDRATION	50	265			550,000
270 270	25 30	DEHYDRATION PRIMARY POWER MATERIALS	00 000,622	265 265	2	ENGINEERING / SCIENCE	\$22,000
270 270 270	25 30 50	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	50 \$56,000 \$47,000	265 265 265	2 0	HEALTH/SAFETY/ENVIRONMENTAL	\$32,000 \$4
270 270 270 270	25 30 50 60	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP IES TREATING EQUIPMENT	50 \$56,000 \$47,000 \$0	265 265 265 265	0 3	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	\$22,000 \$6 \$6
270 270 270 270 270 270	25 30 50 60 65	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP H25 TREATING EQUIPMENT SEPARATION EQUIPMENT	\$0 \$56,000 \$47,000 \$0 \$125,000	265 265 265 265 265 265	2 0	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD	\$22,000 \$1 \$1 \$3,000
270 270 270 270	25 30 50 60	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP IES TREATING EQUIPMENT	50 \$56,000 \$47,000 \$0	265 265 265 265	20000	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	\$32,000 \$1 \$3,000 \$1,500 \$1
270 270 270 270 270 270 270	25 30 50 60 65 66	DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES / PIPELINE / HOOKUP HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS	\$0 \$56,000 \$47,000 \$0 \$125,000 \$0	265 263 265 265 265 265 265	2000000	HEALTH/SAFETY/ERNVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$22,00 \$0 \$3,00 \$1,50 \$6,52
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP ILSS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/OCATION/FEINCING/REPAIRS PREF-ARRICATED SKIDS FACILITY SURFACE EQUIPMENT HS SAFETY SYSTEM	\$0 \$56,000 \$47,000 \$0 \$125,000 \$0 \$5 \$127,000 \$4,000	265 265 265 265 265 265 265 265	20000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5*	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP 123 TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT 123 SAFETY SYSTEMM CONTROL / INSTRUMENT / METERS / SCADA	\$0 \$56,000 \$47,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$86,000	265 265 265 265 265 265 265 265 265	2000000	HEALTH/SAFETY/ERNVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$22,00 \$0 \$3,00 \$1,50 \$6,52
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100	DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES / PIPELINE / HOOKUP ILSS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATIONPENCHINGREPAIRS PRES-ADRICATED SKIDS FACILITY SURFACE EQUIPMENT CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	50 \$56,000 \$47,000 \$50 \$125,000 \$0 \$137,000 \$4,000 \$86,000 \$90,000	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	23 30 50 60 65 66 75 86 90 100 110	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP 103 TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/OCATION/FERNCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD	50 \$54,000 \$47,000 \$0 \$125,000 \$0 \$0 \$137,000 \$4,000 \$86,000 \$194,000 \$154,000	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5*	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100	DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES / PIPELINE / HOOKUP ILSS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATIONPENCHINGREPAIRS PRES-ADRICATED SKIDS FACILITY SURFACE EQUIPMENT CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	50 \$56,000 \$47,000 \$50 \$125,000 \$0 \$137,000 \$4,000 \$86,000 \$90,000	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134	DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES / PIPELINE / HOOKUP IES TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FEINCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROL S AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$00 \$15,000 \$17,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$90,000 \$154,000 \$45,000 \$5,000 \$5,000 \$5,000	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 132 134 136	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP ILST TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FEINCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD PRIMARY POWER BUILD PRIMARY POWER BUILD FRIMARY POWER BUILD	\$0 \$147,000 \$17,000 \$125,000 \$0 \$0 \$137,000 \$4,000 \$86,000 \$154,000 \$154,000 \$154,000 \$56,000 \$56,000 \$27,000	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 138	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP IES TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SARETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FROMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE	\$00 \$147,000 \$17,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$90,000 \$154,000 \$45,000 \$56,000 \$27,000 \$227,000	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 132 134 136	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES, PIPELINE / HOOKUP ILST TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FEINCINC/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FROMARY POWER BUILD FROMARY POWER BUILD FROMARY FOR BUILD FROMARY POWER BUILD FROM SIGNAGE TAXES	\$0 \$147,000 \$17,000 \$125,000 \$0 \$0 \$137,000 \$4,000 \$86,000 \$154,000 \$154,000 \$154,000 \$56,000 \$56,000 \$27,000	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 138	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP IES TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SARETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FROMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE	\$0 \$147,000 \$17,000 \$0 \$125,000 \$0 \$137,000 \$4,000 \$36,000 \$154,000 \$56,000 \$56,000 \$57,000 \$55,000 \$27,000 \$25,000 \$25,000	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 138	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES, PIPELINE / HOOKUP ILST TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FEINCINC/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FROMARY POWER BUILD FROMARY POWER BUILD FROMARY FOR BUILD FROMARY POWER BUILD FROM SIGNAGE TAXES	\$00 \$147,000 \$17,000 \$125,000 \$0 \$137,000 \$4,000 \$46,000 \$154,000 \$45,000 \$45,000 \$27,000 \$27,000 \$25,6000 \$27,000	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 140 125	DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES / PIPELINE / HOOKUP ILST TREATING EQUIPMENT SEPARATION EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/PENCINGREPAIRS PRES-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT RES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTRUMENT SIGNAGE TAXES Total Tangible Facility Costs:	\$6,000 \$47,000 \$125,000 \$50 \$125,000 \$50 \$137,000 \$4,000 \$86,000 \$154,000 \$5,000 \$5,000 \$5,000 \$155,00	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 65 66 75 86 90 100 110 130 132 134 136 138 140	DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES / PIPELINE / HOOKUP ILST TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/PENCINGREPAIRS PRES-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTRUMENT SIGNAGE TAXES Total Tanglible Facility Costs:	\$0,000 \$147,000 \$17,000 \$127,000 \$0 \$137,000 \$4,000 \$4,000 \$45,000 \$45,000 \$45,000 \$27,000 \$27,000 \$27,000 \$23,000 \$35,674 \$1057,924	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 66 75 86 90 100 110 130 132 134 136 140 125	DEHYDRATION PRIMARY POWER MATERIALS PLOWLINES / PIPELINE / HOOKUP ILSS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/PERCING/REPAIRS PRES-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT ROS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tanglible Facility Cross;	\$6,000 \$47,000 \$17,000 \$125,000 \$30 \$1137,000 \$4,000 \$86,000 \$154,000 \$5	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 65 66 75 86 90 100 110 132 134 136 140 125	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP ILST TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FEINCINC/REPAIRS PRES-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FROMARY POWER BUILD FROMARY POWER BUILD FROMARY POWER BUILD TAKES TOTAL TOURIBLE FACILITY COSTS:	\$0,000 \$147,000 \$17,000 \$127,000 \$0 \$137,000 \$4,000 \$4,000 \$45,000 \$45,000 \$45,000 \$27,000 \$27,000 \$27,000 \$23,000 \$35,674 \$1057,924	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 50 60 65 65 66 75 86 90 100 110 132 134 136 140 125	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP ILST TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FEINCINC/REPAIRS PRES-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FROMARY POWER BUILD FROMARY POWER BUILD FROMARY POWER BUILD TAKES TOTAL TOURIBLE FACILITY COSTS:	\$6,000 \$17,000 \$12,000 \$9 \$137,000 \$137,000 \$4,000 \$4,000 \$4,000 \$154,000 \$45,000 \$56,000 \$27,000 \$27,000 \$23,000 \$35,674 \$1,000 \$27,000 \$1,000 \$27,00	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 60 65 66 75 86 90 100 110 130 132 134 140 125	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP ILST TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FEINCINC/REPAIRS PRES-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FROMARY POWER BUILD FROMARY POWER BUILD FROMARY POWER BUILD TAKES TOTAL TOURIBLE FACILITY COSTS:	\$00 \$147,000 \$17,000 \$17,000 \$17,000 \$125,000 \$0 \$1137,000 \$4,000 \$40,000 \$45,000 \$45,000 \$45,000 \$545,000 \$27,000 \$27,000 \$25,67,000 \$25,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,67,000 \$35,000 \$3	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 60 65 66 75 86 90 100 110 130 132 134 140 125	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP ILST TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FEINCINC/REPAIRS PRES-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FROMARY POWER BUILD FROMARY POWER BUILD FROMARY POWER BUILD TAKES TOTAL TOURIBLE FACILITY COSTS:	\$6,000 \$17,000 \$12,000 \$9 \$137,000 \$137,000 \$4,000 \$4,000 \$4,000 \$154,000 \$45,000 \$56,000 \$27,000 \$27,000 \$23,000 \$35,674 \$1,000 \$27,000 \$1,000 \$27,00	265 265 265 265 265 265 265 265 265	2000000	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSFORTATION / TRUCKING TAXES CONTINGENCY COSTS 5* Total Intengible Facility Costs:	\$22,00 \$0 \$3,00 \$1,50 \$6,52 \$5,93
270 270 270 270 270 270 270 270 270 270	25 30 60 65 66 75 86 100 110 132 134 140 125	DEHYDRATION PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP IESS TREATING EQUIPMENT ROAD/LOCATION/FERNCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAY'S MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAKES TOTAL TRINGIBLE FACILITY CONS.	\$0,000 \$147,000 \$17,000 \$17,000 \$125,000 \$0,000 \$137,000 \$14,000 \$14,000 \$145,000 \$145,000 \$15	265 265 265 265 265 265 265 265 265 265	20 50 5 5 10	HEALTH-SAPETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS TRANSPOSTATION / TRUCKING TAXES CONTINGENCY COSTS 5° Total Intengible Facility Costs:  Office Use Only:	\$22,000 \$9 \$3,000 \$1,500 \$6,32 \$3,931 #31,052
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Parallel W2W2-Bone Spring and Wolfcamp

### Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company

### ORRI to Be Pooled

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. \_24355

#### <u>APPLICATION</u>

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 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. 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/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 to form a standard 324.02-acre, more or less, Bone Spring horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23847.



- 3. Franklin plans to drill the Parallel State Com 302H and Parallel State Com 502H wells to a depth sufficient to test the Bone Spring formation. The wells will 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 SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox.
- 4. Franklin filed Case No. 23847 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. 23847, ¶ 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 280-acre more or less Bone Spring 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, dedicated to Franklin's proposed Gold State Com 502 and 602H wells.
- 6. Franklin's proposed spacing unit in this case will partially overlap existing Bone Spring spacing units as follows:
  - a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).
  - b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

- c. A 164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405).
- 7. 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.
- 8. 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.
  - 9. Case No. 23847 is currently set for contested hearing on April 9, 2024.
- 10. 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/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;
  - 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

Attorneys for Applicant

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edebrine@modrall.com
deana.bennett@modrall.com

CASE NO. 24355 : 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 324.02-acre, more or less, Bone Sprnig 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 302H and Parallel State Com 502H 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 SE/4SW/4 (Unit N) of Section 2, 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 280-acre more or less Bone Spring 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, dedicated to Franklin's proposed Gold State Com 502 and 602H wells. The spacing unit proposed in this application will partially overlap existing Bone Spring spacing units as follows: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405). 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
1625 N. French Dr., Hobes, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

Phone: (5/5) 748-1285 Fax: (5/6) 749-7-20 <u>District III</u> 1000 Rto Brazos Roso, Aztoc, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u>

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

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

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

☐ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

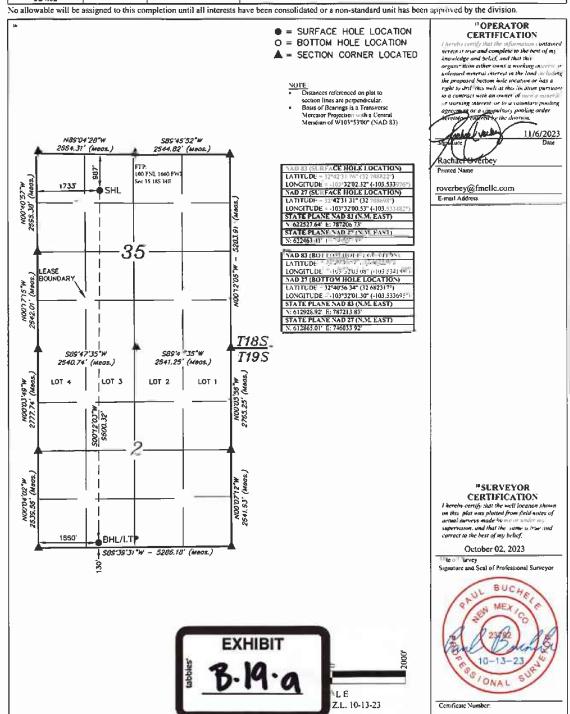
1 API Number		<sup>1</sup> Pool Code	Pool Name				
30-025-525	28	55610 & 960	[55610] SCHARB; BONE SPRING, [960] AIRSTRIP; BONESPRI				
* Property Code		5 Pr	4 Well Number				
335188		PARALL	302H				
7 OGRID No.		10	* Elevation				
_331595		FRANKLIN MOU	INTAIN ENERGY 3, LLC	3987.1*			

#### Surface Location

UL or lat no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	Соцяту
С	35	185	34Ē		987	NORTH	1733	WEST	LEA

#### "Bottom Hole Location If Different From Surface

UL or lot no. N	Section 2	Township 19S	Range 34E	Lot Idn	Feet from the 130	North/South line SOUTH	Feet from the 1660	East/West line WEST	County LEA
17 Dedicated Acre 324.02	13 1	loint or Iafill	14 Conso	olidation Code	15 Order No.				



District I 1023 N. French Dr., Hobbs, NM 38240 Phone (375) 393-6161 Fax. (375) 393-0720 District II 811 S. Frist St., Artesia, NM 88210 Phone (375) 748-1233 Fax: (375) 748-9720 District III

Phone: (575) 148-1283 Fax: (575) 148-9720 District III. 1000 Rio Biazos Rosa. Azicci. NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Prancis Dr., Santa Fc, NM 8750S Phone: (505) 476-3400 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 Numbe 30-025-525	 Pool Code 60 A	<sup>7</sup> Pool Name IRSTRIP; BONESPRING
4 Property Code 335188	PROPERTY Name PARALLEL STATE COM	* Well Number 30214
7 OGRID No. 331595	 FRANKLIN MOUNTAIN ENERGY 3, L	* Elevation LC 3987.1*

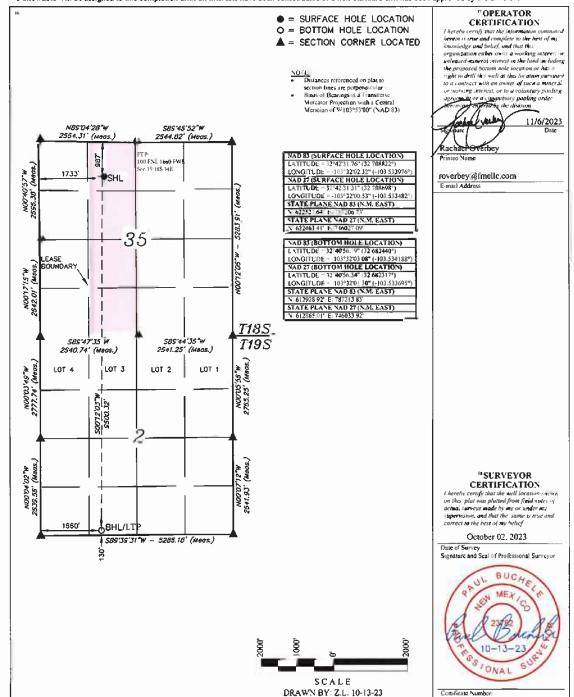
#### "Surface Location

UL or let no.	Section	Township	Range	Lot idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	185	34E		987	NORTH	1733	WEST	LEA

#### "Bottom Hole Location If Different From Surface

UL or lat no. N	Section 2	Tawaship 19S	Range 34E	Lat idn	Feel from the	North/South line SOUTH	Feet from the 1660	Eust/West line WEST	County LEA
12 Dedicated Ac 160	res 11	Juint or Infill	14 Consc	Hdation Code	14 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.



Distinct 1
1033 N. French Dr., Hobbs, NM 382 10
Phone: (575) 393-6161 Fax: (575) 393-0720
Distinct 1
811 S. First St., Arresia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
Distinct 11
1000 Ro Brazon Road, Arree, NM 8-410
Phone: (595) 334-6178 Fax: (595) 134-6170
Distinct IV
1220 S. St. Francis Dr., Santa Fe, NM 8730
Phone: (595) 476-3460 Fax: (595) 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

		WELL LOCATION A.V.	D ACKLAGE DEDICATION FLAT	
API Number		<sup>1</sup> Pool Cede	Pool Name	
30-025-525	28	55610	SCHARB; BONE SPRING	
4 Property Code			roperty Name	* Well Number
335188		PARALL	302H	
7 OCRIO No.		*O	<sup>2</sup> Elevation	
331595		FRANKLIN MOU	UNTAIN ENERGY 3, LLC	3987.1*

"Surface Location

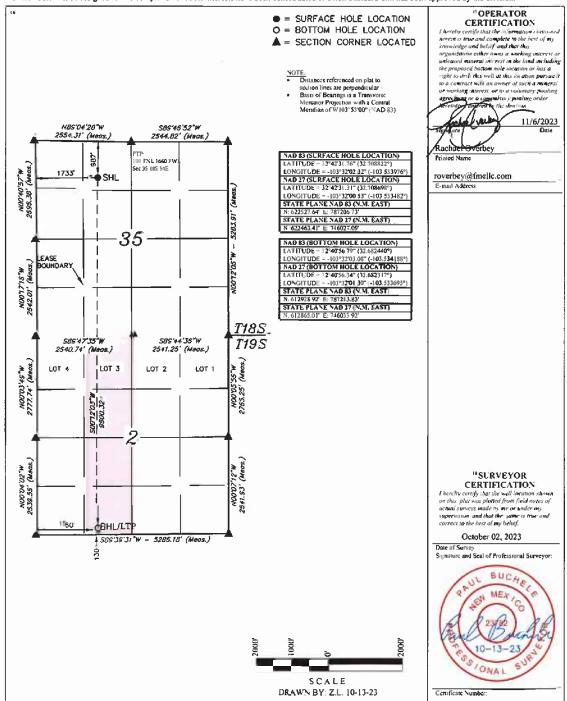
UL or lot no. Section Township Range Lot Idn Feet from the Orth/South line Peet from the LEASTWest line County
C 35 18S 34E 987 NORTH 1733 WEST LEA

"Bottom Hole Location If Different From Surface

192 Lot Idn Feet from the North/South line Feet from the East

UL or lot no.	Seetlan	Township	Range	Lot lidn	Feet from the	North/South line	Feet from the	East/West line	County
N	2	19S	34E		130	SOUTH	1660	WEST	LEA
Dedicated Ace 124,02	e2 1,1	oint or Infill	14 Cunsi	lidation Code	15 Order No.				

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



District	1	1623 N. French Dr., Hobbs, NM, 88,240	
Phone; (375) 393-6161	Fax; (575) 393-0720		
District II	1611	5	Frest St., Artesia, NM, 88210
Phone; (575) 748-1283	Fax; (575) 748-9720		
District III	1000 Ro. Brazos Road, Aztec, NM, 87410		
Phone; (503) 334-6178	Fax; (505) 334-6170		

Phone: (\$05) 334-6178 Fax: (\$05) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fc, NM 87505 Phone: (\$05) 476-3460 Fax: (\$05) 476-3462

Released to Imaging: 6/21/2024 11:06:40 AM

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

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

☐ AMENDED REPORT

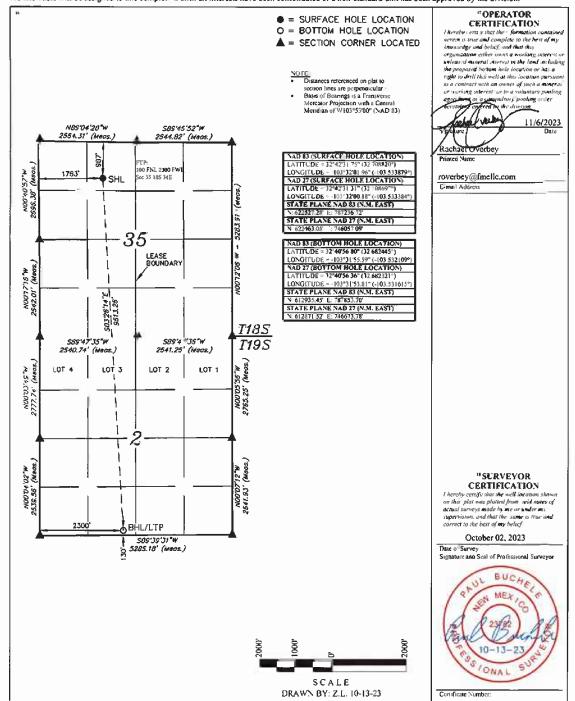
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API. Number	,	2 Pool Code	<sup>3</sup> Pool Vame	
30-025-52532		55610 & 960	TRIP; BONESPRING	
4 Property Cude		5 P	roperty Name	Well Number
335188		PARAL	LEL STATE COM	502H
<sup>1</sup> OGRID No.		*10	Perator Name	9 Elevation
331595		FRANKLIN MO	UNTAIN ENERGY 3, LLC	3986.9'

"Bottom Hole Location If Different From Surface

UL or I	lot no. [	Section 2	Township 19S	Range 34E	Lot Idn	Feet from the	North/South line SOUTH	Feet from the 2300	East/West line WEST	County LEA
	24.02	s u	eint or Intill	** Cansi	ildation Code	□ Onder No.		<del></del> .:		

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



<u>District I</u> 1625 N. French Dr., Hobos, NM 88240 Phone: (575) 391 6161 Fax: (575) 393 0720

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

120

Tawaship 185

#### 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		<sup>1</sup> Poel Code	1 Pool Name					
30-025-525	32	960	AIRSTRIP; BONESPRING					
* Property Code	1	<sup>1</sup> Property Name		* Well Number				
335188		PARALI	EL STATE COM	50214				
OGRID No.	1	*0	perator Name	* Elevarion				
331595	1	FRANKLIN MOU	INTAIN ENERGY 3, LLC	3986.9'				

"Surface Location

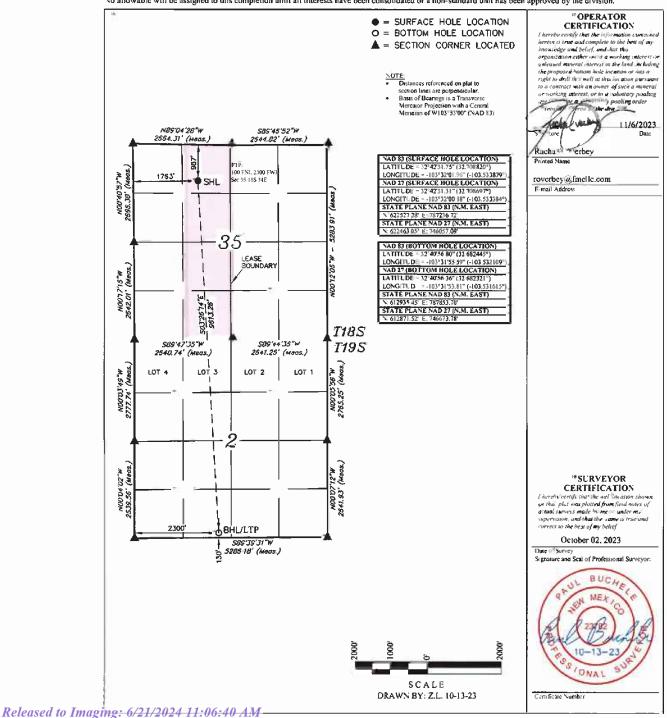
"Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Boe	Feet from the	East/West line	County
N	2	198	34E		130	SOUTH	2300	WEST	LEA
12 Dedicated Acres 13		oint or Infill	14 Const	lidation Code	11 Order No.				=

North/South II NORTH

Feet from

WEST

to allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



<u>District I</u>
625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax. (575) 393-0720
<u>District II</u>
811 S. First St., Artesus, NM 88210
Phone (575) 748-1283 Fax. (575) 748-9720
<u>District III</u>
1000 Rio Brazos Roso, Azicc, NM 87410

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 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

"DDE DOCKTION KIND NORENGE DEDICATION I BAT							
API Number		<sup>2</sup> Pool Code <sup>1</sup> Pool Name		<u> </u>			
30-025-525	32	55610	SCHARB; BONE SPRING				
4 Property Code		! Pr	operty Name	Well Number			
335188		PARALL	EL STATE COM	502H			
¹ OGRID №.		10	perator Name	9 Elevation			
331595		FRANKLIN MOU	3986.9'				

#\* Surface Location

UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County
C 35 188 34E 987 NORTH 1763 WEST LEA

"Bottom Hole Location If Different From Surface

UL or lot ne. Section Township N 2 19S 34E Lot ion Feet from the North/South line SOUTH 2300 WEST LEA

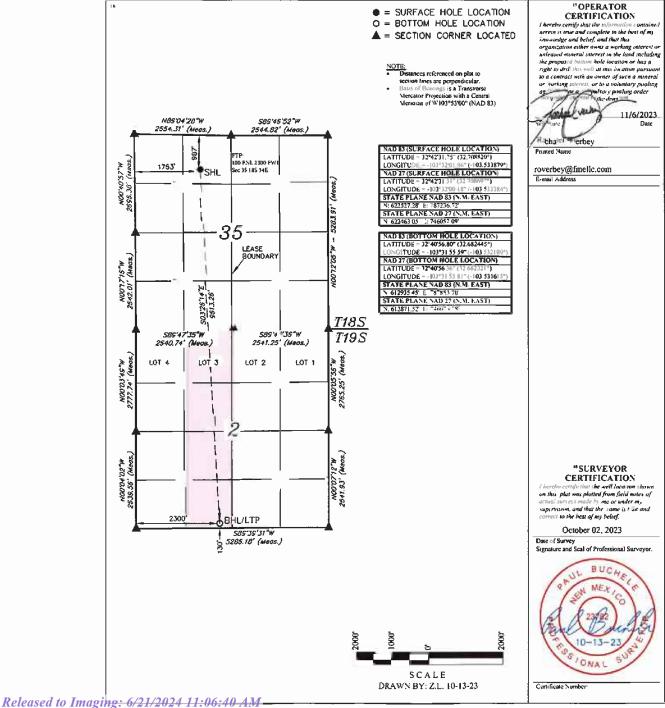
12 Dedicated Acres 12 Joint or Infill 14 Cansalidation Code 15 Order No. 124.02

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.

OPERATO

OPERATO

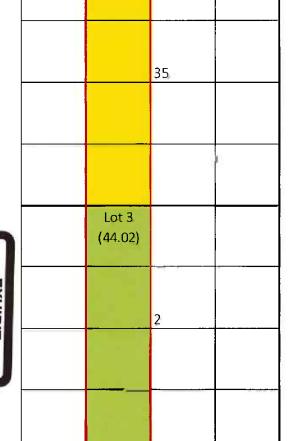
OPERATO

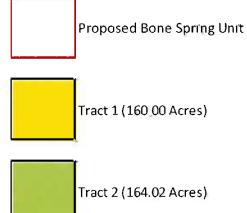


### Case No. 24355 Unit Summary



Case No. 24355
E2W2 of Sec 35-T18S-R34E & Lot 3, SENW, E2SW of Sec 2-T19S-R34E, 324.02 Acres
Parallel State Com 302H
Parallel State Com 502H





Committed Working Inte	rest
Franklin Mountain Energy 3, LLC	79.0630%
Uncommited Working Int	erest
MRC Permian Company	20.9370%
Total:	100.0000%

Tract	Lease	%	
1	VB-1199	49.3797%	
2	VB-1297	50.6203%	



Sent via USPS: 9400109205568755459594

July 17, 2023

TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood, CO 80401 Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 18 South, Range 34 East Section 35: E2W2 Township 19 South, Range 34 East Section 3: Lot 3 (44.02), SENW, E2SW Lea County, New Mexico 324.02 acres, more or less

Dear Working Interest Owner:

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

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Parallel State Com 302H	1BS	10496	19,496'	Sec 35- T18S- R34E 987 FNL 1725 FWL	Sec 2- T19S- R34E 130 FSL 1660 FWL	\$11,355,549.08	N/A
Parallel State Com 502H	2BS	9150	19,150'	Sec 35- T18S- R34E 987 FNL 1750 FWL	Sec 2- T19S- R34E 130 FSL 2300 FWL	\$11,355,549.08	N/A
Parallel State Com 702H	WCA	9789	19,789'	Sec 35- T18S- R34E 987 FNL 1800 FWL	Sec 2- T19S- R34E 130 FSL 1660 FWL	\$11,650,592.43	N/A
Parallel State Com 802H	WCB	10457	20,457'	Sec 35- T18S- R34E 987 FNL 1850 FWL	Sec 2- T19S- R34E 130 FSL 2300 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.

44 Cook Street | Suite 1000 | Denver, CO 80206

Respectfully,

Franklin Mountain Energy 3, LLC

Don Johnson Sr. Land Analyst

=



Parallel State Com 302H:
I/We hereby elect to participate in the Parallel State Com 302H well.  I/We hereby elect NOT to participate in the Parallel State Com 302H well.
Parallel State Com 502H:
I/We hereby elect to participate in the Parallel State Com 502H well.  I/We hereby elect NOT to participate in the Parallel State Com 502H well.
Parallel State Com 702H:
I/We hereby elect to participate in the Parallel State Com 702H well.  I/We hereby elect NOT to participate in the Parallel State Com 702H well.
Parallel State Com 802H:
I/We hereby elect to participate in the Parallel State Com 802H well.  I/We hereby elect NOT to participate in the Parallel State Com 802H well.
Owner: TH McElvain Oil & Gas, LLLP
Ву:
Printed Name:
Title:
Date:



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

County/State: Lea Co., NM
Date Prepared: 6/21/2023
AFE W: DCE230610

Forpos	e:	rill and complete ± 10,000° LDS well VD 10,496', MD 19,496'				DCE230610		
		Intangible Drilling Costs				Intangible Completion Costs		
Major 225	At in a	ADMINISTRATIVE OVERHEAD	Amount	Major		ADMINISTRATIVE OVERHEAD	Ameunt	
225	10	CASING CREW & EQPT	\$4,000 \$45,000	240 240	5 1D	CASED HOLE LOGS & SURVEYS	\$8,200 \$6,635	
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT	\$0	
225 225	16 20	CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING	\$80,000 \$36,000	240 240	20 25	COILED TUBING/SNUBBING UNIT COMMUNICATIONS	\$194,313 208,12	
225	25	COMMUNICATIONS	\$19,000	240	30	COMPANY DIRECT LABOR	\$0	
225 225	30 34	COMPLETION FLUIDS CONSTRUCTION/LOCATION & ROAD	\$6,000 \$45,000	340 240	15 45	COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS	\$75,000 \$23,697	
275	40	CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	\$1,896	
225	45	DAMAGES	\$15,900	240	55	DISPOSAL SOLIDS	52,844	
223	50 55	DAYWORK CONTRACT DRILLING - DIRECTIONAL	1520,000 \$200,000	240 240	60 62	ELECTRICAL POWER/GENERATION ENGINEERING	\$0 \$5,687	
225	60	DRILLING - FOOTAGE	990,000	240	65	ENVIRONMENTAL/CLEANUP	\$0	
225 225	65 70	DRILLING BITS GLECTRICAL POWER/GENERATION	\$90,000	240 240	70 71	FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL	\$0 \$180,000	
225	75	ENGINEERING	\$20,000	240	72	FRAC WATER/COMPLETION FLUID	\$470,000	
225 225	20 84	ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE	\$200,000 \$40,000	240 240	75 80	FUEL, POWER/DIESEL HEALTH & SAFETY	\$550,000 \$4,700	
225	85	EQUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,000	
225	90 95	FISHING TOOLS/SERVICES	50	240	90	MATERIALS & SUPPLIES	\$0 \$0	
225 225	100	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$7,000 \$18,000	240 240	100	MISCELLANEOUS MUD & CHEMICALS	\$10,000	
225	105	INSURANCE	\$1,700	240	110	P&A/TA COSTS	\$0	
225 225	106	INSPECTIONS LEGAL, TITLE SERVICES	\$15,000 \$6,000	240 240	115	PERFORATING/WIRELINE SERVICE PIPE INSPECTION	\$265,403 \$0	
225	115	MATERIALS & SUPPLIES	\$5,000	340	125	ROAD, LOCATIONS REPAIRS	\$2,000	
225	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,616,000	
225 225	130	MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS	\$31,000 \$180,000	240 240	135	SUBSURFACE EQUIPMENTAL RENTAL SUPERVISION	\$37,915 \$90,047	
225	140	OPENHOLE LOGGING	20	240	145	SURFACE EQUIP RENTAL	\$189,573	
225	141 145	CASED HOLE LOGGING	\$0 \$29,090	240	150 155	TRANSPORTATION/TRUCKING WATER TRANSFER	\$2,844 \$56,872	
225	150	PERMIT'S, LICENSES, ETC POWER FUEL & WATER HAULING	\$160,000	240	160	WELDING SERVICES	339,872 \$0	
225	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,000	
225	160 163	RIG UP TEAR OUT & STANDBY SITE RESTORATION	\$10,000	240 240	148 40	TAXES CONTINGENCY COSTS 5%	\$273,599 5248,726	
225 225	165	STAKING & SURVEYING	\$6,000	1		Total Intengible Completion Costs:	55,496,846	
225	170	SUPERVISION	\$71,400	/		T		
225 225	175	SUPER VISION - GEOLOGICAL TRANSPORTATION/TRUCKING	\$39,000 \$20,000	Maser	М ****	Ingible Completion Costs Description	mo	
225	178	TAXES	\$125,131	245	5	ARTIFICIAL LIFT	\$175,000	
. 225	35	CONTINGENCY COSTS 5%  Total Intengible Drilling Costs:	\$113,755	245 245	15	FLOWLINES	\$20,000 \$0	
		Losal Intanginie Littling Cisis:	\$2,513,986	245	25 40	FRAC STRING PACKERS/SLEEVES/PLUGS/GL MANDRELS	50	
		Tangible D Till Costs		245	45	PRODUCTION LINER	20	
Major	Minor	Description INTERMEDIATE CASING & ATTACHMENTS	Amount	245 245	50 55	PRODUCTION PROCESSING FACILITY	\$0 \$150,000	
230 230	10 20	PACKERS/SLEEVES/PLUGS	\$173,758 \$66,000	245	60	PRODUCTION TUBING RODS/PUMPS	\$130,000	
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,034,380	245	65	SUBSURFACE EQUIPMENT	250,000	
230 230	35 45	SURFACE CASING & ATTACHMENTS WELLHEAD EQUIPMENT/CASING BOWL	\$169,740 \$70,000	245 245	75 70	WELLHEAD EQUIPMENT TAXES	\$125,000 \$28,600	
230	40	TAXES	\$83,263			Total Tangible Completion Costs:	B,660	
<u> </u>		Total Tangible Drilling Costs:	\$1,597,141			Intangilite Facility Costs		
		Tangital Tarifity C and		Major		Description	Amount	
Majer		Description	_ Amount	263	3	CONSULT	518,100	
270 270	10	FACILITY PIPE/VALVES/FITTINGS CONTAINMENT	\$180,000 \$0	265 265	12 20	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC	\$0 \$24,000	
270	25	DEHYDRATION	50	265	22	PAD/ROAD CONSTRUCTION	\$50,000	
270 270	30 50	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$56,000 \$47,000	265 265	25 40	ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	\$22,000 \$0	
270	60	HIS TREATING EQUIPMENT	\$0	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	73 B6	FACILITY SURFACE EQUIPMENT	\$137,000	265	8,3	TAXES	\$6,523	
270	90	H2S SAFETY SYSTEM	\$4,000	265	10	CONTINGENCY COSTS 5%	\$5,930	
276 270	100	CONTROL/INSTRUMENT/METERS/SCADA TANKS & WALKWAYS	586,000 \$90,000			Total Intangible Facility Costs:	\$131,053	
270	130	MECHANICAL BATTERY BUILD	\$154,000			Office Use Only:		
270	132	EIAC BATTERY BUILD	\$45,000					
270 270	134 136	CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$5,000 \$56,000	1				
270	138	FLOWLINE INSTALLATION	\$27,000	1				
270 270	140 125	SIGNAGE TAXES	\$250 \$55,674	1				
270	1-7	Total Tungikle Facility Costs:	\$1,067,924	1				
Total Dr	ill		\$4,111,126 79	1				
Total Co			\$6,045,445.54	1				
Total Do		iNo.	\$1,198,976,75					
Total DO	Tanget	ile	\$2,145,741.29				1	
				1				
Total Al	E.		\$11,355,549.08					
	2711C A	UTHORITY FOR EXPENDITURE IS BASED ON COST	COTILATEC DILLING	mi i oran	ECT V	OUR PROPORTAL TE SHARE OF THE ACTUAL	INNIAICE CAPTE	
	I RIIS A	OTHOR! I FOR EAPENDITURE IS BASED ON COST	ESTIMATES BILLING Y	VILL REPL	ÆLI I	OUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS	
Operator	•	Franklin Manutain Energy 3 LLC						
Approve	d Be	Cileda		Date:			6/21/2023	
HIPTOY	,	Craig Walters		Part.				
		Chief Executive Officer						
_								
WI Own	er							
Approve	od Ber			Date				
mppioce	- D)			s-u-t				
Printed !	Name.			Title:				
ALL	PARTI	CIPANTS MUST CARRY THEIR OWN CONTROL OF W	ELL INSURANCE AND	ATTACH A	A CERT	FIGATE 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 Grankliamountainenergy com

FRANKLIN MDUNTAIN
ENERGY
AUTRORITY FOR EXPENDITURE
Well Name:
Vell Name:
Vell

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

		Dellard acceptance to cool one and					
Purpose:	:	Drill and complete a 10,000' 2B\$ well TVD 9,150', MD 19,150'.		AFE #:		DCE230653	
		Intangible Drilling Candi				Intangible Comple Timi Cos III	
Maior	Minor	Description	A 61 1	ajor	Minor	Description Cos	Armusi
istalo.	2 STRUCK	ADMINISTRATIVE OVERHEAD	\$4,300	240	5 S	ADMINISTRATIVE OVERHEAD	\$8,200
225	10	CASING CREW & EQPT	\$45,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,63
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15	CASING CREW & EQPT	50
225 225	16 20	CEMENTING PRODUCTION CASING	\$80,000	240 240	20 25	COLED TUBING/SNUBBING UNIT	\$194,317 \$1,896
225	25	CEMENTING SUFFACE CASING COMMUNICATIONS	\$36,000 \$19,000	240	10	COMMUNICATIONS COMPANY DIRECT LABOR	\$1,070
225	30	COMPLETION FLUIDS	\$6,000	240	15	COMPLETION/WORKOVER RIG	\$75,000
225	14	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,697
225	40	CONTRACT LABOR	\$50,000	240	40	DAMAGES/RECLAMATION	\$1,896
225 225	45 50	DAMAGES DAYWORK CONTRACT	\$15,000 \$520,000	240	55 60	DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION	\$2,84· \$4
225	55	DRILLING - DIRECTIONAL	\$200,000	240	62	ENGINEERING	\$5,687
225	60	DRILLING - FOOTAGE	\$90,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	65	DRILLING BITS	\$90,000	240	70	FISHING TOOLS / SERVICES	\$6
225	70	ELECTRICAL POWER\GENERATION	50	240	71	FLUIDS/HAULING/DISPOSAL	300,0812
225	75 80	ENGINEERING ENVIRONMENTAL SERVICES	\$20,000 \$200,000	240 240	72 75	FRAC WATER/COMPLETION PLUID FUEL, POWER/DIESEL	\$470,000 \$550,000
225	34	EQUIPMENT RENTAL DOWNHOLE	\$40,000	240	80	HEALTH & SAFETY	\$4,700
225	85	EQUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,000
225	90	FISHING TOOLS/SERVICES	50	240	90	MATERIALS & SUPPLIES	\$0
225	95	HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	\$0
225 22 <sub>5</sub>	103	INDUSING AND SUPPORT SERVICES INSURANCE	\$18,000	240 240	100	MUD & CHEMICALS P&A/TA COSTS	\$10,000 \$0
225	106	INSPECTIONS	\$15,000	240	115	PERFORATING/WIRELINE SERVICE	\$265,403
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	20
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	125	MOUSE/RATHOLE/CONDUCT PIPE	331,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,915
225 225	130 140	MUD & CHEMICALS	000,0812 02	240 340	140 145	SUPERVISION SURFACE EQUIP RENTAL	\$90,047 \$189,57J
225	140	OPENHOLE LOGGING CASED HOLE LOGGING	50	240	150	TRANSPORTATION/TRUCKING	\$189,37, \$2,844
225	145	PERMITS, LICENSES, ETC	320,000	240	155	WATER TRANSFER	\$56,872
225	150	POWER FUEL & WATER HAULING	\$160,000	240	160	WELDING SERVICES	\$0
221	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,000
278	160	RIGUP TEAR OUT & STANDBY	50	240	148	TAXES	\$273,599
225	163	SITE RESTORATION	210,000	- 340	40	CONTINGENCY COSTS 5%	\$248,726
225	165	STAKING & SURVEYING	000,32	-		Total Intangible Completion Costs:	\$5,490,840
225 225	170 175	SUPERVISION - GEOLOGICAL	\$71,400 \$39,000			Tangible Comple ion C sts	
225	180	TRANSPORTATION/TRUCKING	\$20,000	Major	Minor		Amount
225	178	TAXES	\$125,131	245	5	ARTIFICIAL LIFT	\$175,000
225	35	CONTINGENCY COSTS 5%	\$113,755	245	15	FLOWLINES	\$20,080
		Total Intangible Drilling Costs:	office of the	245	25	FRAC STRING	\$0
				245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
		Tangible Dritting Costs		245	45	PRODUCTION LINER	\$0 \$0
Major 230	Minor	INTERMEDIATE CASING & ATTACHMENTS	Amount \$173,758	245 245	50 55	PRODUCTION PROCESSING FACILITY PRODUCTION TUBING	\$150,000
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS	02
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,034,360	245	65	SUBSURFACE EQUIPMENT	\$50,000
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$125,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,600
230	40	TAXES	\$83,263	-		Total Tangible Completion Custs:	\$348,600
<u> </u>		Total Tangible Drilling Costs:	\$1,597,141			In "ngibl Facility Costs	
		Taugible Facility Cust		761600	Minor	Description	"moun"
Major	Minor	Description	Ameent	265	- 5	CONSULTING	518,100
270	10	FACILITY PIPE/VALVES FITTINGS	180,000	265	12	COMPANY DIRECT LABOR	\$0
270	15	CONTAINMENT	20	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
270	25	DENYDRATION	20	265	12	PAD/ROAD CONSTRUCTION	\$50,000
270 270	10	PRIMARY POWER MATERIALS	\$56,000 \$47,000	265 265	25 40	ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	\$22,000 \$0
270	60	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	20	265	45	CONTRACT LABOR & SERVICES	\$0
270	65	SEPARATION EQUIPMENT	\$125,000	265	60	OVERHEAD	\$3,000
270	66	ROAD/LOCATION/FENCING/REPAIRS	50	265	80	SURVEY / PLATS / STAKINGS	
270	75	PRE-FABRICATED SKIDS					\$1,500
270			50	265	85	TRANSPORTATION/ TRUCKING	20
	86	FACILITY SURFACE EQUIPMENT	\$137,000	265	83	TRANSPORTATION / TRUCKING TAXES	\$0 \$6,523
270	90	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$137,000 \$4,000			TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$6,523 \$5,930
270	90 100	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL/INSTRUMENT / METERS / SCADA	\$137,000 \$4,000 \$86,000	265	83	TRANSPORTATION / TRUCKING TAXES	\$6,523 \$5,930
270 70	90 100 110	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL/INSTRUMENT / METERS / SCADA TANKS & WALKWAYS	\$137,000 34,000 586,000 590,000	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0 \$6,523
270 70 270	90 100 110 130	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$137,000 \$4,000 \$86,000 \$90,000 \$154,000	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$6,523 \$5,930
270 70 270 270	90 100 110	FACILITY SURFACE EQUIPMENT 123 SAFETY SYSTEM 123 SAFETY SYSTEM 123 SAFETY SYSTEM 124 SAFETY SYSTEM 125 SAFETY SYSTEM 125 SAFETY SUILD 126 SAFETY SUILD 126 SAFETY SUILD 126 SAFETY SUILD	\$137,000 34,000 586,000 590,000	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270	90 100 110 130 132	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$45,000	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 70 70 270	90 100 110 130 132 134 136 138	FACILITY SURFACE EQUIPMENT HISS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION	\$137,000 \$4,000 \$9,000 \$90,000 \$154,000 \$45,000 \$5,000 \$27,000	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 70 70 70 270 270	90 100 110 130 132 134 136 138	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANNS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE	\$137,000 34,000 386,000 390,000 5154,000 35,000 35,000 556,000 527,000	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 70 70 270	90 100 110 130 132 134 136 138	FACILITY SURFACE EQUIPMENT HISS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD ONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLING INSTALLATION SIGNAGE TAKES	\$137,000 34,000 386,000 390,000 \$154,000 365,000 \$27,000 \$27,000 \$25,500	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 70 70 70 270 270	90 100 110 130 132 134 136 138	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANNS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE	\$137,000 34,000 386,000 390,000 5154,000 35,000 35,000 556,000 527,000	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 70 70 70 270 270	90 100 110 130 132 134 136 138	FACILITY SURFACE EQUIPMENT HISS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD ONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLING INSTALLATION SIGNAGE TAKES	\$137,000 34,000 386,000 390,000 \$154,000 365,000 \$27,000 \$27,000 \$25,500	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 70 70 70 270 270 270	90 100 110 130 132 134 136 138 140 125	FACILITY SURFACE EQUIPMENT HISS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD ONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLING INSTALLATION SIGNAGE TAKES	5137,000 34,000 384,000 390,000 5134,000 345,000 35,000 527,000 227,000 235,674 31,667,974	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 70 70 70 270 270 270	90 100 110 130 132 134 136 138 140 125	FACILITY SURFACE EQUIPMENT HIS SAPETY SYSTEM CONTROL INSTRUMENT / METERS / SCADA TANNS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$137,000 34,000 386,000 390,000 \$154,000 365,000 \$27,000 \$27,000 \$25,500	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 70 70 70 270 270 270	90 110 130 132 134 136 138 140 125	FACILITY SURFACE EQUIPMENT HIS SAPETY SYSTEM CONTROL INSTRUMENT / METERS / SCADA TANNS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	5137,000 34,000 384,000 5194,000 5194,000 345,000 35,000 527,000 527,000 535,6794 51,667,924	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 270 70 70 270 270 270 270	100 110 130 132 134 136 138 140 125	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$1137,000 \$4,000 \$40,000 \$190,000 \$194,000 \$45,000 \$56,000 \$27,000 \$25,000 \$25,000 \$35,674 \$1,667,924 \$6,005,445,545 \$1,198,376,75 \$8,010,831,041	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 270 70 70 270 270 270 270	100 110 130 132 134 136 138 140 125	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	5137,000 34,000 384,000 390,000 5134,000 345,000 35,000 327,000 327,000 355,674 31,007,934 34,111,126,79 36,003,445,54 31,192,376,735	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 270 70 70 270 270 270 270	100 110 130 132 134 136 138 140 125	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$1137,000 \$4,000 \$40,000 \$190,000 \$194,000 \$45,000 \$56,000 \$27,000 \$25,000 \$25,000 \$35,674 \$1,667,924 \$6,005,445,545 \$1,198,376,75 \$8,010,831,041	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 70 270 70 270 270 270 270	90 100 110 130 132 134 136 138 140 125	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$1137,000 \$4,000 \$86,000 \$190,000 \$15,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$35,674 \$1,007,924 \$4,111,126,797 \$6,005,445,54 \$1,198,376,757 \$2,145,741,29	265	83	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$6,523 \$5,930
270 70 270 270 70 70 70 270 270 270 270	100 110 130 132 134 136 138 140 125	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TARKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Tutel Tangible Facility Coxts:	\$1137,000 \$4,000 \$86,000 \$190,000 \$145,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$3,600 \$4,111,126,79 \$4,111,126,79 \$4,111,126,79 \$5,603,445,541 \$1,192,796,73 \$2,145,741,29	265 265	10	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$6,523 \$5,523 \$5,930 431,053
270 70 270 270 70 70 70 270 270 270 270	100 110 130 132 134 136 138 140 125	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$1137,000 \$4,000 \$86,000 \$190,000 \$145,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$3,600 \$4,111,126,79 \$4,111,126,79 \$4,111,126,79 \$5,603,445,541 \$1,192,796,73 \$2,145,741,29	265 265	10	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$6,523 \$5,523 \$5,930 431,053
270 70 270 270 70 70 70 70 270 270 270 2	90 100 110 132 134 134 138 140 125	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$1137,000 \$4,000 \$86,000 \$190,000 \$145,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$3,600 \$4,111,126,79 \$4,111,126,79 \$4,111,126,79 \$5,603,445,541 \$1,192,796,73 \$2,145,741,29	265 265	10	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$6,523 \$5,523 \$5,930 431,053
270 70 270 270 70 70 70 270 270 270 270	90 100 110 132 134 134 138 140 125	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TARKS & WALKWAYS MECHANICAL BATTERY BUILD EI&C BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Tutel Tangible Facility Coxts:	\$1137,000 \$4,000 \$86,000 \$190,000 \$145,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$3,600 \$4,111,126,79 \$4,111,126,79 \$4,111,126,79 \$5,603,445,541 \$1,192,796,73 \$2,145,741,29	265 265	10	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$6,523 \$5,523 \$5,930 431,053
270 270 270 270 270 270 270 270 270 270	90 100 110 130 132 134 138 140 125	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIRC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$1137,000 \$4,000 \$86,000 \$190,000 \$145,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$3,600 \$4,111,126,79 \$4,111,126,79 \$4,111,126,79 \$5,603,445,541 \$1,192,796,73 \$2,145,741,29	265 265	10	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$6,525 \$5,930 \$131,051
270 70 270 270 70 70 70 70 270 270 270 2	90 100 110 130 132 134 138 140 125	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TARKS & WALKWAYS MECHANICAL BATTERY BUILD EIGC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAKES Tatel Tangible Facility Coxts:	\$1137,000 \$4,000 \$86,000 \$190,000 \$145,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$3,600 \$4,111,126,79 \$4,111,126,79 \$4,111,126,79 \$5,603,445,541 \$1,192,796,73 \$2,145,741,29	265 265	10	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$6,523 \$5,523 \$5,930 431,053
270 270 270 270 270 270 270 270 270 270	90 100 110 130 132 134 138 140 125	FACILITY SURFACE EQUIPMENT HISS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EINC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Count:	\$1137,000 \$4,000 \$86,000 \$190,000 \$145,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$3,600 \$4,111,126,79 \$4,111,126,79 \$4,111,126,79 \$5,603,445,541 \$1,192,796,73 \$2,145,741,29	265 265	10	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$6,525 \$5,930 \$131,051
270 270 270 270 270 270 270 270 270 270	90 100 110 130 132 134 138 140 125	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TARKS & WALKWAYS MECHANICAL BATTERY BUILD EIGC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAKES Tatel Tangible Facility Coxts:	\$1137,000 \$4,000 \$86,000 \$190,000 \$145,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$3,600 \$4,111,126,79 \$4,111,126,79 \$4,111,126,79 \$5,603,445,541 \$1,192,796,73 \$2,145,741,29	265 265	10	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$6,525 \$5,930 \$131,052
270 270 270 270 270 270 270 270 270 270	90 100 110 130 132 134 138 140 125	FACILITY SURFACE EQUIPMENT HISS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EINC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Count:	\$1137,000 \$4,000 \$86,000 \$190,000 \$145,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$3,600 \$4,111,126,79 \$4,111,126,79 \$4,111,126,79 \$5,603,445,541 \$1,192,796,73 \$2,145,741,29	265 265	10	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$6,525 \$5,930 \$131,052
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270 270 270 270 270 270 270 270 270 270	90 100 100 110 130 132 134 136 138 140 125  dll lettampteric ethry Tanget	FACILITY SURFACE EQUIPMENT HISS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EINC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Count:	\$1137,000 \$4,000 \$86,000 \$190,000 \$145,000 \$45,000 \$27,000 \$27,000 \$27,000 \$27,000 \$3,600 \$4,111,126.79 \$4,111,126.79 \$4,111,126.79 \$5,603,445.54 \$1,1967,954 \$2,145,741.29	265 265	10	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$6,522 \$5,930 431,053
270 270 270 270 270 30 30 30 30 30 30 30 30 30 30 30 30 30	90 100 100 110 130 131 134 134 134 134 134 136 138 140 125 16tamy 1ctamy	FACILITY SURFACE EQUIPMENT HISS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EINC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD FRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Count:	\$1137,000 \$4,000 \$40,000 \$190,000 \$190,000 \$15,000 \$55,000 \$27,000 \$23,00 \$25,000 \$	265 265  Date:  Date: Tide.	83 10	TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%  Office Use Only:  OUR PROPORTINATE SHARE OF THE A UAI	\$ \$4,52 \$5,93 \$431,33 \$431,33

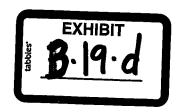
Parallel E/2W/2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company

ORRI to Be Pooled

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. 24352

### 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 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. 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/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 to form a standard 324.02-acre, more or less, Wolfcamp horizontal spacing unit.

EXHIBIT

Salager

Released to Imaging: 3/6/2024 4:50:25 PM Released to Imaging: 6/21/2024 11:06:40 AM

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23845.

Received by OCD: 6/19/2024 4:22:58 PM Received by OCD: 3/5/2024 9:46:20 PM Page 115 of 304

Page 2 of 4

- 3. Franklin plans to drill the Parallel State Com 702H and Parallel State Com 802H wells to a depth sufficient to test the Wolfcamp formation. The wells will 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 SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox.
- 4. Franklin filed Case No. 23845 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. 23845, ¶ 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 280-acre more or less Wolfcamp 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, dedicated to Franklin's proposed Gold State Com 702 and 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. 23845 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/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;
  - 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

edebrine@modrall.com deana.bennett@modrall.com

Attorneys for Applicant

CASE NO. 24352 : 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 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 702H and Parallel 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 SE/4SW/4 (Unit N) of Section 2, 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 280-acre more or less Wolfcamp 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, dedicated to Franklin's proposed Gold State Com 702 and 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 1</u>
1023 N. French Dr., Hobbs, NM 88240
Phone, (575) 393-6161. Fax. (575) 393-0720
<u>District II</u>
811 S. First St., Anesia, NM 88210
Phone; (575) 748-1283 Fax: (575) 748-9720 Photo: (3/3) - Monteo Pax: (3/3) - Monteo Pax: (3/3) - Monteo Pax: (3/3) - Monte Pax: (3/

UL er lot no. Seeting Township Range Lot Idn

### 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

_		TELL LOCATION IN	B HEREAUE BEBICALIO. VI BALL			
	1 API Number 30-025-5	1 112	'Pool Name AIRSTRIP; WOLFCA	MP		
	1 Property Code		Property Name Well Number ALLEL STATE COM 702H			
-	335188 *OGRID No.		Operator Name	* Elevation		
L	331595	FRANKLIN MO	UNTAIN ENERGY 3, LLC	3986.8'		

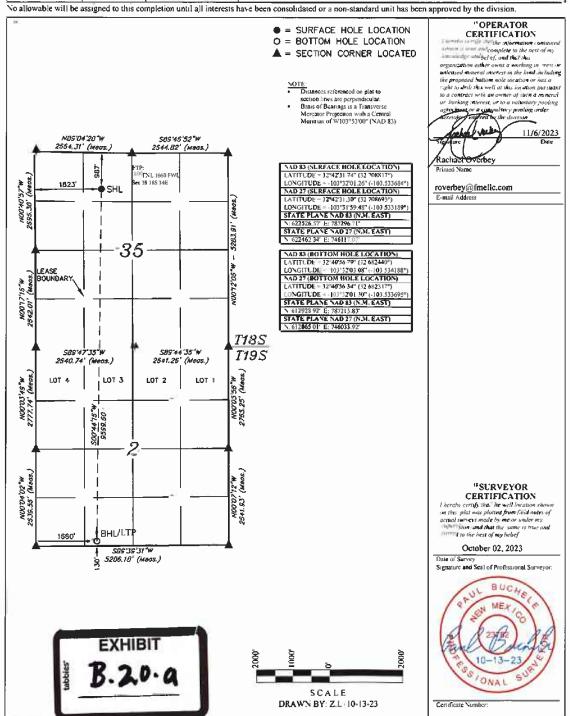
Surface Location

С	35	185	34Ē		987	NORTH	1823	WEST	LEA :	Ĺ
-			- 11	Rottom H	ola Location I	f Different From	Surface			

Sorth/South line

Bottom Hole Location II Different From Surface

UL ar lot na.	Section	Township	Runge	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
N	2	19S	34E		130	SOUTH	1660	WEST	LEA
" Dedicated Acre 324.02	rs 17 J	oint or Enfill	14 Conse	Ildation Code	15 Order No.			-	



District [ 1625 M. French Dr., Hobos, NM, 88340 Phone; (375) 391-6161 Pax (575) 393-6720 Pistrict [] 811 S. First St., Artesia NM 88210 Phone; (575) 748-1283 Fax: (575) 748-9720 District [B. District III 1000 Rio Brazos Road, Agree, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr. Sania Fc, NM 87505 Phone: (305) 476-3400 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

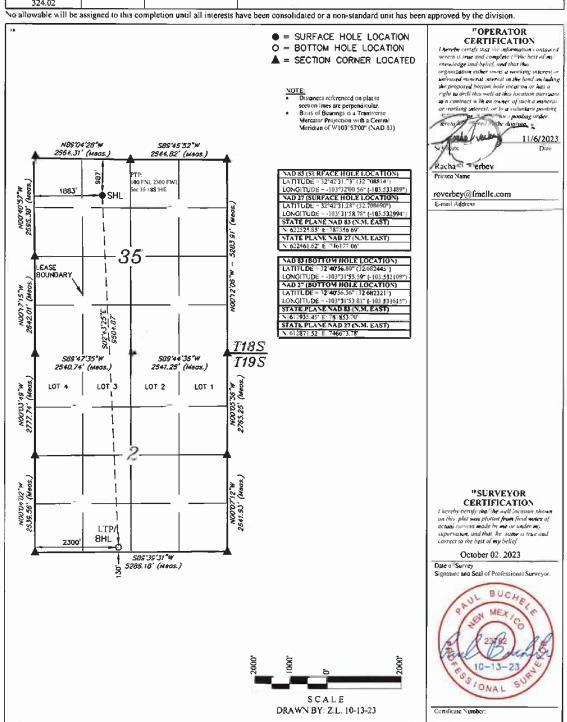
-									
API Number		<sup>1</sup> Pool Code							
30-025-52454		970	AIRSTRIP; WOLFCAMP						
4 Property Code		1 Pr	4 Well Number						
335188		PARALL	802H						
OGRID No.	i	*0	<sup>4</sup> Elevation						
331595		FRANKLIN MOU	3986.7						

"Surface Location

CL er lot ns.	Section 35	Township 18S	Range 34É	Cot Edn	Feet from the 987	North/South line	Feet from the 1883	East/West line WEST	County LEA
			Jì.	Rottom H	ole Location I	f Different From	Surface		

Bottom Hole Location If Different From Surface

UL or lot no. N	Section 2	Township 19S	Range 34E	Lot ldn	Feet from the 130	North/South line SOUTH	Feet from the 2300	East/West line WEST	County LEA
Dedicated Acre 324.02	n 13_1	Mint or Infil	14 Consc	Ildation Cade	15 Order No.	65	33		

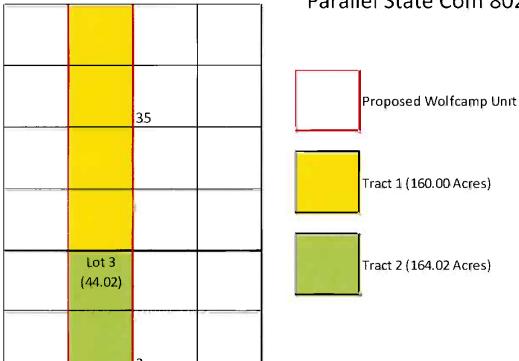


### Case No. 24352 Unit Summary



Case No. 24352
E2W2 of Sec 35-T18S-R34E & Lot 3, SENW, E2SW of Sec 2-T19S-R34E, 324.02 Acres
Parallel State Com 702H

Parallel State Com 802H



Commited Working Inte	rest
Franklin Mountain Energy 3, LLC	79.0630%
Uncommited Working Int	erest
MRC Permian Company	20.9370%
Total:	100.0000%

tabbles		
EXHIBI <b>6.20</b> .		

Tract	Lease	%
1	VB-1199	49.3797%
2	VB-1297	50.6203%



Sent via USPS: 9400109205568755459594

July 17, 2023

TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood, CO 80401

Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 18 South, Range 34 East Section 35: E2W2

Township 19 South, Range 34 East Section 3: Lot 3 (44.02), SENW, E2SW

Lea County, New Mexico 324.02 acres, more or less

Dear Working Interest Owner:

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

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Parallel State Com 302H	1BS	10496	19,496'	Sec 35- T18S- R34E 987 FNL 1725 FWL	Sec 2- T19S- R34E 130 FSL 1660 FWL	\$11,355,549.08	N/A
Parallel State Com 502H	2BS	9150	19,150'	Sec 35- T18S- R34E 987 FNL 1750 FWL	Sec 2- T19S- R34E 130 FSL 2300 FWL	\$11,355,549.08	N/A
Parallel State Com 702H	WCA	9789	19.789'	Sec 35- T18S- R34E 987 FNL 1800 FWL	Sec 2- T19S- R34E 130 FSL 1660 FWL	\$11,650,592.43	N/A
Parallel State Com 802H	WCB	10457	20,457'	Sec 35- T18S- R34E 987 FNL 1850 FWL	Sec 2- T19S- R34E 130 FSL 2300 FWL	\$11,783,083.07	N/A



12:005x Street | Sinte 1000 | Berker 20:50206

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 <a href="mailto:djohnson@fmellc.com">djohnson@fmellc.com</a> 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



raranei State Com 30211:
I/We hereby elect to participate in the Parallel State Com 302H well.  I/We hereby elect NOT to participate in the Parallel State Com 302H well.
Parallel State Com 502H:
I/We hereby elect to participate in the Parallel State Com 502H well.  I/We hereby elect NOT to participate in the Parallel State Com 502H well.
Parallel State Com 702H:
I/We hereby elect to participate in the Parallel State Com 702H well. I/We hereby elect NOT to participate in the Parallel State Com 702H well.
Parallel State Com 802H:
I/We hereby elect to participate in the Parallel State Com 802H well.  I/We hereby elect NOT to participate in the Parallel State Com 802H well.
Owner: TH McElvain Oil & Gas, LLLP
By:
Printed Name:
Title:
Date:

Aleman a War de Statem



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

Parpose	:	TVD 10.457', MD 20.457'		AFE#:		DCE230695	
	_						
Major	Minor	Intangible Drilling C	Amanot	Major	Minor	Intangible Completion C mits  Description	Amount
225	3	ADMINISTRATIVE OVERHEAD	\$5,200	240	5	ADMINISTRATIVE OVERHEAD	\$8,200
225	10	CASING CREW & EQPT	\$55,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,635
225 225	15 16	CEMENTING INTERMEDIATE CASING CEMENTING PRODUCTION CASING	\$40,000	240 240	15 20	CASING CREW & EQPT COILED TUBING/SNUBBING UNIT	\$194,313
225	20	CEMENTING PRODUCTION CASING	\$85,000 \$36,000	240	25	COMMUNICATIONS	\$1,896
225	25	COMMUNICATIONS	\$22,000	240	30	COMPANY DIRECT LABOR	\$0
225	30	COMPLETION FLUIDS	\$6,000	40	35	COMPLETION/WORKOVER RIG	\$75,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	523,697
125 125	40 45	CONTRACT LABOR DAMAGES	000,000 000,112	240 240	50 55	DAMAGES/RECLAMATION DISPOSAL SOLIDS	\$1,896 \$2,844
225	56	DAYWORK CONTRACT	\$650,000	240	60	ELECTRICAL POWER/GENERATION	50
225	55	DRILLING - DIRECTIONAL	\$230,000	240	62	ENGINEERING	\$5,687
225	60	DRILLING - FOOTAGE	\$90,000	240	65	ENVIRONMENTAL/CLEANUP	50
225 225	65 70	DRILLING BITS ELECTRICAL POWER/GENERATION	\$110,000	240 240	70	FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL	\$0 \$180,000
225	75	ENGINEERING	\$25,200	240	72	FRAC WATER/COMPLETION FLUID	\$470,000
225	BO	ENVIRONMENTAL SERVICES	\$220,000	240	75	FUEL, POWER/DIESEL	\$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000	7.6	BO	HEALTH & SAFETY	\$4,700
225	85	EQUIPMENT RENTAL	\$60,000	- 0	85	HOUSING AND SUPPORT SERVICES	214,000
225	90	FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	\$0 \$0
225 225	95 100	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$11,000 \$21,000	240 240	95 100	MISCELLANEOUS MUD & CHEMICALS	\$10,000
225	105	INSURANCE	52,200	20	110	P&A/TA COSTS	\$10,000
225	106	INSPECTIONS	\$20,000	26	115	PERFORATING/WIRELINE SERVICE	\$265,403
225	110	LEGAL, TITLE SERVICES	56,000	240	120	PIPE INSPECTION	20
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,000
225 225	120 125	MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE	\$5,000 \$31,000	24D 240	130	STIMULATION SUBSURFACE EQUIPMENTAL RENTAL	\$2,616,000 \$37,915
225	130	MUD & CHEMICALS	\$31,000	240	140	SUPERVISION	\$37,915 \$90,047
225	140	OPENHOLE LOGGING	200,000	240	145	SURFACE EQUIP RENTAL	\$189,573
225	141	CASED HOLE LOGGING	so	24D	150	TRANSPORTATION/TRUCKING	\$2,844
225	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,872
225	150	POWER FUEL & WATER HAULING	\$180,000	240 240	160	WELDING SERVICES	\$0
225 225	155 160	RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	\$130,000 \$0	240 240	165 148	WELL TESTING/FLOWBACK TAXES	\$165,000 \$269,199
225	163	SITE RESTORATION	SO SO	240	40	CONTINGENCY COSTS 5%	\$244,726
225	165	STAKING & SURVEYING	\$6,000			Total Intengible Completion Custs:	\$5,408,446
225	170	SUPERVISION	\$88,200			177	
225	175	SUPERVISION - GEOLOGICAL	\$48,300	Part 1		Tangible Completion Costs	
225	180	TRANSPORTATION/TRUCKING TAXES	\$25,000 \$143,721	Major 245	Minor	Description ARTIFICIAL LIFT	Amount 5175,000
225 225	178 35	CONTINGENCY COSTS 5%	\$130,655	245	5	FLOWLINES	\$20,000
		Total Intengible Drilling Costs:	B4,89,476	245	5	FRAC STRING	\$0
				245	0	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0
		Tangible Drilling Costs		245	3	PRODUCTION LINER	\$0
Major	Minor	Description INTER ADDITIONAL CASING & ATTACHMENTS	Amount \$173,548	245	0	PRODUCTION PROCESSING FACILITY	\$0 \$150,000
230 230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245 245	0	PRODUCTION TUBING RODS/PUMPS	02
230	25	PRODUCTION CASING & ATTACHMENTS	31,165,590	24	3	SUBSURFACE EQUIPMENT	\$50,000
230	35	SURFACE CASINO & ATTACHMENTS	\$173,758	245	3	WELLHEAD EQUIPMENT	\$125,000
230	45 40	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	D	TAXES	\$28,600 \$548,600
230	40	TAXES Tutal Tongible Drilling Costs:	\$90,689 739,585			Total Tangible Completion Costs:	3340,000
						Intan Plat Facili Costs	
		Tangible Facility Costs		Major		Description	Amount
Major 270	Minor 10	Percription FACILITY PIPE/VALVES/FITTINGS	A mount \$180,000	265 26	5 12	CONSULTING COMPANY DIRECT LABOR	\$18,100
270	15	CONTAINMENT	50	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
270	25	DEHYDRATION	50	265	22	PAD/ROAD CONSTRUCTION	\$50,000
270	30	PRIMARY FOWER MATERIALS	\$56,900	265	25	ENGINEERING / SCIENCE	\$22,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$0 \$0
270 270	60 65	H2S TREATING EQUIPMENT SEPARATION EQUIPMENT	\$0 \$125,000	265 265	45 60	CONTRACT LABOR & SERVICES OVERHEAD	000,62
270	66	ROADIZ-OCATION/FENCING/REPAIRS	\$0	265	20	SURVEY / PLATS / STAKINGS	\$1,500
270	75	PRE-FABRICATED SKIDS	so	265	85	TRANSPORTATION / TRUCKING	\$0
270	86	FACILITY SURFACE EQUIPMENT	\$137,000	265	23	TAXES	\$6,523
270	90	H2S SAFETY SYSTEM	\$4,000	265	10	CONTINGENCY COSTS 5%	\$5,930
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000			Total Intangible Facility Costs:	317,900
270 270	110	TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$90,000 \$154,000	$\overline{}$		Office Use Only:	
270	132	EI&C BATTERY BUILD	\$45,000			And on any	
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000				
270	136	PRIMARY FOWER BUILD	\$56,000				
270	138	FLOWLINE INSTALLATION	\$27,000				
270 270	140 125	SIGNAGE TAXES	\$250 \$55,674				
-~	14.	Total Tangible Facility Costs:	067,924				
Total On			\$4,627,060 78 \$5,957,045 54				
Total Co		ii.	\$1,198,976.73				
Total DC		ible	\$8,295,921 04				
Total DC			\$2,288,185 28				
				1			
Tolland	16		\$11,783,083.07				
	THIS A	UTHORITY FOR EXPENDITURE IS BASED ON COST	ESTIMATES BILLING V	VILL REFI	ECT Y	OUR PROPOR FINATE SHARE OF THE ACTUAL	INVOICE COSTS
		County Manager County 2 110					
Operator		Franklin Maugara Engrava J. LLC					
Approve	d Bv	CAL-		Date			6/21/2023
···	,	Craig Walters					
		Chief Executive Officer					
WI Com							
WI Own	er.	*					
Approve	d By.			Date			
			_				
				OFFICE AND ADDRESS OF THE PARTY			
Printed N	ame			Title.			

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



Frankfin Mountain Energy 3, LLC 44 Cook Street, Suite 1000 Denver, CO 80206 Phone 720-414-7868 Iranklinm 11 da nenergy com

Olkiale		Drill and complete a 10,000 WCA well.		Duck 11	· Jan · va.		
Purpose:	:	TVD 9,789', MD 19,789'		AFE#:		DCE230633	
		angible Drilling Cust				Intengible Completion Cos 41	
Major	Minor	Description	Amme	Major	Minor	Description	Amerini
225	5	ADMINISTRATIVE OVERHEAD	\$4,500	240	5	ADMINISTRATIVE OVERHEAD	\$8,200
225	10	CASING CREW & EQPT	\$50,000	340	10	CASED HOLE LOGS & SURVEYS	\$6,635
225 225	15 16	CEMENTING INTERMEDIATE CASING CEMENTING PRODUCTION CASING	\$40,000 \$80,000	240 240	15 20	CASING CREW & EQPT	\$0 \$194,313
225	20	CEMENTING PRODUCTION CASING	\$36,000	240	25	COILED TUBING/SNUBBING UNIT COMMUNICATIONS	\$1,896
225	25	COMMUNICATIONS	\$21,000	240	10	COMPANY DIRECT LABOR	\$0
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,697
225 225	40 45	CONTRACT LABOR DAMAGES	\$\$5,000 \$15,000	240 240	50 55	DAMAGES/RECLAMATION DISPOSAL SOLIDS	\$1,896 52,844
225	50	DAYWORK CONTRACT	\$585,000	240	60	ELECTRICAL POWER/GENERATION	\$0
225	35	DRILLING - DIRECTIONAL	\$220,000	240	62	ENGINEERING	\$5,687
225	60	DRILLING - FOOTAGE	590,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
225	65	DRILLING BITS	\$100,000	340	70	FISHING TOOLS / SERVICES	\$0
225	70 75	ELECTRICAL POWER/GENERATION ENGINEERING	\$0 \$21,000	240	71 72	FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID	\$180,900 \$470,000
225	80	ENVIRONMENTAL SERVICES	\$210,000	240	75	FUEL, POWER/DIESEL	\$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$50,000	240	80	HEALTH & SAFETY	\$4,700
225	85	EQUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,000
225	90 95	FISHING TOOLS/SERVICES	\$9,000	240 240	90 95	MATERIALS & SUPPLIES	\$0 \$0
225	100	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	519,000	240	100	MISCELLANEOUS MUD & CHEMICALS	\$10,000
225	105	INSURANCE	\$1,900	240	110	P&A/TA COSTS	\$0:
225	106	INSPECTIONS	\$17,000	240	115	PERFORATING/WIRELING SERVICE	\$265,403
225		LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	SO
225		MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,000
225 225		MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE	\$5,000 \$31,000	240 240	130 135	STIMULATION SUBSURFACE EQUIPMENTAL RENTAL	\$2,616,000 \$37,915
225		MUD & CHEMICALS	21,000	240	140	SUBSURFACE EQUIPMENTAL KENTAL SUPERVISION	\$37,915 \$90,047
225	140	OPENHOLE LOGGING	02	240	145	SURFACE EQUIP RENTAL	\$189,573
225	141	CASED HOLE LOGGING	50	240	150	TRANSPORTATION/TRUCKING	\$2,844
22		PERMITS, LICENSES, ETC	\$20,000	240	135	WATER TRANSFER	\$56,872
225		POWER FUEL & WATER HAULING	\$170,000	240	160	WELDING SERVICES	\$0
275	155 160	RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	\$130,000	240	148	WELL TESTING/FLOWBACK TAXES	\$165,000 \$273,599
225		SITE RESTORATION	510,000	240	40	CONTINGENCY COSTS 5%	\$248,726
225		STAKING & SURVEYING	\$6,000			Total Intengible Completion Costs:	\$5,496,846
225	170	SUPERVISION	\$75,600	>			
275	175	SUPERVISION - GEOLOGICAL	\$41,400			Tangible Completion Custs	
225		TRANSPORTATION/TRUCKING	\$22,000	Major		Description	Amount
225 225		TAXES CONTINGENCY COSTS 5%	\$134,057 \$121,870	245 245	3 15	ARTIFICIAL FLOWLINES	\$175,000 \$20,000
""	,,,	Total Intangible Drilling Costs:	\$2,093,127	245	25	FRAC STRING	\$0
				245	0	PACKERS/SLEEVES/PLUGS/GL MANDRELS	20
		Tangible Drilling Costs		245	3	PRODUCTION LINER	50
Major	Minor	Description	Amount	245	b	PRODUCTION PROCESSING FACILITY	SO
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	5	PRODUCTION TUBING	\$150,000
230	20 25	PACKERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS SUBSURFACE EQUIPMENT	\$0,000 \$50,000
230 230	35	PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$1,144,050 \$169,740	245	14	WELLHEAD EQUIPMENT	\$125,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	5	TAXES	\$28,600
230		TAXES	589,295			Total Tangible Completion Costs:	600
		Total Tangible Drilling Costs:	1,712,843				
		Tamilla Emilia Fore		Nia Tr	Minor	Intengible Facility Casts Description	Amount
Major	Minor	Tangible Facility Custs Description	тоил	265	5	CONSULTING	\$18,100
Major 270	10	FACILITY PIPE/VALVES/FITTINGS	\$180,000	65	12	COMPANY DIRECT LABOR	\$0
270		CONTAINMENT	50	65	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
270	25	DEHYDRATION	\$0	203	22	PAD/ROAD CONSTRUCTION	250,000
270		PRIMARY POWER MATERIALS	556,000	265	25	ENGINEERING / SCIENCE	\$22,000
270 270		FLOWLINES / PIPELINE / HOOKUP	\$47,000 \$0	265	40 45	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	\$0 \$0
270		H2S TREATING EQUIPMENT SEPARATION EQUIPMENT	\$125,000	26	60	OVERHEAD	\$3,000
270	66	ROAD/LOCATION/FENCING/REPAIRS	50	265	80	SURVEY / PLATS / STAKINGS	\$1,500
270	75	PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	\$0
270		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		CONTROL / INSTRUMENT / METERS / SCADA	\$86,000			Total Intungible Fucility Costs:	131,053
270 270		TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$90,000 \$154,000			Office Use Only:	
270		EI&C BATTERY BUILD	\$45,000			Outs the Disj.	
270		CONTROLS AND SCADA BATTERY BUILD	\$5,000	1			
270	136	PRIMARY POWER BUILD	\$\$6,000				
270		FLOWLINE INSTALLATION	\$27,000				
270		SIGNAGE	\$250	1			
270	124	TAXES Total Tangible Facility Costs:	\$55,674 1,067,924				
		The state of the s	1/44/1/44				
				ł			
Total Dri			\$4,406,170.14	1			
Total Cor			\$6,045,445 54	1			
Total Fac		M-	\$1,198,976.75 \$8,190,172.54	1			į
Total DC			\$2,261,443.14	1			
		•		1			1
Total AF			ett 440 400 42	1			1
Total Ari	<u>e</u>		\$11,650,592.43				
	HIS AU	JTHORITY FOR EXPENDITURE IS BASED ON COST	ESTIMATES, BILLING W	ILL REF	ECT Y	OUR PROPORTINATE SHARE OF THE ACTUAL I	INVOICE COSTS
		_					
Operator		Franklig Mountain Energy 3, LLC					
		( ( ) LA					
Approved		11000		Date			6/21/2023
		Crasg Walters Charl is constitute Officer					
		Chief Executive Officer					
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1							
WI Owne		<u></u>					
	ar .						
WI Owner	ar .			Date:			
Approved	if I By						
	if I By			Date:			

Parallel E/2W/2-Bone Spring and Wolfcamp

Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company

ORRI to Be Pooled

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 AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24350

### **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 323.91-acre, more or less, Bone Spring 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. 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 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 to form a standard 323.91-acre, more or less, Bone Spring horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23849.



- 3. Franklin plans to drill the Parallel State Com 303H and Parallel State Com 503H wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is expected to be orthodox.
- 4. Franklin filed Case No. 23849 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.
- 5. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:
  - a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).
  - b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).
  - c. A 163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060).
- 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. 23849 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 a 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 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;
  - B. Approving, to the extent necessary, the proposed overlapping spacing unit;
  - C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168

Received by OCD: 3/5/2024 9:40:15 PM

Page 4 of 5

Telephone: 505.848.1800

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<u>deana.bennett@modrall.com</u>

<u>Yarithza.pena@modrall.com</u>

Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24350 : 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 323.91-acre, more or less, Bone Spring 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 303H and Parallel State Com 503H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, 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 proposed spacing unit in this case will partially overlap the following existing spacing units: A160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060). 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 1</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax (575) 393-0720 District II 811 S. First St., Anlessa, NA 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

Phote: (5/3) 148-1483 Fax: (5/3) 143-9720 Pistra III 1000 Rio Brazos Roso, Azice, NM 87410 Phote: (505) 334-6178 Fax: (505) 334-6170 Ostriet IV 1220 S St. Francis Dr., Santo Fe. NM 87505 Phote: (505) 476-3460 Fax: (505) 476-3462

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### WELL LOCATION AND ACREAGE DEDICATION PLAT

ſ	API Yumber		<sup>1</sup> Peel Code	3 Post Name				
-1	30-025-525	29	55610 & 960	[55610] SCHARB; BONE SPRING, [960] AIRSTRIP; BONESPRING				
ı	4 Property Code		5 Pr	operty Name	* Well Number			
-1	335188	==-	PARALL	.ÉL STATE COM	303H			
-1	7 OGRID No.		K O	perator Name	<sup>b</sup> Elevation			
П	331595		FRANKLIN MOU	INTAIN ENERGY 3, LLC	3977.0'			

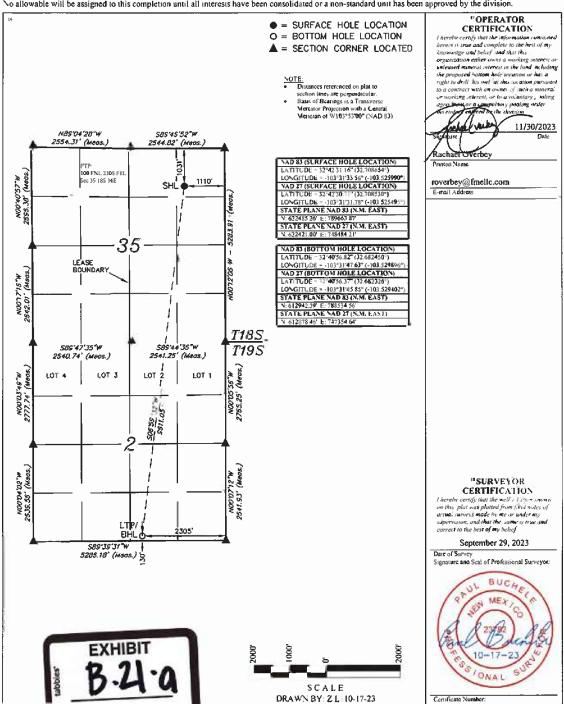
Surface Location

UL or lot no.	Section 35	Tavaship 185	Range 34E	Lot idn	Feet from the 1031	North/South line	Feet from the	East/West line EAST	County LEA	

"Bottom Hole Location If Different From Surface

1	UL or lot no.	Section 2	Township 19S	Range 34E	Lot Idn	Feet from the 130	North/South line SOUTH	Feet from the 2305	East/West line EAST	County LEA
ı	<sup>□</sup> Dedicated Acre 323 91	FR 13 T	aut or Infil	to Cana	lidation Code	15 Order So.				

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.



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District 1
1625 N. French Dr., Hobbs, NM 88240
Photic (373) 393-6161 Fax: (575) 393-0720
District III
811 S. First St., Artepat, NM 88230
Phote: (373) 748-1283 Fax: (573) 748-9720
District III
1000 Ros Brazos Roso, Azice, NM 87410
Photic: (303) 334-6178 Fax: (595) 334-6170
District III
1220 S. St. Francis Dr., Santa Fa, NM 87905
Phote: (305) 476-3460 Fax: (595) 476-3462

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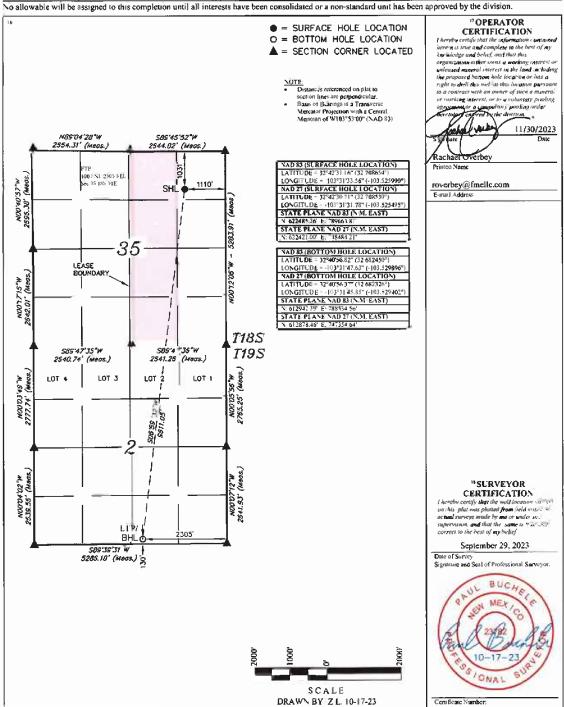
WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Venter   Pool Code   Pool Name										
LAPI Number		<sup>2</sup> Paol Code	-							
30-025-52529		960	AIRSTRIP, BONESPRING							
* Property Code		,	Property Name	4 Well Number						
335188		PARA	LLÉL STATE COM	303H						
7 OGRID No.			Operator Name	9 Elevation						
331595	l	FRANKLIN MO	3977.0'							

Uter tot no. Section Township Range Lot Idn Feet from the North/South line Feet from the EnsuWest line County
A 35 18S 34E 1031 NORTH 1110 EAST LEA

160

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.



Township

185

35

Range 34E

UL or lot no.

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County

East West line

EAST

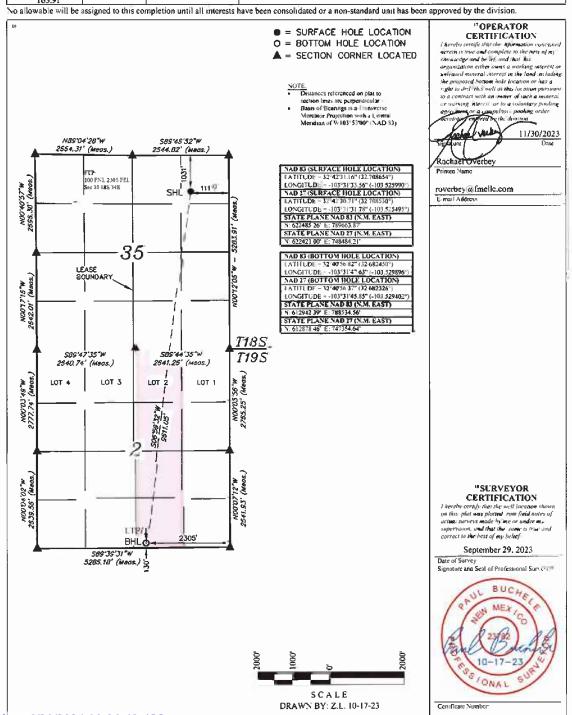
WELL LOCATION AND ACREAGE DEDICATION PLAT

WELL DOUBLING MANAGE DEDICATION TO A CONTROL OF THE										
API Number	<sup>1</sup> Pool Code	<sup>5</sup> Pool Code <sup>3</sup> Pool Name								
30-025-525	529 55610	SCHARB; BONE SPRING								
4 Property Code	* Pc	roperty Same	Well Number							
335188	PARALI	EL STATE COM	303H							
* OGRIO No.	*0	peratur Name	9 Elevation							
331595	FRANKLIN MOU	ENTAIN ENERGY 3, LLC	3977.0'							

"Surface Location

Lat Idn Feet from the North/South line Feet from the 1031 NORTH 1110

	Dottom Hote Education II Officient From Surface										
UL or lot no.	Section		Range	Lot Ida	Feet from the	North South line	Feet from the	East/West line	County		
0	2	19\$	34E		130	SOUTH	2305	EAST	LEA		
12 Dedicated Aces	75	Joint or Infill	<sup>14</sup> Cons	olidation Code	15 Order No.						



District I 1625 N. French Dr. Hobbs. NM 88240 Phone: (\$75) 393-6161 Fab. (\$75) 393-0720 District II 811 S. First St., Ariesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 Phone: (575) 148-1283 Fax: (575) 748-9720 Distinct III 1000 Rio Brazos Roso. Azice, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 Distinct TM. 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

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Certificate Number

### WELL LOCATION AND ACREAGE DEDICATION PLAT

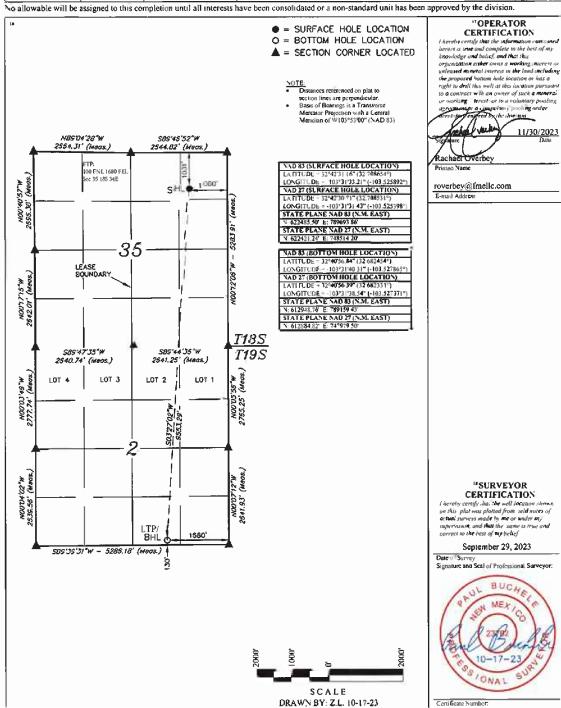
API Number		² Paal Code	Pool Name			
30-025-52533		55610 & 960	STRIP; BONESPRING			
Property Code		i Pr	operty Name	Well Number		
335188		PARALL	LÊL STATE COM	503H		
* OGRID No.		101	perator Name	<sup>q</sup> Elevation		
331595		FRANKLIN MOU	NTAIN ENERGY 3, LLC	3976.9'		

Surface Location

UL er lot no.	Section 35	Township 18S	Range 34E	Lot Idn	Feet from the 1031	North/South line NORTH	Feet from the 1080	Engt/West line EAST	County LEA	

"Bottom Hole Location If Different From Surface

UL or lot no.	Section 2	Township 19S	Range 34E	Loi ldn	Feet from the	North/South line SOUTH	Feet from the 1680	East/West line EAST	County LEA
12 Dedicated Acre 323.91	rs 13	Joint or Infil	14 Cons	ilidation Code	14 Order No.				



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District I 1625 N. French Dr., Hobbs, NM 88240 Phone (575) 393-6161 Fax. (575) 393-0720 District II B11 S First St., Ariesia, NM 88210 Phone: (575) "48-1283 Fax: (575) 748-9720 Phone: (505) 334-6178 Fax (505) 334-6170

District IV 1220 S St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3400 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

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Certificate Number

### WELL LOCATION AND ACREAGE DEDICATION PLAT

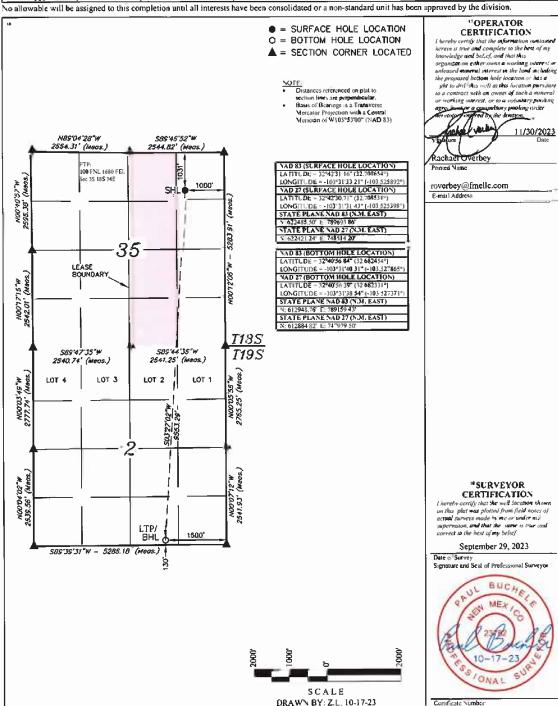
API Number		<sup>2</sup> Pool Code	3 Paul Name			
30-025-525	533	960	AIRSTRIP; BONESPRING			
4 Property Code		3.0	roperty Name	6 Well Number		
335188		PARALI	LÉL STATE COM	503H		
7 OGRID No.			perator Name	* Elevation		
331595		FRANKLIN MO	LNTAIN ENERGY 3, LLC	3976.9'		

"Surface Location

	LLo	A A	Section 35	Township 18S	Range 34E	Loi Ida	Feet from the 1031	North/South line NORTH	Feet from the 1080	EAST EAST	County LEA
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"Bottom Hole Location If Different From Surface

ĺ	UL or lot no. O	Section 2	Township 19S	Range 34E	Loi Idn	Feet from the 130	North/South line SOUTH	Feet from the 1680	East/West line EAST	County LEA
	12 Dedicated Acn	es 13	Joint or Infill	14 Const	olidation Code	25 Order No.				
-	160			i .						



<u>District 1</u> 1625 N. French Dr.; Hobbs, NM 88240 Phone: (\$75) 393-6161 Fax: (\$75) 393-0720 District II 811 S. First St., Arresia 1954 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 Phone: (505) 334 6178 Fax: (505) 334-6170

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

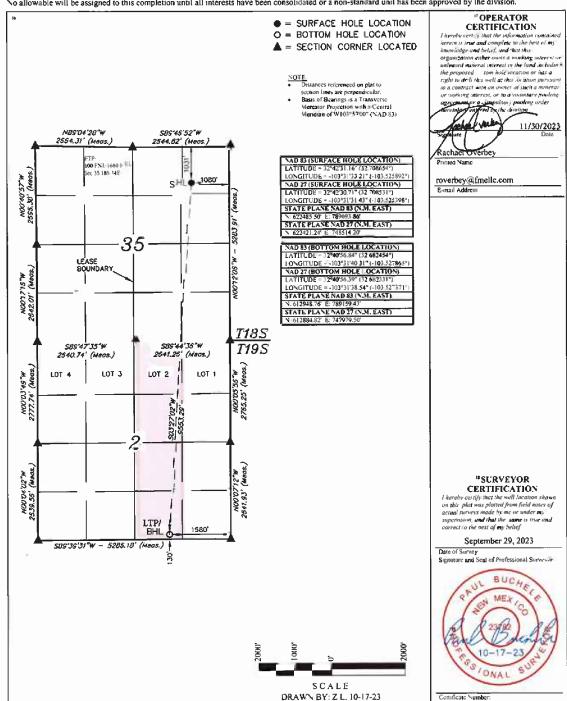
	WELL LOCATIO	W WIND WOKEYOF DEDUCATION LEVE	
1 API Number	<sup>7</sup> Paol Code	<sup>3</sup> Pool Name	-
30-025-525	533 55610	SCHARB; BONE SPR	ING
Property Code	· ·	l Property Name	6 Well Number
335188		PARALLEL STATE COM	503H
2 OGRID No.		4 Operator Name	* Elevation
331595	FRANKL	IN MOUNTAIN ENERGY 3, LLC	3976.9

Ut. ar lot no. Section Township Range Lot Idn Feet from the North South line Feet from the East West line County A 35 18S 34E 1031 NORTH 1080 EAST LEA				"Surface	Location	 	
			Lot fdn	1031		EAST	LEA

"Bottom Hole Location If Different From Surface

UL er lot ne.	Section 2	Township 19S	Range 34E	Lot Idn	Feet from the 130	North/South line SOUTH	Feet from the 1680	Eust/West line EAST	County LEA
12 Dedicated Acre	rs 13	Joint or Infill	14 Cunsa	Hidulion 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.



### Case No. 24350 Unit Summary

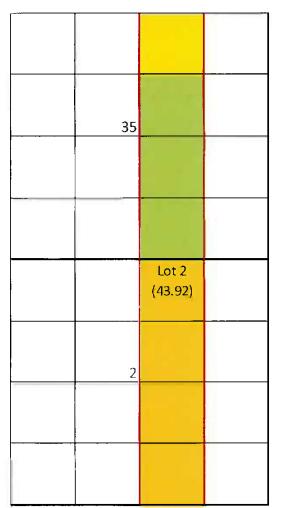


Case No. 24350

W2E2 of Sec 35-T18S-R34E & Lot 2, SWNE, W2SE of Sec 2-T19S-R34E, 323.92 Acres

Parallel State Com 303H

Parallel State Com 503H



Proposed Bone Spring Unit
Tract 1 (40,00 Acres)
Tract 2 (120.00 Acres)
Tract 3 (163.92 Acres)

Tract		Lease	%
	1	E0-5014	12.3487%
	2	VB-1210	37.0462%
	3	VB-1284	50.6051%

Commited Working Interest	
Franklin Mountain Energy 3, LLC	37 0462%
*Otter Creek LLC	12.3487%
Warren Ventures, Ltd. (Voluntary Pooling)	1 2651%
*TBO Oil & Gas LLC	0 1265%
Committed Interest	50.7866%
Uncommited Working Interes	it
MRC Permian Company	25 3025%
Hanley Petroleum Inc	9.9945%
Marathon Oil Permian LLC	6.0726%
Crump Family Partnership, Ltd.	1.2651%
LHAH Properties LLC	1.2651%
TSF WI LP	1.2651%
Buckhorn Energy, LLC	1 2651%
Charles D. Ray	0.8434%
H6 Holdings LLC	0 6326%
Hanley Petroleum LLC	0,6326%
Sharktooth Resources, Ltd.	0.4217%
Tarpon Industries Corp.	0 2530%
Uncommitted Interest	49.2134%
Total:	100 0000%

<sup>\*</sup>Received electrons to participate



Sent via USPS: 9400109205568025175599

July 17, 2023

TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood, CO 80401 Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 18 South, Range 34 East Section 35: W2E2 Township 19 South, Range 34 East Section 2: Lot 2 (43.92), SWNE, W2SE Lea County, New Mexico

323.92 acres, more or less

Dear Working Interest Owner:

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

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Parallel State Com 303H	1BS	10999	19,999'	Sec 35- T18S- R34E 987 FNL 1095 FEL	Sec 2- T19S- R34E 130 FSL 2305 FEL	\$11,355,549.08	N/A
Parallel State Com 503H	2BS	9150	19,150'	Sec 35- T18S- R34E 987 FNL 1070 FEL	Sec 2- T19S- R34E 130 FSL 1680 FEL	\$11,355,549.08	N/A
Parallel State Com 703H	WCA	9785	19,785'	Sec 35- T18S- R34E 987 FNL 995 FEL	Sec 2- T19S- R34E 130 FSL 2305 FEL	\$11,650,592.43	N/A
Parallel State Com 803H	WCB	10998	20,998'	Sec 35- T18S- R34E 987 FNL 2498 FEL	Sec 2- T19S- R34E 130 FSL 1780 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



Parallel State Com 303H:
I/We hereby elect to participate in the Parallel State Com 303H well.  I/We hereby elect NOT to participate in the Parallel State Com 303H well.
Parallel State Com 503H:
I/We hereby elect to participate in the Parallel State Com 503H well.  I/We hereby elect NOT to participate in the Parallel State Com 503H well.
Parallel State Com 703H:
I/We hereby elect to participate in the Parallel State Com 703H wellI/We hereby elect NOT to participate in the Parallel State Com 703H well.
Parallel State Com 803H:
I/We hereby elect to participate in the Parallel State Com 803H wellI/We hereby elect NOT to participate in the Parallel State Com 803H well.
Owner: TH McElvain Oil & Gas, LLLP
By:
Printed Name:
Title:
Date:



Franklin Mountain Energy 3, LLC 44 Cook Street, Suite 1000 Denver, CO 80306 Phone, 720-414-7868 Branklimmountaipenergy, com

Well #: 303H

County/State: Lea Co., NM

Date Prepared: 6/21/3023

AFE #: DCE230501

Purpose:		Drill and complete a 10,000' I BS well. TVD 10,999', MD 19,999'		AFE#:		DCE230501	
Malan	241	Intangible Drilling Costs	A	Marin	Manua	Intangible Completion Custs	Amagan
Major 225	MILEOF 5	DESCRIPTION ADMINISTRATIVE OVERHEAD	Amount \$1,000	Major 240	NATION 5	Description ADMINISTRATIVE OVERHEAD	\$8,200
325	ΙŪ	CASING CREW & EQPT	\$45,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,635
225 225	15 16	CEMENTING INTERMEDIATE CASING CEMENTING PRODUCTION CASING	\$40,000 \$80,000	240 240	15 20	CASING CREW & EQPT COILED TUBING/SNUBBING UNIT	\$0 \$194,313
225	20	CEMENTING PRODUCTION CASING	\$36,000	240	25	COMMUNICATIONS	\$1,896
225	25	COMMUNICATIONS	\$19,000	-0	30	COMPANY DIRECT LABOR	20
225	30	COMPLETION FLUIDS	\$6,000	40	35 45	COMPLETION/WORKOVER RIG	\$75,000 \$23,697
225 225	34 40	CONSTRUCTION& CONTRACT LABOR  CONTRACT LABOR	\$45,000 \$50,000	240	SD	CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION	\$1,896
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$2,844
225	SD	DAYWORK CONTRACT	\$520,000	2.60	60	ELECTRICAL POWER\GENERATION	30
225 225	55 60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$200,000 \$90,000	40 40	62 63	ENGINEERING ENVIRONMENTAL/CLEANUP	\$5,687 \$0
225	65	DRILLING BITS	590,000	2-80 240	70	FISHING TOOLS / SERVICES	\$0
225	70	ELECTRICAL POWER/GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
225 225	75 80	ENGINEERING ENVIRONMENTAL SERVICES	\$20,000 \$200,000	240	7 <u>2</u> 75	FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL	\$470,000 \$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$40,000	240	80	HEALTH & SAFETY	\$4,700
225	85	EQUIPMENT RENTAL	550,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,000
225	90- 95	FISHING TOOLS/SERVICES HEALTH & SAFETY	\$0 \$7,000	240	90 95	MATERIALS & SUPPLIES MISCELLANEOUS	50 50
225	100	HOUSING AND SUPPORT SERVICES	\$18,000	-240	100	MUD & CHEMICALS	\$10,000
225	105	INSURANCE	\$1,700	240	110	P&A/TA COSTS	50
225	106	INSPECTIONS	215,000	240	115	PERFORATING/WIRELINE SERVICE PIPE INSPECTION	\$265,403 \$0
225	115	LEGAL, TITLE SERVICES MATERIALS & SUPPLIES	\$6,000 \$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,000
225	120	MISCELLANEOUS	\$5,000	40	130	STIMULATION	\$2,616,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	531,000	40	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,915
225	130	MUD & CHEMICALS OPENHOLE LOGGING	5180,000 50	240 240	140	SUPERVISION SURFACE EQUIP RENTAL	\$90,047 \$189,573
225	141	CASED HOLE LOGGING	\$0	240	150	TRANSPORTATION/TRUCKING	\$2,844
225	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,872
225	150	POWER FUEL & WATER HAULING RIG MOVE & RACKING COSTS	\$160,000 \$130,000	240 240	160	WELDING SERVICES WELL TESTING/FLOWBACK	520 200,2012
225	160	RIG UP TEAR OUT & STANDBY	3130,000	240	148	TAXES	\$273,599
225	163	SITE RESTORATION	000,012	240	40	CONTINGENCY COSTS 5%	\$248,726
225	165	STAKING & SURVEYING	\$6,000	<u> </u>		Total Intungible Completion Costs:	5 2 4 100 346
225 225	170	SUPERVISION SUPERVISION - GEOLOGICAL	\$71,400 \$39,000			Tangible Completion Costs	
225	180	TRANSPORTATION/TRUCKING	\$20,000	Major	Minor	Description	Аднони
225	178	TAXES	\$125 (31	245	5	ARTIFICIAL LIFT	\$175,000 \$20,000
225	35	CONTINGENCY COSTS 5% Total Intungible Drilling Costs:	\$113,755	245 245	15 25	FLOWLINES FRAC STRING	320,000
		Pour manger training costs.	49 612, 44	36	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	20
		Tangible Drifting Costs		245	45	PRODUCTION LINER	\$0
ajor	Mar	Description	Ameunt	245	50 55	PRODUCTION PROCESSING FACILITY	\$150,000
230 230	10 20	INTERMEDIATÉ CASING & ATTACHMENTS PACKERS/SLEEVES/PLUGS	\$173,758 \$66,000	245 245	55 60	PRODUCTION TUBING RODS/FUMPS	\$130,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$1,034,380	245	65	SUBSURFACE EQUIPMENT	\$50,000
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$125,000
230 230	45 40	WELLHEAD EQUIPMENT/CASING BOWL TAXES	\$70,000	245	70	TAXES Total Tangible Completion Custs:	\$28,600 \$548,600
-30	40	Total Tangible Drilling Costs:	\$1,597, 141	-			
				Carre	\$4!	Intragible Facility Costs	Amount
Malan	14.000	Taugilde Facility Costs Description	Amount	19jor 265	41100	Description CONSULTING	Amount \$18,100
Major 270	10	FACILITY PIPE/VALVES/FITTINGS	000,0812	265	12	COMPANY DIRECT LABOR	20
270	15	CONTAINMENT	50	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
270 270	25 30	DEHYDRATION PRIMARY POWER MATERIALS	\$0 \$56,000	265 265	22 25	PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE	\$50,000 \$22,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	50
270	60	H2S TREATING EQUIPMENT	\$0	265	45	CONTRACT LABOR & SERVICES	50
270	65	SEPARATION EQUIPMENT	\$125,000	265	60	OVERHEAD	\$3,000
270 270	66 75	ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	90	265 265	80 85	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	\$1,500 50
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	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000	L		Total Intangible Facility Costs:	131,053
270 270	110	TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$90,000 \$154,000	_	_	Office Use Only:	
270	130	EI&C BATTERY BUILD	\$45,000			VIIIL OIL VIII	
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000				
270	136	PRIMARY POWER BUILD	\$\$6,000				
270 270	138	FLOWLINE INSTALLATION SIGNAGE	\$27,000 \$250				
270	125	TAXES	\$55,674				
		Tutal Tangible Facility Costs:	1 7 924	1			
Total Dri	IL.		\$4,111,126.79				
Total Co.	mpletio	n'	\$6,045,445 54				
Total Fac	illy.		\$1,198,976.75 \$8,010,831.04				
Total DC Total DC	Intang	iare:	\$2,145,741.29				
Taret Life	C.		\$11,353,540 08				
Total AF	E:	****	211,333,340	_			
	THIS A	UTHORITY FOR EXPENDITURE IS BASED ON COST EST	TIMATES BILLING V	VILL REF	ECT Y	OUR PROPORTINATE SHARE OF THE ACTUAL INV	OICE COSTS.
Operator:	:	Franklin Mountain Encray 3, LLC	_				
Approved	d Bv	(5)		Date		60	1/2023
		Craig Walters	_				
		Cluef Executive Officer					
WI Owne	er;						
				_			
Approved	d By⊤		_	Date			
				Title:			
Printed N	Samo			J (JRC.			



Franklin Mountain Energy J, LLC 44 Cook Street, Surfe 1000 Drawer, CO 80206 Phone 720-414-7868 franklinsountainenergy.com

Vett #: 503[]

County/State: Lea Co., NM

Date Prepared: 6/21/2023

AFE #: DCE230503

naboas:		TVD 9,150', MD 19,150'.		AFE #		DCE230503	
Mar.		Intangible Drilling C		F22 :		intangible Completion Ca	Amount
222 P	Viluar 5	Description ADMINISTRATIVE OVERHEAD	Amount \$4,000	Major 240	iviinor	ADMINISTRATIVE OVERHEAD	\$8,20
225	to	CASING CREW & EQPT	\$45,000	240	LD	CASED HOLE LOGS & SURVEYS	\$6,63
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240 240	15 20	CASING CREW & EQPT	\$ \$194,31
225	16 20	CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING	\$80,000 \$36,000	240	25	COILED TUBING/SNUBBING UNIT COMMUNICATIONS	\$1,89
225	25	COMMUNICATIONS	519,000	240	30	COMPANY DIRECT LABOR	\$
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/VORKOVER RIG	\$75,00
225 225	34 40	CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR	\$45,000 \$50,000	240 240	45 50	CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION	\$23,69 \$1,89
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$2,84
225	50	DAYWORK CONTRACT	\$520,000	240	60	ELECTRICAL POWER\GENERATION	
225 325	55 60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$200,000 \$90,000	240	62 65	ENGINEERING ENVIRONMENTAL/CLEANUP	\$5,68 \$
	65	DRILLING BITS	\$90,000	240	70	FISHING TOOLS / SERVICES	3
225	70	ELECTRICAL POWER/GENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$180,00
225 225	75 80	ENGINEERING ENVIRONMENTAL SERVICES	\$20,000 \$200,000	240	72 75	FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL	\$470,00 \$550,00
	84	EQUIPMENT RENTAL DOWNHOLE	\$40,000	2-6	80	HEALTH & SAFETY	\$4,70
	85	EQUIPMENT RENTAL	\$50,000	-6	B5	HOUSING AND SUPPORT SERVICES	\$14,00
	90	FISHING TOOLS/SERVICES	\$0 \$7,000	240	90	MATERIALS & SUPPLIES	5 5
	95 190	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$18,000	240	נגי ספו	MISCELLANEOUS MUD & CHEMICALS	\$10,00
	105	INSURANCE	\$1,700	- 6	110	P&A/TA COSTS	\$
	106	INSPECTIONS	\$15,000	⇒6	115	PERFORATING/WIRELINE SERVICE	\$265,40
	110	LEGAL, TITLE SERVICES MATERIALS & SUPPLIES	\$6,000 \$5,000	240	120 125	PIPE INSPECTION ROAD, LOCATIONS REPAIRS	\$2,00 \$2,00
	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,616,00
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,91
	130	MUD & CHEMICALS	\$180,000	240	140	SUPERVISION	\$90,04
	140	OPENHOLE LOGGING CASED HOLE LOGGING	\$0 \$0	240 240	145 150	SURFACE EQUIP RENTAL TRANSPORTATION/TRUCKING	\$189,57 \$2,84
225	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,82
225	150	POWER FUEL & WATER HAULING	\$160,000	240	160	WELDING SERVICES	
	155	RIG MOVE & RACKING COSTS	\$130,000	346 140	165	WELL TESTING/FLOWBACK	\$165,00
	160	RIG UP TEAR OUT & STANDBY SITE RESTORATION	210/000	Ю	1-18 40	TAXES CONTINGENCY COSTS 5%	\$273,59 \$248,70
225	165	STAKING & SURVEYING	\$6,000		_	Total Intangible Completion Costs:	96,84
	170	SUPERVISION	\$71,400			W	
	175	SUPERVISION - GEOLOGICAL TRANSPORTATION/TRUCKING	\$39,000 \$20,000	Maine	Mines	Tangible Completion Costs  Description	Amouat
	178	TAXES	\$125,131	245	5	ARTIFICIAL LIFT	\$175,00
	35	CONTINGENCY COSTS 5%	\$113,755	245	15	FLOWLINES	\$20,00
		Total Intaugible Drilling Costs:	\$2,513,986	245	25 40	FRAC STRING PACKERS/SLEEVES/PLUGS/GL MANDRELS	9
		angible Drilling C		245 245	40 45	PRODUCTION LINER	3
STREET, A	linar	Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	5
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	55	PRODUCTION TUBING	\$150,00
	20 25	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$66,000 \$1,034,380	245 245	60 65	RODS/PUMPS SUBSURFACE EQUIPMENT	2 00,022
	25 35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$125,00
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,60
230	40	TAXES Total Tampible Deilling Corte	\$83,263 \$1,597,141	<u> </u>		Total Tangible Completion Costs:	\$548,60
		Total Tangible Drilling Cents:	4,,277,141	1-171		Intangible Facility Costs	5
Majer - 6	NE.	Tangible sellity Costs	1	65	Atinor 5	Description CONSULTING	Amount S1840
270	10	FACILITY PIPE/VALVES/FITTINGS	Amount \$180,000	65	12	COMPANY DIRECT LABOR	5
270	15	CONTAINMENT	20	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,00
	25	DEHYDRATION	50	265	22	PAD/ROAD CONSTRUCTION	\$50,90 \$22,80
	30 50	PRIMARY POWER MATERIALS FLOWLINES / PIPELINE / HOOKUP	\$56,000 \$47,000	265 265	2S 40	ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	\$22,00 3
	60	H2S TREATING EQUIPMENT	50	265	45	CONTRACT LABOR & SERVICES	1
	65	SEPARATION EQUIPMENT	\$125,000	265	60	OVERHEAD	\$3,00
	66	ROAD/LOCATION/FENCING/REPAIRS	02 02	265 265	80 85	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	02,12 2
	75 86	PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT	\$137,000	265	83	TAXES	\$6,\$2
	90	H25 SAFETY SYSTEM	\$4,000	265	10	CONTINGENCY COSTS 5%	\$5,93
	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000			Total Intangible Facility Costs:	913130
	110	TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$90,000 \$154,000			Office Use Only:	
	130	EI&C BATTERY BUILD	\$45,000	$\vdash$		Calife Use Only:	
	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000				
	136	PRIMARY POWER BUILD	\$56,000				
	138	FLOWLINE INSTALLATION	\$27,000				
	125	TAXES	\$250 \$55,674				
		Total Tangible Facility Costs:	\$1,067,924				
				4			
nal Drill	1 7		\$4,111,126.79				
nal Comp	Petior	1	\$6,045,445.54				
da) Façili dal (X.º Ir	tfy"		\$1,198,976.75				
ATI IX. I			\$2,145,74) 29				
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nal AFE	ė.		\$11,355,549.08				
	MILE A	The second secon	nations but the	we see	PCT V	OUR PROPORTINATE SHARE OF THE ACTUAL	BUILDING COURTS
31	1145 15	DIMENSI A LANGEST CON COST ESTI	MATES, BILLING Y	VILL KEFL	ECT Y	OUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS
perator		Franklin M Harris Transport	_				
		( al the		Decision			4/11/2022
iproved I	RA.	Crang Walters	-	Date.			6/21/2023
		Craig Walters Chief Executive					
Owner							
			-				
proved E	By:		_	Date			
				Tale:			
inted Nac	min						
inted Nac							
		IPANTS MUST CARRY THEIR OWN CONTROL OF WELL	INSURANCE AND A	ATTACH A	CERT	IFICATE OF INSURANCE TO THIS ELECTION O	R INSURE WITH FMEJ

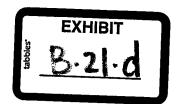
### Parallel W2E2-Bone Spring and Wolfcamp

### Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company
Crump Family Partnership, Ltd.
Tarpon Industries Corporation
CD Ray Exploration, LLC (fka 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
Otter Creek, LLC

### **ORRI to Be Pooled**

Crown Oil Partners, LP
Nestegg Energy Corporation
Good News Minerals, LLC
Oak Valley 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
Sortida Resources, LLC
Mike Moylett
Kaleb Smith
Deane Durham



#### 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. 24362

#### APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application<sup>1</sup> 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 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. 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 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 to form a standard 323.91-acre, more or less, Wolfcamp horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23852.



Page 2 of 5

Franklin plans to drill the Parallel State Com 703H and Parallel State Com 803H wells to a depth sufficient to test the Wolfcamp formation and the producing area for the wells is expected to be orthodox. The Parallel State Com 703H 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 SW/4SE/4 (Unit O) of Section 2, and the Parallel State Com 803H 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 SW/4SE/4 (Unit O) of Section 2.

- 4. Franklin filed Case No. 23852 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. 23852, ¶ 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 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 dedicated to Franklin's proposed Gold State Com 703H and Gold 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. 23852 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 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;
  - 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

Page 4 of 5

Received by OCD: 3/5/2024 9:37:30 PM

Attorneys for Applicant
edebrine@modrall.com
deana.bennett@modrall.com

Received by OCD: 3/5/2024 9:37:30 PM

CASE NO. 24362 : 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 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 703H and Parallel State Com 803H wells, to be horizontally drilled and the producing area for the wells is expected to be orthodox. The Parallel State Com 703H 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 SW/4SE/4 (Unit O) of Section 2, and the Parallel State Com 803H 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 SW/4SE/4 (Unit O) of Section 2. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap 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 dedicated to Franklin's proposed Gold State Com 703H and Gold 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.

District 1 1625 N. French Dr., Hobbs, NM 38246 Phone: (575) 393-6161 Fax: (575) 393-0720 Notice (\$55) 748-1283 Fax: (\$75) 748-9720

District III 1000 Rio Brazos Roao, Aztoc, NM 87410 Phone; (505) 334-6178 Fax; (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87506 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

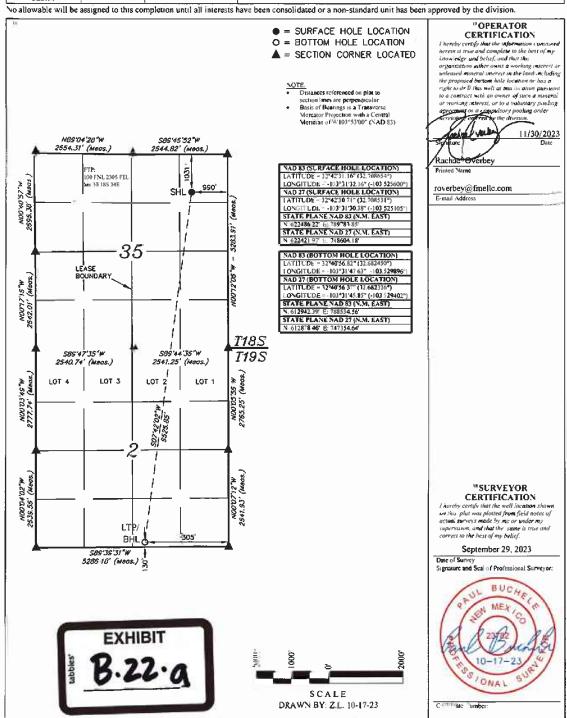
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

ſ	API Number		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name					
Į	30-025-52-	417	970	[970] AIRSTRIP; WOLFCAMP					
- [	* Property Code		<sup>5</sup> Pr	operty Name	4 Well Sumber				
[	335188		PARALL	EL STATE COM	703H				
Γ	<sup>9</sup> OGRID No.		*Op	erator Name	* Elevation				
-	331595		FRANKLIN MOL	NTAIN ENERGY 3, LLC	3976.7'				

"Surface Location

UL or lot no.	Section 35	Township 18S	Range 34E	l pi ldn	Feet from the 1031	North/South line NORTH	Fret from the 990	East/West line EAST	County LEA
			n	Bottom H	ole Location l	f Different From	Surface		

UL or lot no.	Section 2	Township 19S	Range 34E	Lot Idin	Feet from the 130	North/South line SOUTH	eet from the 2305	East/West line EAST	County LEA
17 Dedicated Acre 323.91	RZ 13 (I)	oint or Infill		ilidation Code	15 Order No.				



<u>District I</u> 1625 N. French Dr., Nobbs, NM 88240 Phone: (575) 393-6161 Fax. (575) 393-0720 Phone: (3.73) 75 February 2015 Phone: (3.74) 748-1283 Fax: (3.75) 748-9720

District III 1000 Rto Brazos Resa, Azicc, NM 87410 Phone. (505) 334-6178 Fax: (505) 334-6170 District IV... 1220 S. St. Francis Dr., Sama Fe N.M. 87505 Phone: (305) 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

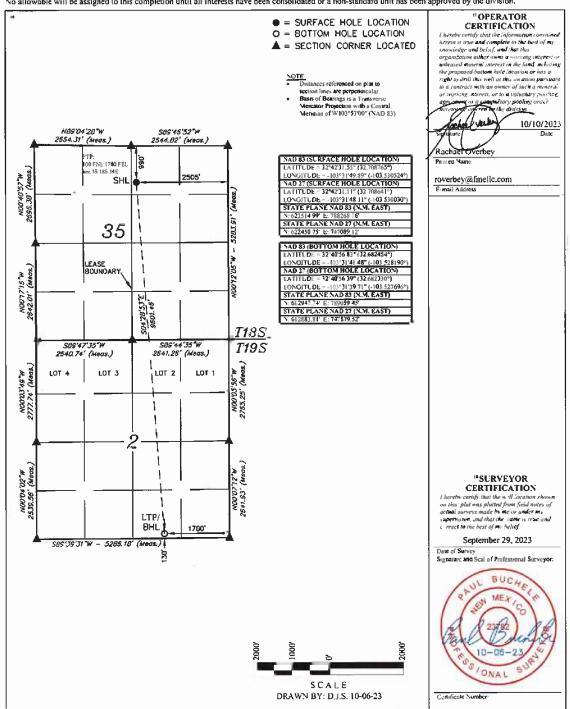
API Number 30-025-	² Paol Code 970	Pool Name AIRSTRIP; WOLFCAN	AP
* Property Code 335188		eperty Name LEL STATE COM	* Well Number 803H
<sup>7</sup> OGRID No. 331595		perator Name CNTAIN ENERGY 3, LLC	* Elevation 3982.6'

"Surface Location

	CL or lot no. B	Section 35	Fewnship 18S	Range 34E	f.oi ldn	Feet from the 990	North/South line NORTH	Feet from the 2505	East/West line EAST	County LEA
,										

Bottom Hole Location If Different From Surface Loi Idn Tuwnsh 198 SOUTH EAST 9 Order St 323.91

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.



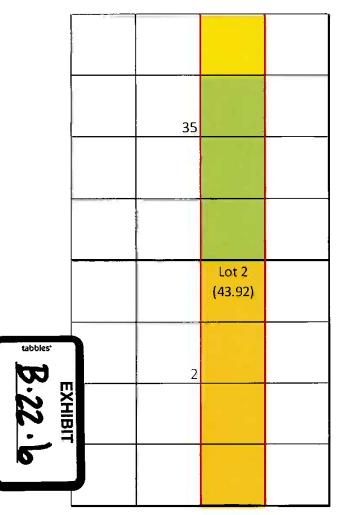
### Case No. 24362 Unit Summary



## Case No. 24362 W2E2 of Sec 35-T18S-R34E & Lot 2, SWNE, W2SE of Sec 2-T19S-R34E, 323.92 Acres

Parallel State Com 703H

Parallel State Com 803H



Proposed Wolfcamp Unrt
Tract 1 (40.00 Acres)
Tract 2 (120.00 Acres)
Tract 3 (163.92 Acres)

Tract	Lease	%
1	E0-5014	12.3487%
2	VB-1210	37.0462%
3	VB-1284	50,6051%

Commited Working Interest	
Franklin Mountain Energy 3, LLC	37 0462%
*Otter Creek LLC	12 3487%
Warren Ventures, Ltd (Voluntary Pooling)	1.2651%
*TBO Oil & Gas LLC	0.1265%
Committed Interest	50.7866%
Uncommited Working Intere	st
MRC Permian Company	25.3025%
Hanley Petroleum Inc.	9.9945%
Marathon Orl Permian LLC	6.0726%
Crump Family Partnership, Ltd.	1.2651%
LHAH Properties LLC	1.2651%
TSF WI LP	1.2651%
Buckhorn Energy, LLC	1.2651%
Charles D. Ray	0,8434%
H6 Holdings LLC	0.6326%
Hanley Petroleum LLC	0 6326%
Sharktooth Resources, Ltd	0 4217%
Tarpon Industries Corp.	0.2530%
Uncommitted Interest	49 2134%
Total	100.0000%

<sup>\*</sup>Received elections to participate



Sent via USPS: 9400109205568025175599

July 17, 2023

TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood, CO 80401 Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 18 South, Range 34 East Section 35: W2E2

Township 19 South, Range 34 East Section 2: Lot 2 (43.92), SWNE, W2SE

Lea County, New Mexico 323.92 acres, more or less

Dear Working Interest Owner:

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

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Parallel State Com 303H	IBS	10999	19,999'	Sec 35- T18S- R34E 987 FNL 1095 FEL	Sec 2- T19S- R34E 130 FSL 2305 FEL	\$11,355,549.08	N/A
Parallel State Com 503H	2BS	9150	19,150'	Sec 35- T18S- R34E 987 FNL 1070 FEL	Sec 2- T19S- R34E 130 FSL 1680 FEL	\$11,355,549.08	N/A
Parallel State Com 703H	WCA	9785	19,785'	Sec 35- T18S- R34E 987 FNL 995 FEL	Sec 2- T19S- R34E 130 FSL 2305 FEL	\$11,650,592.43	N/A
Parallel State Com 803H	WCB	10998	20,998'	Sec 35- T18S- R34E 987 FNL 2498 FEL	Sec 2- T19S- R34E 130 FSL 1780 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

44 Cook Street | Suite 1000 | Denver CO 80206



Parallel State Com 303H:
I/We hereby elect to participate in the Parallel State Com 303H well.  I/We hereby elect NOT to participate in the Parallel State Com 303H well.
Parallel State Com 503H:
I/We hereby elect to participate in the Parallel State Com 503H well.  I/We hereby elect NOT to participate in the Parallel State Com 503H well.
Parallel State Com 703H:
I/We hereby elect to participate in the Parallel State Com 703H well.  I/We hereby elect NOT to participate in the Parallel State Com 703H well.
Parallel State Com 803H:
I/We hereby elect to participate in the Parallel State Com 803H well.  I/We hereby elect NOT to participate in the Parallel State Com 803H well.
Owner: TH McElvain Oil & Gas, LLLP
By:
Printed Name:
Title:
Date:

AND INVESTIGATION DATE OF STREET



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

FRANKLIN MOUNTAIN
ENERGY
ENERGY
Weil Name:

Location:
Operatur:
Coperatur:

Purpose:

Well #; 703H

Caunty/State: Lea Co., NM

Date Prepared: 6/21/2023

AFE #: DCE230505

Eurpose:	:	Onli and complete a 10,000 WCA well TVD 9,785', MD 19,785'		AFE#:		DCE230505	
Major	Minor	Intan Ibl Drillin Co 11	Ammuni	Major	Minor	Intan Thir Com Pitton Cots Description	Amount
221	10	ADMINISTRATIVE OVERHEAD	\$4,500	240 240	5	ADMINISTRATIVE OVERHEAD	\$\$200
225	15	CASING CREW & EQPT' CEMENTING INTERMEDIATE CASING	\$50,000 \$40,000	240	10	CASED HOLE LOGS & SURVEYS CASING CREW & EQPT	\$6,63\$ \$0
225 225	16 20	CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING	580,000 536,000	240 240	20 25	COILED TUBING/SNUBBING UNIT COMMUNICATIONS	\$194,313 \$1,896
225	25	COMMUNICATIONS	\$21,000	240	30	COMPANY DIRECT LABOR	50
225 225	30 34	COMPLETION FLUIDS CONSTRUCTION/LOCATION & ROAD	\$6,000 \$45,000	240 240	35 45	COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS	\$75,000 \$23,697
225	40	CONTRACT LABOR	\$55,000	240	50	DAMAGES/RECLAMATION	\$1,\$96
225 225	45 50	DAMAGES DAYWORK CONTRACT	\$15,600	240 240	55 60	DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION	\$2,844 \$0
225	55	DRILLING - DIRECTIONAL	\$220,000	240	62	ENGINEERING	\$5,687
225 225	60 65	DRILLING - FOOTAGE DRILLING BITS	000,000 000,0012	240 240	65 70	ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES	\$0 \$0
225	70	ELECTRICAL POWERVGENERATION	\$0	240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
225 225	75 80	ENGINEERING ENVIRONMENTAL SERVICES	\$21,000 \$210,000	240 240	72 75	FRAC WATER/COMPLETION FLUID FUEL, POWER/DIESEL	\$470,000 \$550,000
125	84	EQUIPMENT RENTAL DOWNHOLE	\$50,000	240	80	HEALTH & SAFETY	\$4,700
225 225	85 90	EQUIPMENT RENTAL FISHING TOOLS/SERVICES	550,000	240 240	85 90	HOUSING AND SUPPORT SERVICES	514,000 50
225	95	HEALTH & SAFETY	\$9,000	240	95	MATERIALS & SUPPLIES MISCELLANEOUS	20
225	100	HOUSING AND SUPPORT SERVICES INSURANCE	\$19,000	240 240	100	NUD & CHEMICALS P&A/TA COSTS	20 <sub>0</sub> ,000
225	106	INSPECTIONS	\$1,900 \$17,000	240	113	PERFORATING/WIRELINE SERVICE	\$265,403
225	110	LEGAL, TITLE SERVICES	\$6,000	240 240	120	PIPE INSPECTION	50
225 225	115	MATERIALS & SUPPLIES MISCELLANEOUS	\$5,000 \$5,000	240	130	ROAD, LOCATIONS REPAIRS STIMULATION	\$2,000 \$2,616,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$17,915
275 225	13D 140	MUD & CHEMICALS OPENHOLE LOGGING	000,00012	240 240	140	SUPER VISION SURFACE EQUIP RENTAL	\$90,047 \$189,573
225	141	CASED HOLE LOGGING	\$0	340	150	TRANSPORTATION/TRUCKING	52,844
225 225	145	PERMITS, LICENSES, ETC POWER FUEL & WATER HAULING	\$20,000 \$170,000	240 240	155 160	WATER TRANSFER WELDING SERVICES	\$56,872 \$0
225	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,000
225 225	160	RIG UP TEAR OUT & STANDBY SITE RESTORATION	00,002	240	148 40	TAXES CONTINGENCY COSTS 5%	\$273,599 \$248,726
225	165	STAKING & SURVEYING	\$6,000		-10	Total Intangible Completion Costs:	\$5,496,846
225	170	SUPERVISION - GEOLOGICAL	\$75,600 \$41,400			Tangible Completion Costs	
225	180	TRANSPORTATION/TRUCKING	\$22,000	Major	Minor	Description Completion	Amount
225 225	178 35	TAXES CONTINGENCY COSTS 5%	\$134,057 \$121,870	245 245	5	ARTIFICIAL LIFT FLOWLINES	\$175,000 \$20,000
223		Tutal Intangible Drilling Costs:	12,000,00	245	25	FRAC STRING	50
		Tanalisia Bullina Casa		245 245	40 45	PACKERS/SLEEVES/PLUGS/GL MANDRELS PRODUCTION LINER	\$0 \$0
hjor	Minor	Tangible Drilling Costs Description	Anount	245	50	PRODUCTION PROCESSING FACILITY	\$0
230	10	INTERMEDIATE CASING & APTACHMENTS	\$173,758	245	55	PRODUCTION TUBING	\$150,000
230 230	20 25	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$66,900 \$1,144,650	245 245	60 65	RODS/PUMPS SUBSURFACE EQUIPMENT	\$0 \$50,000
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$125,000
230 230	40	WELLHEAD EQUIPMENT/CASING BOWL TAXES	\$70,000 \$89,295	245	70	TAXES Total Tangible Completion Casts:	\$28,600 \$548,600
		Total Tangible Drilling Costs:	[7 B43			Inton The Facility Costs	
		Tangible Facility Costs		Va or	Minor	Description	Amount
Major 270	Minor	PACILITY PIPE/VALVES/FITTINGS	Amount	265 265	12	CONSULTING COMPANY DIRECT LABOR	\$18,100 \$0
270	15	CONTAINMENT	\$0	265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
270 270	25 30	DEHYDRATION PRIMARY POWER MATERIALS	90,000 956,000	265 265	22 25	PAD/ROAD CONSTRUCTION ENGINEERING / SCIENCE	\$50,000 \$22,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	30
270 270	60 65	H2S TREATING EQUIPMENT SEPARATION EQUIPMENT	\$0 \$125,000	265 265	-45 60	CONTRACT LABOR & SERVICES OVERHEAD	\$0 \$3,000
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1,500
270	75	PRE-FABRICATED SKIDS	50	265	85	TRANSPORTATION / TRUCKING	\$0 \$6,523
270 270	86 90	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$137,000 \$4,000	265 265	<b>8</b> 3 (0	TAXES CONTINGENCY COSTS 5%	\$5,930
270	100	CONTROL/INSTRUMENT/METERS/SCADA	\$86,000	$\overline{}$		Total Intangible Facility Costs:	\$1 ,053
270	110	TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$90,000 \$1.54,000			Office Use Only	
270	132	EI&C BATTERY BUILD	\$45,000				
270	134	CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD	\$5,000 \$56,000				
270	132	FLOWLINE INSTALLATION	\$27,000				
270 270	140	SIGNAGE TAXES	\$250 \$55,674				
-10		Total Tangible Facility Custs:	\$1,067,924				
21 -							
Total Del			\$4,406,170.14				
Total Fac			\$6,045,445 \$4 \$1,198,976.75				
Total LIC	Intangi		\$8,190,172.54 \$2,261,443.14				
Total DC	Langib	le -	52,201,443 14]				
Total AF			311,650,592 43				
27							
1	THIS A	UTHORITY FOR EXPENDITURE IS BASED ON COST ES	TIMATES BIELING W	ILL REFL	ECT Y	OUR PROPORTINATE SHARE OF THE A UAL	INVOICE COSTS
Operator		Franklin Mountain Energy 3, LLC	_				
Approved	Bv	11:12		Date			6/21/2023
		Crasia Walters					
		Chief Executive offices					
WI Owne	r						
			_	D			
Approved	BY.	<del></del>	_	Date			
Printed N	ате		_	Title.			
		IDANTS MILET CARRY THEIR OWN CONTROL OF WELL					

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 Streat, Suite 1000 Denver, CO 80206 Phone: 720-414-7868 frankliennouatainenergy.com

		Drill and complete a 10,000' WCB well TVD 10,993', MD 20,998'		AFE #:		DCE230636	
		Intangible Drilling Costs				In turnelle Completion Co	
Major	Minor		Amount	Major	Minor	Description	Amount
121	5 10	ADMINISTRATIVE OVERHEAD CASING CREW & EQPT	\$5,200	240 240	5	ADMINISTRATIVE OVERHEAD	\$3,200
225	15	CEMENTING INTERMEDIATE CASING	\$55,000 \$40,000	240	10	CASED HOLE LOGS & SURVEYS : CASING CREW & EQPT	\$6,635 \$0.
225	16	CEMENTING PRODUCTION CASING	\$85,000	240	25	COILED TUBING/SNUBBING UNIT	\$194,313
326	20	CEMENTING SUFACE CASING	536,000	240	755	COMMUNICATIONS	\$1,896
225 225	25 36	COMMUNICATIONS COMPLETION FLUIDS	\$22,000 \$6,000	-0		COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG	\$0 \$75,000
225	34	CONSTRUCTION/LOCATION & ROAD	545,000	240	3	CONTRACT LABOR/ROUSTABOUTS	\$23,697
225	40	CONTRACT LABOR	\$60,000	240	D	DAMAGES/RECLAMATION	\$1,896
225 225	45 50	DAMAGES	\$15,000	-0	3	DISPOSAL SOLIDS	\$2,844 \$0
125	55	DAYWORK CONTRACT DRILLING - DIRECTIONAL	\$650,000 \$230,000	240	60 6.	ELECTRICAL POWER\GENERATION ENGINEERING	55,687
225	60	DRILLING - FOOTAGE	\$90,000	240	65	ENVIRONMENTAL/CLEANUP	\$0
125	65	DRILLING BITS	\$110,000	240	Ü	FISHING TOOLS / SERVICES	\$0
225	70 75	ELECTRICAL POWER/GENERATION ENGINEERING	\$0 \$25,200	240 240	72	FRAC WATER/COMPLETION FLUID	\$180,000 \$470,000
225	80	ENVIRONMENTAL SERVICES	\$220,000	240	75	FUEL, POWER/DIESEL	\$550,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000	340	80	HEALTH & SAFETY	\$4,700
225	85 90	EQUIPMENT RENTAL FISHING TOOLS/SERVICES	\$60,000	240 240	85 90	HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES	\$14,000 \$0
225	95	HEALTH & SAFETY	\$11,000	240	95	MISCELLANEOUS	\$0
225	100	HOUSING AND SUPPORT SERVICES	\$21,000	240	100	MUD & CHEMICALS	\$10,000
225	105	INSURANCE	52,200	40	110	P&A/TA COSTS	\$0
225	901 011	INSPECTIONS LEGAL, TITLE SERVICES	\$20,000 \$6,000	240	115	PERFORATINGAVIRELINE SERVICE PIPE INSPECTION	\$265,403 \$0
225	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	\$2,000
225	120	MISCELLANEOUS	000,22	-30	130	STIMULATION	\$2,616,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,915
225 225	130 140	MUD & CHEMICALS OPENHOLE LOGGING	\$200,000 \$0	240	140	SUPERVISION SURFACE EQUIP RENTAL	\$90,047 \$189,573
225	141	CASED HOLE LOGGING	so	240	150	TRANSPORTATION/TRUCKING	52,844
225	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,872
225	150	POWER FUEL & WATER HAULING	5180,000	240	160	WELDING SERVICES	\$0
225 225	155	RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	\$130,000 \$0	240 240	165	WELL TESTING/FLOWBACK TAXES	\$165,000 \$269,199
225	163	SITE RESTORATION	50	240	40	CONTINGENCY COSTS 5%	\$269,199 726
225	165	STAKING & SURVEYING	\$6,000			Total Intangible Completion Casts:	21,08,440
225	170	SUPERVISION	\$88,200	-		T-11-0-14-0-	
225 225	175 180	SUPERVISION - GEOLOGICAL TRANSPORTATION/TRUCKING	348,300 \$25,000	Major	Minne	Tangible Completion Cotts  Description	Amount
225	178	TAXES	\$143,721	245	3	ARTIFICIAL LIFF	\$175,000
225	15	CONTINGENCY COSTS 5%	130,655	245	15	FLOWLINES	\$20,000
		Total Intangible Drilling Costs:	20,000,000	245	25	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$0 \$0
102		Tangihle Drilling Casts	7.42	245	40 45	PRODUCTION LINER	\$0
Major	Minor	Description	Amnum	245	50	PRODUCTION PROCESSING FACILITY	\$0
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,548	245	\$5	PRODUCTION TUBING	\$150,000
230 230	20 25	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$66,000 \$1,165,590	245 245	60 65	RODS/PUMPS SUBSURFACE EQUIPMENT	\$0 \$50,000
230	35	SURFACE CASING & ATTACHMENTS	\$173,758	245	75	WELLHEAD EQUIPMENT	\$125,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$28,600
230	40	TAXES Total Taugible Drilling Costs:	590,689			Total Taugible Completion Casts:	600
		I piet I thigher Issued Court	4			Intangible Facility Costs	
		Tangible Facility Costs	- 19	Major		Description	Amount
270	Minor 10	Description FACILITY PIPE/VALVES/FITTINGS	Amonai 000,0812	26	5 12	CONSULTING COMPANY DIRECT LABOR	\$18,100
270	15	CONTAINMENT	30,000	-265	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
270	25	DEHYDRATION	20	315	22	PAD/ROAD CONSTRUCTION	\$50,000
270	30	PRIMARY FOWER MATERIALS	\$56,000	265	25	ENGINEERING / SCIENCE	\$22,000 \$0
270	50 60	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$47,000 \$0	265	40 45	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	3/1
270							20
270	65		\$125,000	265	60	OVERHEAD	000,02
7	66	SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS	\$0	265	80	SURVEY/PLATS/STAKINGS	53,000 51,500
270	66 75	SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	\$0 \$0	265 265	80 85	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	53,000 \$1,500 \$0
270 270	66	SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT	\$0 \$0 \$137,000	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$3,000 \$1,500 \$0 \$6,523
270	66 75 86	SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	\$0 \$0	265 265	80 85	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	53,000 \$1,500 \$0
270 270 270 270 270	66 75 86 90 100 110	SEPARATION EQUIPMENT ROADAGOATHOWEENCINGREPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL /INSTRUMENT / METERS / SCADA TANKS R WALKWAYS	\$0 \$0 \$137,000 \$4,000 \$86,000 \$90,000	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,000 \$1,500 \$0 \$6,523 \$5,930
270 270 270 270 270 270	66 75 86 90 100 110	SEPARATION EQUIPMENT ROAD/LOCATION/FENCTINGREPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS R WALKWAYS MECHANICAL BATTERY BUILD	\$0 \$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$3,000 \$1,500 \$0 \$6,523 \$5,930
270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132	SEPARATION EQUIPMENT ROADAGOATHOWEENCINGREPAIRS PRE-FABRICATED SKIDS PACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS R WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD	\$0 \$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$45,000	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,000 \$1,500 \$0 \$6,523 \$5,930
270 270 270 270 270 270	66 75 86 90 100 110	SEPARATION EQUIPMENT ROADAGOATHOWEENCINGREPAIRS PRE-FABRICATED SKIDS PACILITY SURFACE EQUIPMENT H25 SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS R WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PRIMARY POWER BUILD	\$0 \$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,000 \$1,500 \$0 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134 136 138	SEPARATION EQUIPMENT ROADAOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MICHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION	\$0 \$137,000; \$4,000; \$26,000 \$70,000 \$154,000 \$45,000 \$5,000 \$27,000	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,000 \$1,500 \$0 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134 136 138 140	SEPARATION EQUIPMENT ROAD/LOCATION/FENCTING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H25 SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS R WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY FOWER BUILD FLOWLING INSTALLATION SIGNAGE SIGNAGE	\$0 \$0 \$137,000; \$4,000; \$86,000 \$154,000 \$45,000 \$5,000 \$27,000 \$27,000	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,000 \$1,500 \$0 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134 136 138	SEPARATION EQUIPMENT ROADAOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MICHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION	\$0 \$137,000; \$4,000; \$26,000 \$70,000 \$154,000 \$45,000 \$5,000 \$27,000	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,000 \$1,500 \$0 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134 136 138 140	SEPARATION EQUIPMENT ROADAGOATHON/EDRICHORGEPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL /INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MICHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES	\$0 \$137,000 \$4,000 \$16,000 \$154,000 \$45,000 \$5,000 \$27,000 \$227,000 \$235,674	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,000 \$1,500 \$0 \$6,523 \$5,930
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270 270 270 270 270 270 270 270 270 270	66 75 36 90 100 110 130 132 134 136 138 140 125	SEPARATION EQUIPMENT ROADAGOATHON/EDRICHORGREPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS R WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Tatel Tangible Facility Coass:	\$0 \$137,000 \$1,000 \$16,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$356,070 \$156,070 \$156,070 \$156,070 \$156,070 \$156,070 \$156,070 \$156,070 \$156,070 \$156,070	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,000 \$1,500 \$0 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134 136 138 140 125	SEPARATION EQUIPMENT ROADJOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS R WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Cours:	\$0 \$137,000 \$1,000 \$16,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$35,675 \$1,067,924	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,000 \$1,500 \$0 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134 136 138 140 125	SEPARATION EQUIPMENT ROADAGOATHON/EDRICHORGEPAIRS PRE-FABRICATED SKIDS FACULITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MICHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY FOWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$0 \$137,000 \$1,000 \$16,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$356,070 \$156,070 \$156,070 \$156,070 \$156,070 \$156,070 \$156,070 \$156,070 \$156,070 \$156,070	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,000 \$1,500 \$0 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134 136 138 140 125	SEPARATION EQUIPMENT ROADAGOATHON/EDRICHORGEPAIRS PRE-FABRICATED SKIDS FACULITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MICHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY FOWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$0 \$137,000 \$4,000 \$36,000 \$90,000 \$154,000 \$45,000 \$5,000 \$27,000 \$25,000 \$27,000 \$35,674 \$1,067,924	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,000 \$1,500 \$0 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 132 134 136 138 140 125	SEPARATION EQUIPMENT ROADAGOATHON/EDRICHORGEPAIRS PRE-FABRICATED SKIDS FACULITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MICHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY FOWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$00 \$137,000 \$14,000 \$36,000 \$90,000 \$15,4,000 \$45,000 \$27,000 \$27,000 \$35,674 \$1,027,023 \$35,674 \$1,027,023 \$	265 265 265	80 85 83	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$3,000 \$1,500 \$0 \$6,523 \$5,930
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270 270 270 270 270 270 270 270 270 270	666 75 86 90 100 110 132 134 136 138 140 125	SEPARATION EQUIPMENT ROADAGOATHON/EDRICHORGEPAIRS PRE-FABRICATED SKIDS FACULITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MICHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY FOWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$00 \$137,000 \$14,000 \$36,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$27,000 \$356,070 \$156,070 \$15,000 \$27,00	265 265 265 265	80 85 83 10	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TANES CONTINGENCY COSTS 5% Total Intengible Facility Costs:  Office Use Only:	\$3,000 \$1,500 \$0 \$6,923 \$5,920 \$131,053
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 130 132 134 134 140 125	SEPARATION EQUIPMENT ROADAGOATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PACILITY SURPACE EQUIPMENT HAS SAFETY SYSTEM CONTROL /INSTRUMENT / METERS / SCADA TANKS R WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$00 \$137,000 \$14,000 \$36,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$27,000 \$356,070 \$156,070 \$15,000 \$27,00	265 265 265 265	80 85 83 10	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TANES CONTINGENCY COSTS 5% Total Intengible Facility Costs:  Office Use Only:	\$3,000 \$1,500 \$0 \$6,723 \$5,920 \$131,053
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270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 132 134 136 138 140 125	SEPARATION EQUIPMENT ROADJOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS R WALKWAYS MECHANICAL BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLING INSTALLATION SIGNAGE TAXES Total Tangible Facility Coass:	\$00 \$137,000 \$14,000 \$36,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$27,000 \$356,070 \$156,070 \$15,000 \$27,00	265 265 265 265	80 85 83 10	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TANES CONTINGENCY COSTS 5% Total Intengible Facility Costs:  Office Use Only:	\$3,000 \$1,500 \$0 \$6,923 \$5,920 \$131,053
270 270 270 270 270 270 270 270 270 270	66 75 86 90 100 110 132 134 136 138 140 125	SEPARATION EQUIPMENT ROADAGOATHON/EDRICHORGREPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HES SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MICHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Costs:	\$00 \$137,000 \$14,000 \$36,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$27,000 \$356,070 \$156,070 \$15,000 \$27,00	265 265 265 265	80 85 83 10	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TANES CONTINGENCY COSTS 5% Total Intengible Facility Costs:  Office Use Only:	\$3,000 \$1,500 \$0,523 \$5,930 { \$131,051
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270 270 270 270 270 270 270 270 270 270	66 75 36 90 100 110 132 134 136 138 140 125	SEPARATION EQUIPMENT ROADAGOATHON/EENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HESS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGMAGE TAXES Total Tangible Facility Couts:	\$00 \$137,000 \$14,000 \$36,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$27,000 \$356,070 \$156,070 \$15,000 \$27,00	265 265 265 265	80 85 83 10	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TANES CONTINGENCY COSTS 5% Total Intengible Facility Costs:  Office Use Only:	\$3,000 \$1,500 \$6,933 \$5,930 { \$131,051
270 270 270 270 270 270 270 270 270 270	66 75 36 90 100 110 132 134 136 138 140 125	SEPARATION EQUIPMENT ROADAGOATHON/EENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HESS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGMAGE TAXES Total Tangible Facility Couts:	\$00 \$137,000 \$14,000 \$36,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$27,000 \$356,070 \$156,070 \$15,000 \$27,00	265 265 265 265	80 85 83 10	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TANES CONTINGENCY COSTS 5% Total Intengible Facility Costs:  Office Use Only:	\$3,000 \$1,500 \$0,523 \$5,930 { \$131,051
270 270 270 270 270 270 270 270 270 270	66 75 36 90 100 110 132 134 136 138 140 125 138 140 125 138 140 125	SEPARATION EQUIPMENT ROADAGOATHON/EENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT HESS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELEC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGMAGE TAXES Total Tangible Facility Couts:	\$00 \$137,000 \$14,000 \$36,000 \$90,000 \$154,000 \$45,000 \$27,000 \$27,000 \$27,000 \$356,070 \$156,070 \$15,000 \$27,00	265 265 265 265	80 85 83 10	SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TANES CONTINGENCY COSTS 5% Total Intengible Facility Costs:  Office Use Only:	\$3,000 \$1,500 \$6,933 \$5,930 { \$131,051
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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 FMED

#### Parallel W2E2-Bone Spring and Wolfcamp

#### Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company
Crump Family Partnership, Ltd.
Tarpon Industries Corporation
CD Ray Exploration, LLC (fka 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
Otter Creek, LLC

#### **ORRI to Be Pooled**

Crown Oil Partners, LP
Nestegg Energy Corporation
Good News Minerals, LLC
Oak Valley 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
Sortida Resources, LLC
Mike Moylett
Kaleb Smith
Deane Durham



# 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. \_\_24351

#### **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 323.81-acre, more or less, Bone Spring 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. 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 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 to form a standard 323.81 acre, more or less, Bone Spring horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application in Case 23851.



- 3. Franklin plans to drill the Parallel State Com 304H and Parallel State Com 504H wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is expected to be orthodox.
- 4. Franklin filed Case No. 23851 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.
- 5. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:
  - a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).
  - b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).
  - c. A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388).
- 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. 23851 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 a 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/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;
  - B. Approving, to the extent necessary, the proposed overlapping spacing unit;
  - C. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168

Page 4 of 5

Received by OCD: 3/5/2024 9:43:33 PM

Telephone: 505.848.1800

edebrine@modrall.com
deana.bennett@modrall.com
Yarithza.pena@modrall.com
Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24351: 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 323.81-acre, more or less, Bone Spring 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 304H and Parallel State Com 504H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, 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 proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388). 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.

Phone. (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 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

Г	API Number 30-025-52	2 Pool Code 55610 & 960	[55610] SCHARB; BONE SPRING, [960] AIR	STRIP; BONESPRING
Г	4 Property Code 335188	PARALI	4 Well Number 304H	
	7 OGRID No. 331595		perator Name UNTAIN ENERGY 3, LLC	<sup>o</sup> Elevation 3976.8'

"Surface Location

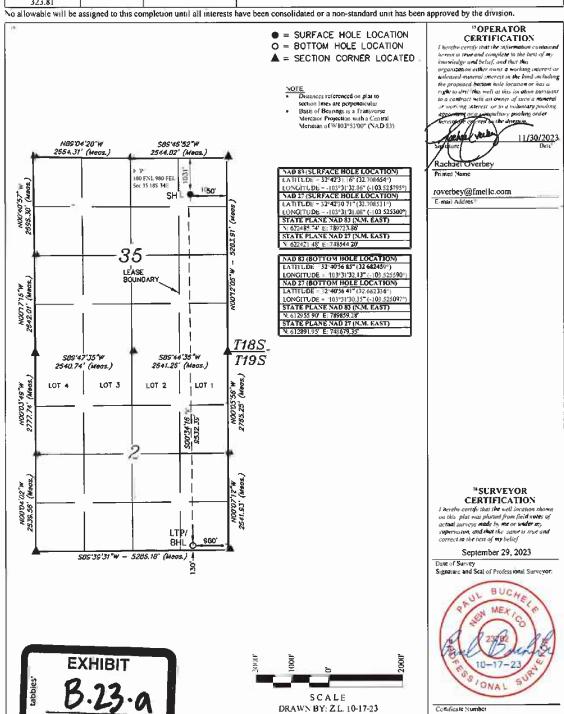
A	35	185	34E		1031	NORTH	1050	EAST	LEA	
		-								
Description of the control of the co										
Bottom Hole Location If Different From Surface										

Feet from the

East/West line

" Bottom Hote Location II Directent From Surface

UL or let no.	Section 2	Township 19S	Range 34E	Let Idn	Feet from the 130	North/South line SOUTH	Feet from the 980	East/West line EAST	County LEA
17 Dedicated Acre 323.81	B 13.1	oint or Infill	14 Conse	didation Code	15 Order No.				



Desired J 1625 N French Dr. Hobbs, NM 88240 Plane (515) 993-6161 Fax. (575) 393-0720 District B 11 S First St., Artesta NM 88210 Phone: (575) 748-1823 Fax: (575) 748-9720 Delired III 1000 Ro Brazos: Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (595) 334-6170

Phone: (\$05) 334-6178 Fax: (\$05) 334-6170 <u>District IV</u> 1220 S-St. Francis Dr., Santa Fc, 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

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#### WELL LOCATION AND ACREAGE DEDICATION PLAT

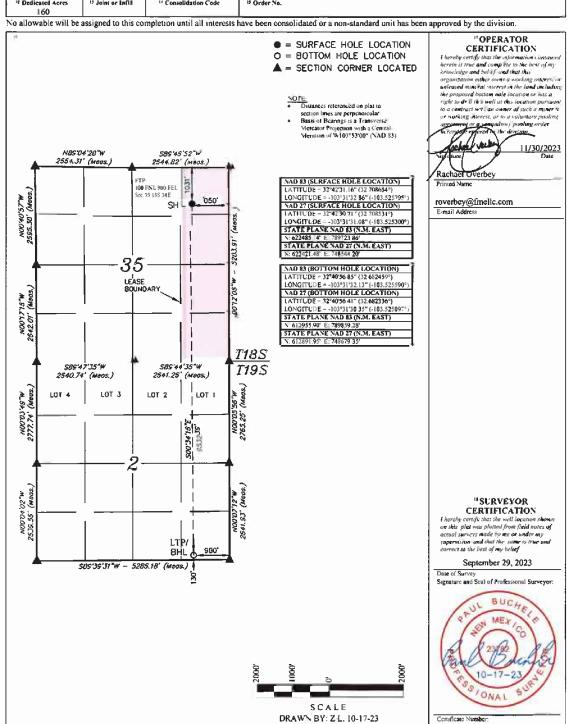
1 API Number	Peol	Code	<sup>2</sup> Poal Name		
30-025-52	530 960	960 AIRSTRIP; BONESPRIN			
Property Code		Property Name		4 Well Number	
335188		PARALLEL STATE COM		304H	
9 OGRID No.	· · ·	<sup>a</sup> Operator Name		" Elevation	
331595	FF	RANKLIN MOUNTAIN ENERGY 3, LLC		3976.8'	

"Surface Location

- 1	UL or lat no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
١	A	35	18S	34E		1031	NORTH	1050	EAST	LEA

"Bottom Hole Location If Different From Surface

I	VL or lot no. P	Section 2	n	Township 19S	Range 34E	Let Idn	eet from the 130	North/South line SOUTH	Feet from the 980	East/West line EAST	County LEA	]
I	17 Dedicated Acre	75	ı, Joi	int or Infill	14 Совя	lidation Code	15 Order No.					1
1	160	- 1										_



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (375) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Arlesia, NA 88210 Phone: (575) 748 1283 Fax: (575) 748-9720

Phone: (3-5) 148 (126) Fax: (5-5) 146-9/20 District III 1000 Rb Brazzos Roed, Aztoc, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S St. Francis Dr. Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

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#### WELL LOCATION AND ACREAGE DEDICATION PLAT

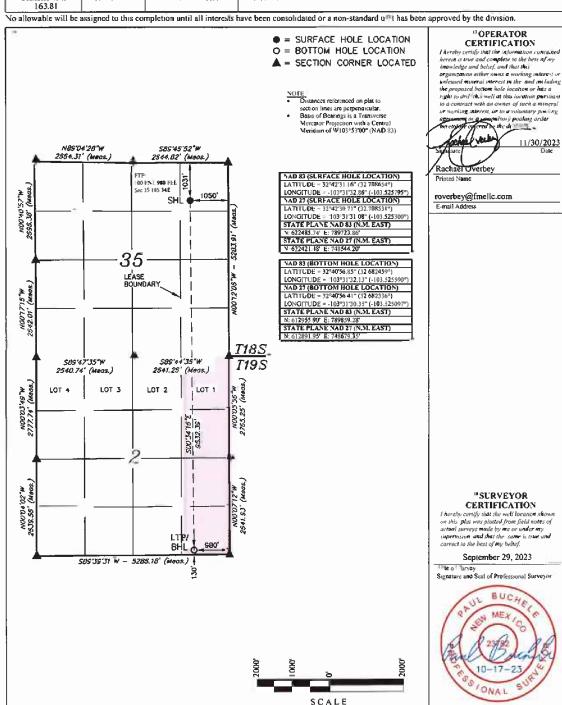
API Number 30-025-52	I	<sup>1</sup> Pool Code 55610	SCHARB; BONE SPRING	
4 Property Code		1 Pr	* Well Number	
_335188		PARALL	EL STATE COM	304H
" OGRID No.			erator Name	<sup>9</sup> Elevation
331595		FRANKLIN MOU	NTAIN ENERGY 3, LLC	3976.8'

"Surface Location

		UL ar lot no. A	Section 35	Township 18S	Range 34E	Lot Ide	Feet from the 1031	North/South line NORTH	Feet from the 1050	EAST	County LEA	
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"Bottom Hole Location If Different From Surface

ĺ	VI. or lot ne. P	Secti 2	on	Township 19S	Range 34E	Lot Idn	Feet from the 130	North/South line SOUTH	Feet from the 980	East/West time EAST	County LEA
ı	17 Dedicated Acres 163.81		13 Joint or Infill		<sup>14</sup> Cansr	lidation Code	15 Order No.				



DRAWN BY: Z.L-10-17-23

Certificate Number

# 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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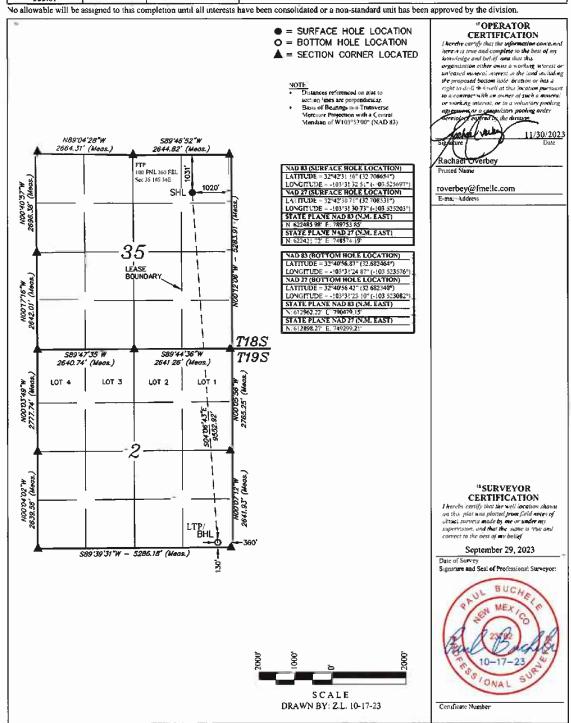
WELL LOCATION AND ACREAGE DEDICATION PLAT

			WEEL LOCITION	D A CIGHTOD DEDICATION I DATE		
Г	<sup>1</sup> API Number	•	<sup>1</sup> Post Code	<sup>3</sup> Pool Name		
	30-025-525	34	55610 & 960	IP; BONESPRING		
Г	4 Property Code			roperty Name	6 Well Number	
1	335188		PARALI	LEL STATE COM	504H	
Г	9 OGRID No.		10	perator Name	* Elevation	
L	331595		FRANKLIN MOI	JNTAIN ENERGY 3, LLC	3976 7'	

\*Surface Location Township UL or lot no. Section Range 34F Lot Idn Feet from the North/South line Feet from the East/West tine Count 35 185 1031 NORTH 1020 EAST LEA

"Bottom Hole Location If Different From Surface

Ul or lot no. ction ownship Range Lot the Feet from the North/South lin	Fort from the Law West He County
	Feet from the County County
P 2 198 34E 130 SOUTH	360 EAST LEA
12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 13 Order No. 323 St.	



District 1 1623 N. French Dr., Hobos, NM 38240 Phone: (575) 393-6161 Far: (575) 393-0720 District 1 311 S. Frest St., Anesia, NM 88210 Phone: (575) 748-1285 Fax: (575) 748-9730 District III 1900 Rto Brazos Roso, Azlee, NM 87410 Phone: (503) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (305) 476-3460 Fax: (505) 476-3462 State of New Mexico
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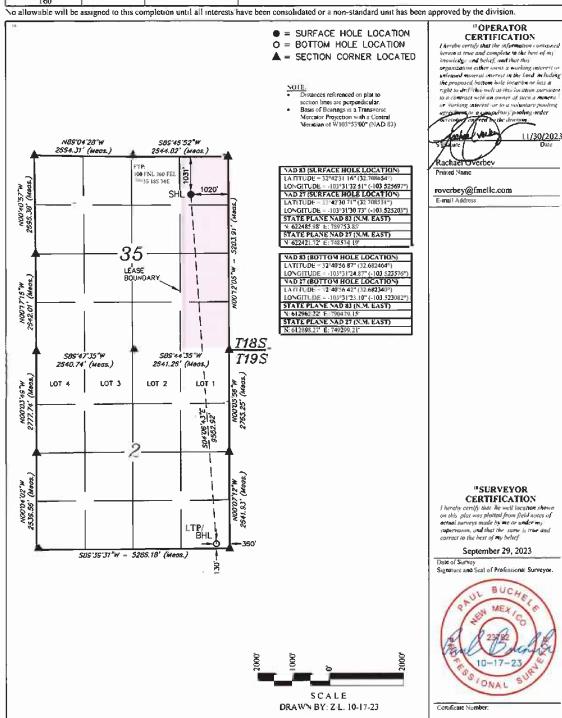
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

LAPI Number	r	<sup>2</sup> Pool Code	Pool Name	
30-025-52	534	960		
Property Code		5 Pr	roperty Name	Well Number
335188		PARALL	LEL STATE COM	50411
OGRID No.		*0	4 Elevation	
331595		FRANKLIN MOU	3976.7'	

	"Surface Location											
LL or lot no.	Section	Township	Range	Lot idn	Feet from the	North/South line	Feet from the	Enst/West line	County			
A.	35	18S	34E		1031	NORTH	1020	EAST	LEA			

"Bottom Hole Location If Different From Surface

	UL or lot no. Section		Township	Range			North/South line	Feet from the	Eapt/West line	County
	P	2	198	34E		130	SOUTH	360	EAST	LEA
İ	12 Dedicated Acr	08 II	Joint or Infill	14 Cons	atidation Code	15 Order No.				
	160	- 1		1						



District I
1025 N. French Dr. Hobbs NM 88240
Phone (17); 393-6161 Fax. (575) 393-0120
District II
811.5 First St. Artesia, NM 88240
Phone: (575) 748-1283 Fax. (575) 748-9720 PROBE (2017)

District III

1000 Ros Brazos Roso, Aztee, NM 87410

Phone: (505) 334-6178 Fax (505) 134-6170 District IV 1220 S. Sc. Francis Dr., Santa Fc, NM 87503 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

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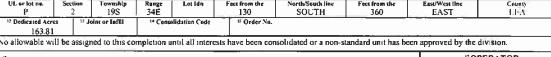
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

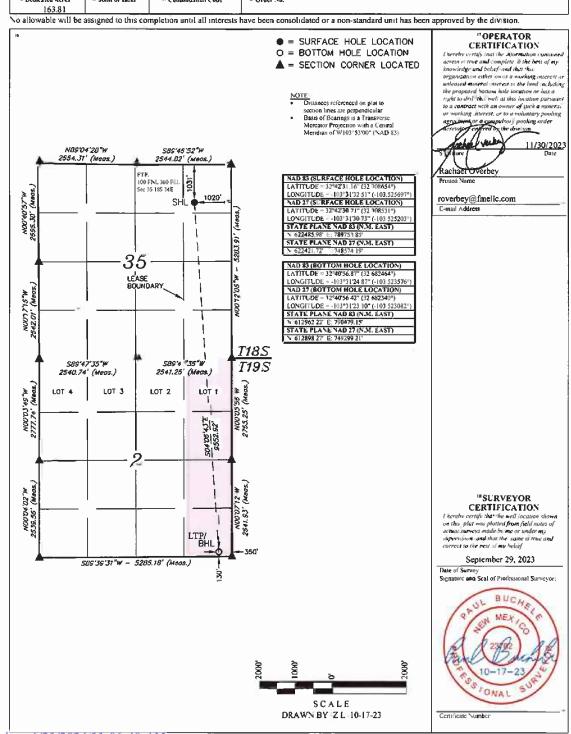
LAPI Number 30-025-52534		<sup>1</sup> Pool Code 55610	J Pool Name SCHARB, BONE SPRIN	lG			
4 Property Code 335188			Property Name              ^ Well Number            LLEL STATE COM         50411				
† OGRID No. 331595			perator Name UNT AIN ENERGY 3, LLC	* Elevation 3976.7'			

Range

ı,	- 4	33	100	34E		1031	NORTH			LEA		
-												
	"Bottom Hole Location If Different From Surface											
				_		*** - * * - * * - * * - * * - * * * * *						

"Surface Location





### Case No. 24351 Unit Summary



Case No. 24351
E2E2 of Sec 35-T18S-R34E & Lot 1, SENE, E2SE of Sec 2-T19S-R34E, 323.81 Acres
Parallel State Com 304H
Parallel State Com 504H

35		Proposed Bone Spring Unit
33		Tract 1 (160.00 Acres)
	Lot 1 (43.81)	Tract 2 (163.81 Acres)

Committed Working Interest	
Franklin Mountain Energy 3, LLC	49.4117%
Warren Ventures, Ltd. (Voluntary Pooling)	1.2647%
*TBO Oil & Gas LLC	0.1265%
Committed Interest	50.8029%
Uncommited Working Interest	
MRC Permian Company	25.2941%
Hanley Petroleum Inc.	9.9912%
Marathon Oil Permian LLC	6,0706%
Crump Family Partnership, Ltd	1.2647%
LHAH Properties LLC	1.2647%
TSF WI LP	1.2647%
Buckhorn Energy, LLC	1.2647%
Charles D. Ray	0.8431%
H6 Holdings LLC	0.6324%
Hanley Petroleum LLC	0.6324%
Sharktooth Resources, Ltd	0.4216%
Tarpon Industries Corp.	0.2529%
Uncommitted Interest	49 1971%
Total:	100,0000%



Tract	Lease	%
1	VB-1210	49.4117%
2	VB-1284	50.5883%

<sup>\*</sup>Received elections to participate



Sent via USPS: 9400109205568755459259

July 17, 2023

TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood, CO 80401

Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 18 South, Range 34 East Section 35: E2E2

Township 19 South, Range 34 East Section 2: Lot 1 (43.81), SENE, E2SE

Lea County, New Mexico 323.81 acres, more or less

Dear Working Interest Owner:

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

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Parallel State Com 304H	1BS	11742	20,742'	Sec 35- T18S- R34E 987 FNL 1045 FEL	Sec 2- T19S- R34E 130 FSL 980 FEL	\$11,355,549.08	N/A
Parallel State Com 504H	2BS	9797	19,797'	Sec 35- T18S- R34E 987 FNL 1020 FEL	Sec 2- T19S- R34E 130 FSL 360 FEL	\$11,355,549.08	N/A
Parallel State Com 704H	WCA	10483	20,483'	Sec 35- T18S- R34E 987 FNL 970 FEL	Sec 2- T19S- R34E 130 FSL 980 FEL	\$11,650,592.43	N/A
Parallel State Com 804H	WCB	10997	20,997'	Sec 35- T18S- R34E 987 FNL 2473 FEL	Sec 2- T19S- R34E 130 FSL 360 FEL	\$11,783,083.07	N/A





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

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

- 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



Parallel State Com 304H:
I/We hereby elect to participate in the Parallel State Com 304H wellI/We hereby elect NOT to participate in the Parallel State Com 304H well.
Parallel State Com 504H:
I/We hereby elect to participate in the Parallel State Com 504H well.  I/We hereby elect NOT to participate in the Parallel State Com 504H well.
Parallel State Com 704H:
I/We hereby elect to participate in the Parallel State Com 704H well. I/We hereby elect NOT to participate in the Parallel State Com 704H well.
Parallel State Com 804H:
I/We hereby elect to participate in the Parallel State Com 804H well.  I/We hereby elect NOT to participate in the Parallel State Com 804H well.
Owner: TH McElvain Oil & Gas, LLLP
By:
Printed Name:
Title:
Date:



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

 Well Name:
 Porallel State Com 304H
 Well ft:
 304H

 Location:
 SHL Sec 35-T12S-RAGE 987 FPL 1045 FEL.
 County/State:
 Loc Co., NM

 SHL Sec 21-T12S-RAGE 130 FEL 980 FEL.
 Date Prepared:
 6/21/2023

 Operator:
 Franklis Mountain Energy 3, LLC
 Date Prepared:
 6/21/2023

 Purpase:
 Doill and complete a 10,000° 185 well TVD 11,742; MD 20,742.
 AFE #:
 DCE230502

	12	TVD 11,742, MD 20,742'.		AFE #:		DCE230502	
		Intan Thie Drilli Costs		3.00		Intangible for fetion Casts	V6600XX
Major		Description	Amount	Male	Miner	Description	Unistor
225	5 10	ADMINISTRATIVE OVERHEAD CASING CREW & EQPT	\$4,000 \$45,000	40 240	10	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS	\$8,200 \$6,61\$
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	1.5	CASING CREW & EQPT	\$0
225	16	CEMENTING PRODUCTION CASING	280,000	140	20	COILED TUBING/SNUBBING UNIT	\$194,313
225 225	20 25	CEMENTING SUFACE CASING COMMUNICATIONS	\$36,000 \$19,000	240 240	25 30	COMMUNICATIONS COMPANY DIRECT LABOR	31,896 30
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,000
225	34	CONSTRUCTION/LOCATION & ROAD	545,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$23,697
225	40 45	CONTRACT LABOR	\$50,000	340 340	50 55	DAMAGES/RECLAMATION	\$1,896 \$2,844
225	40 50	DAMAGES DAYWORK CONTRACT	\$15,000 \$520,000	240	60	DISPOSAL SOLIDS ELECTRICAL POWER\GENERATION	\$2,444
225	55	DRILLING - DIRECTIONAL	\$200,000	240	62	ENGINEERING	\$5,687
225	60	DRILLING - FOOTAGE	570,000	240	65 70	ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES	\$0] \$0
225 225	65 70	DRILLING BITS ELECTRICAL POWER/GENERATION	\$90,000	240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
225	75	ENGINEERING	\$20,000	240	72	FRAC WATER/COMPLETION FLUID	\$470,000
225	80	ENVIRONMENTAL SERVICES	\$200,000	240	75	FUEL, FOWER/DIESEL	\$550,000
225 225	84 85	EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL	\$40,000 \$50,000	240 240	80 85	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$4,700 \$14,600
225	90	FISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	\$0
225	95	HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	\$0
225 225	100	HOUSING AND SUPPORT SERVICES INSURANCE	\$18,000 \$1,700	240 240	10	MUD & CHEMICALS P&A/TA COSTS	210,000
225	106	INSPECTIONS	\$15,000	240	i Š	PERFORATING/WIRELINE SERVICE	\$265,403
225	110	LEGAL, TITLE SERVICES	\$6,000	240	1.0	PIPE INSPECTION	\$0
225	115	MATERIALS & SUPPLIES	\$5,000	40	13	ROAD, LOCATIONS REPAIRS	\$2,000
225 225	120- 125	MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE	\$5,000 \$31,000	240	10	STIMULATION SUBSURFACE EQUIPMENTAL RENTAL	\$2,616,000 \$37,915
225	130	MUD & CHEMICALS	000,0812	- 0	ιo	SUPERVISION	\$90,047
225	140	OPENHOLE LOGGING	50	240	1.3	SURFACE EQUIP RENTAL	\$189,573
225 225	141	CASED HOLE LÓGGING PERMITS, LICENSES, ETC	\$0 \$20,000	340	0 55	TRANSPORTATION/TRUCKING WATER TRANSFER	\$2,844 \$56,873
225	150	POWER FUEL & WATER HAULING	\$160,000	240	160	WELDING SERVICES	30,513
225	155	RIG MOVE & RACKING COSTS	\$130,000	240	165	WELL TESTING/FLOWBACK	\$165,000
225 225	160 163	RIG UP TEAR OUT & STANDBY SITE RESTORATION	\$0 \$10,000	40 240	148 40	TAXES CONTINGENCY COSTS 5%	\$273,599 \$248,726
225	165	STAKING & SURVEYING	\$6,000	240	40	Total lutangible Completion Costs:	92,419,146
225	170	SUPERVISION	\$71,400				
335	175	SUPERVISION - GEOLOGICAL	239,000			Tan ble Completion Costs	4
225 225	E0   78	TRANSPORTATION/TRUCKING TAXES	\$20,000 \$125,131	Major	N1snor	Description ARTIFICIAL LIFT	Amount \$175,000
225	35	CONTINGENCY COSTS 5%	\$113,755	45	15	FLOWLINES	\$20,000
<u> </u>		Total Intangible Deilling Costs:	-,11-986	24		FRAC STRING	20
		Tangible Drilling Custs		243	40	PACKERS/SLEEYES/PLUGS/GL MANDRELS PRODUCTION LINER	50 50
Majer	Minor		A sheart	245	50	PRODUCTION PROCESSING FACILITY	SO
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	345	3	PRODUCTION TUBING	\$150,000
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245	0	RODS/PUMPS	\$50,000 \$50,000
230 230	25 35	PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$1,034,380 \$169,740	245 245	18	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$125,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	0	TAXES	\$28,600
230	40	TAXES	\$83,263			Total Tangible Completion Costs:	\$548,600
_		Total Tangible Drilling Costs:	4,597,141			Intangible Facility Casts	
		Tangible Facility Costs		Major		Description	Amount
ajor		Description -	Ameunt \$180,000	265	5	CONSULTING	\$18,100 \$0
270 270	10 15	FACILITY PIPE/VALVES/FITTINGS CONTAINMENT	\$180,000	265 265	12 20	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC	\$24,000
270	25	DELIYDRATION	50	265	22	PAD/ROAD CONSTRUCTION	\$50,000
270	30	PRIMARY POWER MATERIALS	000,682	263	25	ENGREERING / SCIENCE	522,000
270			\$47,000		40	HEALTH/SAFETY/ENVIRONMENTAL	
	50	PLOWLINES / PIPELINE / HOOKUP		265			\$0
270	60	H2S TREATING EQUIPMENT	50	265	45 60	CONTRACT LABOR & SERVICES OVERHEAD	20
270		HZS TREATING EQUIPMENT SEPARATION EQUIPMENT			45 60 80	CONTRACT LABOR & SERVICES OVERHEAD SURVEY / PLATS / STAKINGS	
	60 65	HZS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS	\$0 \$125,000 \$0 \$0	265 265 265 265	60 80 85	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING	\$0 \$3,000 \$1,500 \$0
270 270 270 270	60 63 65 75 86	H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROADALOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT	50 \$125,000 \$0 \$0 \$137,000	265 265 265 265 265 265	60 80 85 83	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES	\$0 \$3,000 \$1,500 \$0 \$6,523
270 270 270 270 270	60 65 65 75 86 90	HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROADLOCATION/FENCING/REPAIRS PRE-FADRICATED SKIDS FACILITY SURFACE EQUIPMENT HIS SAFETY SYSTEM	50 \$125,000 \$0 \$0 \$137,000 \$4,000	265 265 265 265	60 80 85	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$0,000 \$3,000 \$1,500 \$0
270 270 270 270	60 63 65 75 86	H2S TREATING EQUIPMENT SEPARATION EQUIPMENT ROADALOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT	\$0 \$125,000 \$0 \$0 \$137,000 \$4,000 \$86,000	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110	HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD.OCATION/SENCING/REPAIRS PRE-FADRICATED SKIDS FACILITY SURFACE EQUIPMENT IIIS SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD	\$0 \$125,000 \$0 \$0 \$137,000 \$4,000 \$20,000 \$154,000	265 265 265 265 265 265	60 80 85 83	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5%	\$0 \$3,000 \$1,500 \$0,523 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 63 66 75 86 90 100 110 130	HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PACILITY SUFFACE EQUIPMENT HIS SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIEC BATTERY BUILD	\$0 \$125,000 \$0 \$0 \$137,000 \$4,000 \$26,000 \$90,000 \$154,000 \$45,000	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 63 66 75 86 90 100 110 130 132	HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROADLOCATIONFENCING/REPAIRS PRE-FADRICATED SKIDS PACILITY SURFACE EQUIPMENT HIS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD	50 \$125,000 50 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$45,000	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 63 66 75 86 90 100 110 130	HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PACILITY SUFFACE EQUIPMENT HIS SAFETY SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIEC BATTERY BUILD	\$0 \$125,000 \$0 \$0 \$137,000 \$4,000 \$26,000 \$90,000 \$154,000 \$45,000	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 130 132 134 136 138	HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PROLITY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY FOWER BUILD FLOWLINE INSTALLATION SIGNAGE	50) \$125,000 \$125,000 \$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$5,000 \$5,000 \$27,000 \$27,000	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 63 66 75 86 90 100 130 132 134 136	HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROADAOCATION/FENCING/REPAIRS PRE-FADRICATED SKIDS PACILITY SUFFACE EQUIPMENT HIS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIGC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES	500 \$125,000 \$0 \$137,000 \$4,000 \$86,000 \$154,000 \$55,000 \$55,000 \$27,000 \$25,000 \$25,000	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0 \$3,000 \$1,500 \$0,523 \$6,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 130 132 134 136 138	HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PROLITY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY FOWER BUILD FLOWLINE INSTALLATION SIGNAGE	50) \$125,000 \$125,000 \$0 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$5,000 \$5,000 \$27,000 \$27,000	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 63 65 75 86 90 100 130 132 134 136 138 140 125	HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROADAOCATION/FENCING/REPAIRS PRE-FADRICATED SKIDS PACILITY SUFFACE EQUIPMENT HIS SAFETY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIGC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES	500 \$125,000 500 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$55,000 \$55,000 \$27,000 \$25,000 \$35,000 \$35,000	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 63 66 75 86 90 100 130 132 134 136 138 140 125	HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PACILITY SUFFEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELBC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Contex	500 \$125,000 \$00 \$137,000 \$4,000 \$86,000 \$90,000 \$154,000 \$55,000 \$27,000 \$27,000 \$55,674 \$607,923	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 63 66 75 86 90 100 130 132 134 136 140 125	HIS TREATING EQUIPMENT SEPARATION EQUIPMENT ROAD/LOCATION/FENCING/REPAIRS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PACILITY SUFFEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD ELBC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNAGE TAXES Total Tangible Facility Contex	500 \$125,000 \$125,000 \$50 \$50 \$137,000 \$4,000 \$36,000 \$194,000 \$154,000 \$55,000 \$27,00	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 65 65 75 86 90 100 110 132 134 136 138 140 125	HIS TREATING EQUIPMENT ROADAOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED REST SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNACE TAXES Total Tangible Faculty Contex  19 10 10 10 10 10 10 10 10 10 10 10 10 10	50) \$125,000 \$50 \$50 \$5137,000 \$34,000 \$36,000 \$90,000 \$154,000 \$545,000 \$545,000 \$55,000 \$55,000 \$55,000 \$22,000 \$22,000 \$22,000 \$22,000 \$23,	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 65 65 75 86 90 100 110 132 134 136 138 140 125	HIS TREATING EQUIPMENT ROADAOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED REST SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNACE TAXES Total Tangible Faculty Contex  19 10 10 10 10 10 10 10 10 10 10 10 10 10	500 \$125,000 \$125,000 \$50 \$50 \$137,000 \$4,000 \$36,000 \$194,000 \$154,000 \$55,000 \$27,00	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 65 65 75 86 90 100 110 132 134 136 138 140 125	HIS TREATING EQUIPMENT ROADAOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED REST SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNACE TAXES Total Tangible Faculty Contex  19 10 10 10 10 10 10 10 10 10 10 10 10 10	500 \$125,000 \$125,000 \$50 \$5137,000 \$4,000 \$36,000 \$38,000 \$51,4000 \$55,000 \$55,000 \$55,000 \$57,000 \$55,000	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 130 132 134 136 138 140 125	HIS TREATING EQUIPMENT ROADAOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED REST SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNACE TAXES Total Tangible Faculty Contex  19 10 10 10 10 10 10 10 10 10 10 10 10 10	50) \$125,000 \$50 \$50 \$5137,000 \$34,000 \$36,000 \$90,000 \$154,000 \$545,000 \$545,000 \$55,000 \$55,000 \$55,000 \$22,000 \$22,000 \$22,000 \$22,000 \$23,	265 265 265 265 265 265	60 80 85 83	OVENHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:	\$0, \$3,000 \$1,500 \$0,523 \$5,930
270 270 270 270 270 270 270 270 270 270	60 65 66 75 75 86 90 100 110 132 134 140 125	HIS TREATING EQUIPMENT ROADALOCATION/FENCING/REPAIRS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PROLITY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TANGET FOR THE STATE OF	500 \$125,000 \$125,000 \$50 \$5137,000 \$4,000 \$38,000 \$90,000 \$154,000 \$55,000 \$55,000 \$55,000 \$57,000 \$51,000 \$5	265 265 265 265 265 265 265	60 80 85 83 10	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$0,000 \$1,500 \$0,500 \$6,522 \$5,930 \$131,033
270 270 270 270 270 270 270 270 270 270	60 65 66 75 75 86 90 100 110 132 134 140 125	HIS TREATING EQUIPMENT ROADAOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED SKIDS PRE-FABRICATED REST SYSTEM CONTROL. INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNACE TAXES Total Tangible Faculty Contex  19 10 10 10 10 10 10 10 10 10 10 10 10 10	500 \$125,000 \$125,000 \$50 \$5137,000 \$4,000 \$38,000 \$90,000 \$154,000 \$55,000 \$55,000 \$55,000 \$57,000 \$51,000 \$5	265 265 265 265 265 265 265	60 80 85 83 10	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$0,000 \$1,500 \$0,500 \$6,522 \$5,930 \$131,033
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 130 134 134 140 125	HIS TREATING EQUIPMENT ROADALOCATION/FENCING/REPAIRS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PROLITY SYSTEM CONTROL / INSTRUMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PLOWLINE INSTALLATION SIGNAGE TAXES TOTAL TANGET FOR THE STATE OF	500 \$125,000 \$125,000 \$50 \$5137,000 \$4,000 \$38,000 \$90,000 \$154,000 \$55,000 \$55,000 \$55,000 \$57,000 \$51,000 \$5	265 265 265 265 265 265 265	60 80 85 83 10	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$0,000 \$1,500 \$0,500 \$6,522 \$5,930 \$131,033
270 270 270 270 270 270 270 270 270 270	60 65 65 65 75 86 90 100 110 132 134 136 138 140 125 THIS A	HIS TREATING EQUIPMENT ROADA,OCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS RECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PLOWLINE INSTALLATION SIONAGE TAXES TOTAL TANGENCY COMMET  BUILD PLOWLINE INSTALLATION SIONAGE TAXES TOTAL TANGENCY COMMET  BUILD	500 \$125,000 \$125,000 \$50 \$5137,000 \$4,000 \$38,000 \$90,000 \$154,000 \$55,000 \$55,000 \$55,000 \$57,000 \$51,000 \$5	265 263 265 265 265 265 265	60 80 85 83 10	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$3,000 \$1,500 \$6,523 \$5,930 \$131,033
270 270 270 270 270 270 270 270 270 270	60 65 65 65 75 86 90 100 110 132 134 136 138 140 125 THIS A	HIS TREATING EQUIPMENT ROADALOCATION/FENCING/REPAIRS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PRE-BABRICATED SKIDS PRE-CHIPMENT / METERS / SCADA TANKS & WALKWAYS MECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PLOWLINE INSTALLATION SIGNAGE TAXES TOTAL Tangible Facility Costs:  10 10 10 10 10 10 10 10 10 10 10 10 10	500 \$125,000 \$125,000 \$50 \$5137,000 \$4,000 \$38,000 \$90,000 \$154,000 \$55,000 \$55,000 \$55,000 \$57,000 \$51,000 \$5	265 265 265 265 265 265 265	60 80 85 83 10	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	\$0 \$3,000 \$1,500 \$0,522 \$5,930 \$131,033
270 270 270 270 270 270 270 270 270 270	60 65 65 65 75 86 90 100 110 132 134 136 138 140 125 THIS A	HIS TREATING EQUIPMENT ROADA,OCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS RECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PLOWLINE INSTALLATION SIONAGE TAXES TOTAL TANGENCY COMMET  BUILD PLOWLINE INSTALLATION SIONAGE TAXES TOTAL TANGENCY COMMET  BUILD	500 \$125,000 \$125,000 \$50 \$5137,000 \$4,000 \$38,000 \$90,000 \$154,000 \$55,000 \$55,000 \$55,000 \$57,000 \$51,000 \$5	265 263 265 265 265 265 265	60 80 85 83 10	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	S0,000 \$1,500 \$1,500 \$2,000 \$1,500 \$2,500 \$1
270 270 270 270 270 270 270 270 270 270	60 65 65 65 75 86 90 100 110 132 134 136 138 140 125 THIS A	HIS TREATING EQUIPMENT ROADALOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS RECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNACE TAXES TOTAL TRANSPORT  SIGNACE TOTAL TRANSPO	500 \$125,000 \$125,000 \$50 \$5137,000 \$4,000 \$38,000 \$90,000 \$154,000 \$55,000 \$55,000 \$55,000 \$57,000 \$51,000 \$5	265 263 265 265 265 265 265	60 80 85 83 10	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	S0,000 \$1,500 \$1,500 \$2,000 \$1,500 \$2,500 \$1
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 113 113 113 114 115 115 115 115 115 115 115 115 115	HIS TREATING EQUIPMENT ROADALOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS RECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNACE TAXES TOTAL TRANSPORT  SIGNACE TOTAL TRANSPO	500 \$125,000 \$125,000 \$50 \$5137,000 \$4,000 \$38,000 \$90,000 \$154,000 \$55,000 \$55,000 \$55,000 \$57,000 \$51,000 \$5	265 263 265 265 265 265 265	60 80 85 83 10	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	S0,000 \$1,500 \$1,500 \$2,000 \$1,500 \$2,500 \$1
270 270 270 270 270 270 270 270 270 270	60 65 66 75 86 90 100 110 113 113 113 114 115 115 115 115 115 115 115 115 115	HIS TREATING EQUIPMENT ROADALOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS RECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNACE TAXES TOTAL TRANSPORT  SIGNACE TOTAL TRANSPO	500 \$125,000 \$125,000 \$50 \$5137,000 \$4,000 \$38,000 \$90,000 \$154,000 \$55,000 \$55,000 \$55,000 \$57,000 \$51,000 \$5	265 263 265 265 265 265 265	60 80 85 83 10	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	S0,000 \$1,500 \$1,500 \$2,000 \$1,500 \$2,500 \$1
270 270 270 270 270 270 270 270 270 270	60 65 66 67 90 100 100 110 110 110 110 110 110 110	HIS TREATING EQUIPMENT ROADALOCATION/FENCING/REPAIRS PRE-FABRICATED SKIDS RECHANICAL BATTERY BUILD EIAC BATTERY BUILD CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER BUILD PRIMARY POWER BUILD FLOWLINE INSTALLATION SIGNACE TAXES TOTAL TRANSPORT  SIGNACE TOTAL TRANSPO	500 \$125,000 \$125,000 \$50 \$5137,000 \$4,000 \$38,000 \$90,000 \$154,000 \$55,000 \$55,000 \$55,000 \$57,000 \$51,000 \$5	265 263 265 265 265 265 265	60 80 85 83 10	OVERHEAD SURVEY / PLATS / STAKINGS TRANSPORTATION / TRUCKING TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs:  Office Use Only:	S0,000 \$1,500 \$1,500 \$2,000 \$1,500 \$2,500 \$1

Title

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

Printed Name:



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

County/State: Lea Co., NM
Date Prepared: 6/21/2023
AFE #: DCE230504

30411

Well #:

Purpose	:	TVD 9,797, MD 19,797		AFE#:		DCE230504	
		In the Drilling Costs		in.		Intan Thie Com Teison Casts	
Major 225	Minor 5	Description ADMINISTRATIVE OVERHEAD	Ameunt 34,000	718 9F	Micor 5	ADMINISTRATIVE OVERHEAD	Amount \$8,200
225	10	CASING CREW & EQPT	345,000	240	10	CASED HOLE LOGS & SURVEYS	\$6,635
225	15	CEMENTING INTERMEDIATE CASING	\$40,000	240	15 20	CASING CREW & EQPT	\$0 \$194,313
225 225	16 20	CEMENTING PRODUCTION CASING CEMENTING SUFACE CASING	\$30,000 \$36,000	240 240	25	COILED TUBING/SNUBBING UNIT COMMUNICATIONS	\$1,896
225	25	COMMUNICATIONS	\$19,000	240	30	COMPANY DIRECT LABOR	50
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$75,000
225 225	34 40	CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR	\$45,000 \$50,000	240 240	45 50	CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION	\$23,697 \$1,896
225	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$2,844
225	50	DAYWORK CONTRACT	\$520,000	240	60	ELECTRICAL POWER/GENERATION	50
225 225	55	DRILLING - DIRECTIONAL	\$200,000	240	62	ENGINEERING	\$5,687
225	65	DRILLING - FOOTAGE DRILLING BITS	\$90,000 \$90,000	240	65 70	ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES	\$0 \$0
225	70	ELECTRICAL POWER\GENERATION	50	240	71	FLUIDS/HAULING/DISPOSAL	\$180,000
225	75	ENGINEERING	\$20,000	240	72	FRAC WATER/COMPLETION FLUID	\$470,000
225	60 64	ENVIRONMENTAL SERVICES  EQUIPMENT RENTAL DOWNHOLE	\$200,000 \$40,000	240 240	75 80	FUEL, POWER/DIESEL HEALTH & SAFETY	\$550,000 \$4,700
225	85	EQUIPMENT RENTAL	250,000	240	85	HOUSING AND SUPPORT SERVICES	\$14,000
229	90	FISHING TOOLS/SERVICES	50	240	90	MATERIALS & SUPPLIES	\$0
225	95 100	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$7,000 \$18,000	240	95 100	MISCELLANEOUS MUD & CHEMICALS	\$0 \$10,000
224	105	INSURANCE	\$1,700	240	110	P&A/TA COSTS	\$10,000
225	106	INSPECTIONS	\$15,000	240	115	PERFORATINGAVIRELINE SERVICE	\$265,403
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	\$0
225 225	115 120	MATERIALS & SUPPLIES MISCELLANEOUS	\$5,000 \$5,000	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	\$180,000	240	140	SUPERVISION	\$90,047
225 225	140	OPENHOLE LOGGING	\$0: \$0:	240	145 150	SURFACE EQUIP RENTAL TRANSPORTATION/TRUCKING	\$189,573 \$2,844
225	141	CASED HOLE LOGGING PERMITS, LICENSES, ETC	520,000	240	155	WATER TRANSFER	\$56,872
225	150	POWER FUEL & WATER HAULING	\$160,000	24D	160	WELDING SERVICES	02
225	155	RIG MOVE & RACKING COSTS	\$130,000	310 240	165	WELL TESTING/FLOWBACK	\$165,000
225 225	160	RIG UP TEAR OUT & STANDBY SITE RESTORATION	\$0 \$10,000	340	€48 40	TAXES CONTINGENCY COSTS 5%	\$273,599 \$248,726
225	165	STAKING & SURVEYING	\$6,000			Total Intangible Campletion Costs:	37,470,940
225	170	SUPERVISION	571,400				
225	175	SUPERVISION - GEOLOGICAL	\$39,000 \$20,000	Major	842	Tangible Completion C	Amenat
225	178	TRANSPORTATION/TRUCKING TAXES	\$125,131	245	3	Description ARTIFICIAL LIFT	Amount \$175,000
225	35	CONTINGENCY COSTS 5%	\$113,755	245	15	FLOWLINES	\$20,000
		Total Intangible Drilling Costs:	52 27 986	245	25	FRAC STRING	50
		Tan The Drilling Casts		245 245	40 45	PACKERS/SLEEVES/PLUGS/GL MANDRELS PRODUCTION LINER	\$0 \$0
Major	Miner	Description	Amount	34	50	PRODUCTION PROCESSING FACILITY	50
230	10	INTERAL ING & ATTACHMENTS	173,	341	55	PRODUCTION TUBING	\$150,000
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245 245	60	RODS/PUMPS	000,000 00
230 230	25 35	PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$1,034,380 \$169,740	245	65 75	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$125,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	528,600
230	40	TAXES Total Taugible Drilling Costs:	\$83,263			Total Tangible Completion Costs:	\$548,600
ļ		Total Tringine Orienng Costs:	\$1,321,141			I man lible Facility Casts	
	. 41	Tangible Facility Costs	7	Majar		Description	Amount
Major 270	Minor	PACILITY PIPE/VALVES/FITTINGS	Amount \$180,000	65	12	CONSULTING COMPANY DIRECT LABOR	\$18,100 \$0
270	15	CONTAINMENT	30	65	20	DAMAGES/ROW/PERMITS, ETC	\$24,000
270	25	DEHYDRATION	\$0	6.5	22	PAD/ROAD CONSTRUCTION	550,000
270 270	30 50	PRIMARY POWER MATERIALS	\$\$6,000 \$47,000	265 265	25 40	ENGINEERING / SCIENCE HEALTH/SAFETY/ENVIRONMENTAL	522,000 \$0
270	60	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	50	265	45	CONTRACT LABOR & SERVICES	20
270	65	SEPARATION EQUIPMENT	\$125,000	265	60	OVERHEAD	13,000
270	66	ROAD/LOCATION/FENCING/REPAIRS	50	265	BO	SURVEY / PLATS / STAKINGS	\$1,500
270	75	PRE-FABRICATED SKIDS	50	263	85	TRANSPORTATION / TRUCKING	\$0
270 270	86 90	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$137,000 \$4,000	265	83 10	TAXES CONTINGENCY COSTS 5%	\$6,523 \$5,930
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000		, -	Total Intungible Facility Costs:	31,053
270	110	TANKS & WALKWAYS	\$90,000				
270 270	13D 132	MECHANICAL BATTERY BUILD EI&C BATTERY BUILD	\$154,000 \$45,000	$\vdash$		Office Use Unly:	
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000				
270	136	PRIMARY POWER BUILD	\$56,000				
270	138	FLOWLINE INSTALLATION	\$27,000	1			
270 270	140 125	SIGNAGE TAXES	\$250 \$55,674				
4.55		Total Tangible Facility Costs:	\$1,007,91	1			
_				1			
Fotal Dri	M.		34,111,126.79	1			
Total Co		n.	\$6,045,445.54	1			
Total Fac		ble	\$1,198,976,75 \$8,010,831,04	1			
Total DC			\$2,145,741.29				
Total Alf	12	·····	\$11,355,549.08				
_							
	THIS A	ÜTHORITY FOR EXPENDITURE IS BASED ON COST E	STIMATES, BILLING V	VILLEREF	LECT Y	OUR PROPORTINATE SHAILE OF THE ACTUAL	INVOICE COSTS.
Operator		Franklin b history English Life					
		11-12-111		7.6675			
Approve	d By	120000	_	Drie			6/21/2023
		Craig Walter Chief Execu					
		CHIEF LAVIU					
WH 2							
WI Own	er.						
Approve	d By			Date			
				70.4			
Printed N	Caunc			Title			

#### Parallel E2E2-Bone Spring and Wolfcamp

#### Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company
Crump Family Partnership, Ltd.
Tarpon Industries Corporation
CD Ray Exploration, LLC (fka 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

#### **ORRI to Be Pooled**

Crown Oil Partners, LP
Nestegg Energy Corporation
Good News Minerals, LLC
Oak Valley 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
Sortida Resources, LLC
Mike Moylett
Kaleb Smith
Deane Durham



## 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. 24348

#### **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 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. 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 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 to form a standard 323.81 acre, more or less, Wolfcamp horizontal spacing unit.

B·24

<sup>&</sup>lt;sup>1</sup> This application amends the application in Case 23850.

- 3. Franklin plans to drill the Parallel State Com 704H and Parallel State Com 804H wells to a depth sufficient to test the Wolfcamp formation. The Parallel State Com 704H 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 SE/4SE/4 (Unit P) of Section 2, and the Parallel State Com 804H 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 SE/4SE/4 (Unit P) of Section 2. The producing area for the wells is expected to be orthodox.
- 4. Franklin filed Case No. 23850 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. 23850, ¶ 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 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, dedicated to Franklin's proposed Gold 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. 23850 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 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;
  - 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

3

Page 4 of 5

Received by OCD: 3/5/2024 9:33:19 PM

Attorneys for Applicant
edebrine@modrall.com
deana.bennett@modrall.com

CASE NO. 24348: 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 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 704H and Parallel State Com 804H wells, to be horizontally drilled. The Parallel State Com 704H 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 SE/4SE/4 (Unit P) of Section 2, and the Parallel State Com 804H 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 SE/4SE/4 (Unit P) of Section 2. 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 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, dedicated to Franklin's proposed Gold 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.

## 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 RÉPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-524	I	ol Code 970	Pool Name [970] AIRSTRIP; WOLFCAMP		
* Property Code 335188		Property Name PARALLEL STATE COM		• Well Number 704H	
7 OGRID No. 331595	1	*Operator Name *RANKLIN MOUNTAIN EN	ERGY 3, LLC	* Elevation 3976.3*	

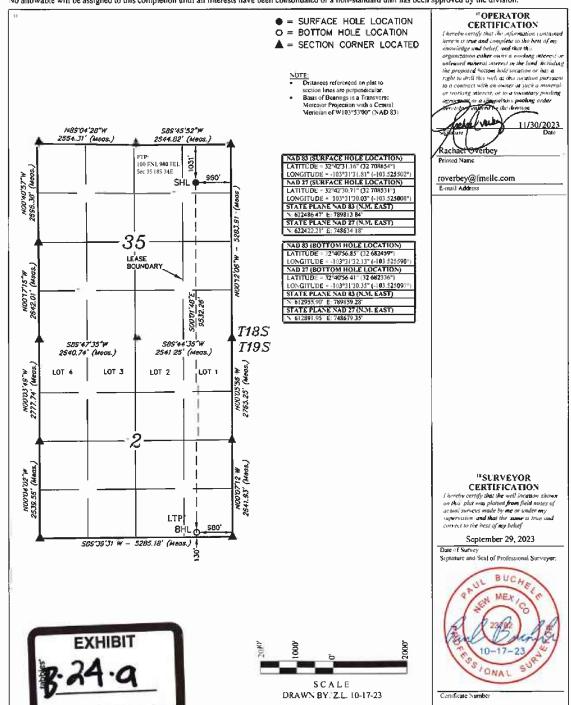
Surface Location

UL or lot no.	Section	Township			Feet from the	Yorth/South line	Feet from the	East/West line	County	
A	35	188	34E		1031	NORTH	960	EASI	LEA	

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	IE   130		North/South line	Feet from the Enst/West line		County
P	2	19S	34E			SOUTH	980 EAST		LEA
12 Dedicated Acres	PS 13 J	iciet or Infill		lidation Code	16 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.



<u>District 1</u> [623 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 811 S First St., Artesia, NM 88210 Phone: (\$75) 748-1283 Fax: (\$75) 748-9720 District III 1000 Rio Brazos Roso, Azise, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87805 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

County LEA

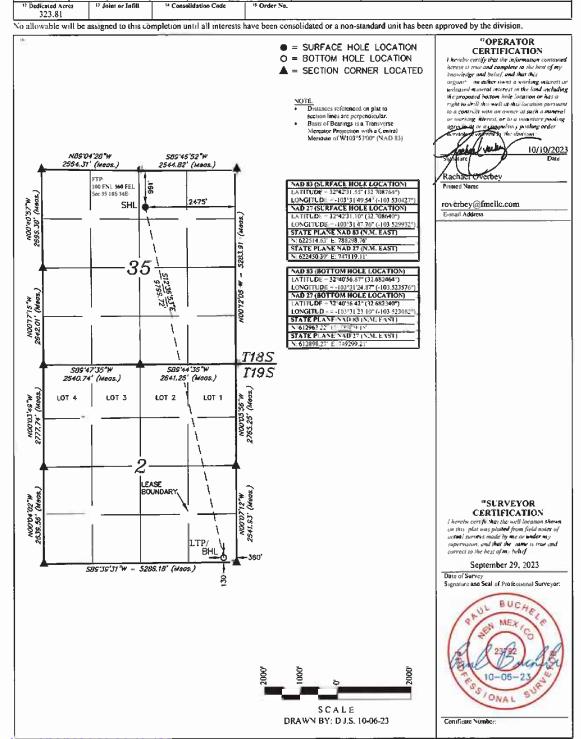
East/West Had

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		<sup>2</sup> Paol Cade	3 Pool Name			
30-025-52456		970	970 AIRSTRIP; WOLFO			
* Property Code			aporty Nanie	* Well Number 804H		
335188		PARALLÉL STATE COM				
7 OGRIO No.	1	*Op	erator Name	* Elevation		
331595	1	FRANKLIN MOU	NTAIN ENERGY 3, LLC	3982. I*		

Surface Location

	B	35	185	34E	CON NAIN	991	NORTH 2475		EAST	LEA
	Bottom Hole Location If Different From Surface									
UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/							East/West line EAST	County LEA		



## Page 184 of 304

#### Case No. 24348 Unit Summary



# Case No. 24348 E2E2 of Sec 35-T18S-R34E & Lot 1, SENE, E2SE of Sec 2-T19S-R34E, 323.81 Acres Parallel State Com 704H Parallel State Com 804H

25	Proposed Wolfcamp Unit
35	Tract 1 (160.00 Acres)
Lot 1 (43.81)	Tract 2 (163.81 Acres)
2	

Commiled Working Interest	
Franklin Mountain Energy 3, LLC	49 4117%
Warren Ventures, Ltd. (Voluntary Pooling)	1.2647%
*TBO Oil & Gas LLC	0.1265%
Committed Interest	50.8029%
Uncommited Working Interest	
MRC Permian Company	25.2941%
Hanley Petroleum Inc.	9. <b>9912</b> %
Marathon Orl Permian LLC	6.0706%
Crump Family Partnership, Ltd	1.2647%
LHAH Properties LLC	1.2647%
TSF WI LP	1.2647%
Buckhorn Energy, LLC	1.2647%
Charles D. Ray	0.8431%
H6 Holdings LLC	0.6324%
Hanley Petroleum LLC	0.6324%
Sharktooth Resources, Ltd.	0.4216%
Tarpon Industries Corp.	0.2529%
Uncommitted Interest	49,1971%
Total:	100 0000%

	*Received elections to participate
ó	

Tract	Lease	%	
1	VB-1210	49.4117%	
2	VB-1284	50.5883%	





Sent via USPS: 9400109205568755459259

July 17, 2023

TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood, CO 80401 Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 18 South, Range 34 East Section 35: E2E2 Township 19 South, Range 34 East

Section 2: Lot 1 (43.81), SENE, E2SE

Lea County, New Mexico 323.81 acres, more or less

Dear Working Interest Owner:

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

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Parallel State Com 304H	1BS	11742	20,742'	Sec 35- T18S- R34E 987 FNL 1045 FEL	Sec 2- T19S- R34E 130 FSL 980 FEL	\$11,355,549.08	N/A
Parallel State Com 504H	State Com 2BS		9797 19,797'		Sec 2- T19S- R34E 130 FSL 360 FEL	\$11,355,549.08	N/A
Parallel State Com 704H	State Com WCA		20,483'	Sec 35- T18S- R34E 987 FNL 970 FEL	Sec 2- T19S- R34E 130 FSL 980 FEL	\$11,650,592.43	N/A
Parallel State Com 804H	WCB	10997	20,997'	Sec 35- T18S- R34E 987 FNL 2473 FEL	Sec 2- T19S- R34E 130 FSL 360 FEL	\$11,783,083.07	N/A





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

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

- 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



Parallel State Com 304H:
I/We hereby elect to participate in the Parallel State Com 304H well.  I/We hereby elect NOT to participate in the Parallel State Com 304H well.
Parallel State Com 504H:
I/We hereby elect to participate in the Parallel State Com 504H well.  I/We hereby elect NOT to participate in the Parallel State Com 504H well.
Parallel State Com 704H:
I/We hereby elect to participate in the Parallel State Com 704H well.  I/We hereby elect NOT to participate in the Parallel State Com 704H well.
Parallel State Com 804H:
I/We hereby elect to participate in the Parallel State Com 804H well. I/We hereby elect NOT to participate in the Parallel State Com 804H well.
Owner: TH McElvain Oil & Gas, LLLP
By:
Printed Name:
Title:
Date:



Franklin Muuntain Energy 3, LLC 44 Cook Street, Suite 1000 Denver, CD 80306 Phone: 720-414-7868 (franklinmount sinetietgy, com

Cminty/State: Lea Co , NM Date Prepared: 6/21/2023 DCE230506

Purpose:		TVD 10,483', MD 20,483'.		AFE#:		DCE230506	
I No. 54	Mina	Intangible Drilling Costs	Amount	Maine	Minn	Intangible Completion Co !!!	
Jujor.	- 5	Description ADMINISTRATIVE OVERHEAD	\$4,500	Majar 240	5	ADMINISTRATIVE OVERHEAD	A \$8,200
225 225	10	CASING CREW & EQPT CEMENTING INTERMEDIATE CASING	\$50,900 \$40,000	240	E0	CASED HOLE LOGS & SURVEYS CASING CREW & EQPT	\$6,635 \$0
25	6	CEMENTING INTERMEDIATE CASING	\$10,000	240	30	COILED TUBING/SNUBBING UNIT	\$194,313
225	20	CEMENTING SUFACE CASING	\$36,000	240	- 5	COMMUNICATIONS	\$1,096
225 225	30	COMMUNICATIONS COMPLETION FLUIDS	521,000 \$6,000	240 240	9	COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG	\$0 \$75,000
225 225	4	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	5	CONTRACT LABOR/ROUSTABOUTS	\$23,697
10.00	ů.	CONTRACT LABOR	\$55,000	240	0	DAMAGES/RECLAMATION	\$1,896
225 225	510	DAMAGES DAYWORK CONTRACT	\$15,000 \$585,000	240 240	9	DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION	\$2,844 \$0
225	5 5	DRILLING - DIRECTIONAL	\$220,000	10	6.	ENGINEERING	\$5,687
225 225	6	DRILLING - FOOTAGE DRILLING BITS	\$90,000 \$100,000	240 240	0	ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES	\$0 \$0
225	7	ELECTRICAL POWER/GENERATION	50	340	4	FLUIDS/HAULING/DISPOSAL	\$180,000
225	75	ENGINEERING	\$21,000	240	2.3	FRAC WATER/COMPLETION FLUID	\$470,000
325	80 84	ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE	\$210,000 \$50,000	240 340	30	FUEL, POWER/DIESEL HEALTH & SAFETY	\$550,000 \$4,700
225	15	EQUIPMENT RENTAL	\$50,000	240	5	HOUSING AND SUPPORT SERVICES	\$14,000
225	90	PISHING TOOLS/SERVICES	\$0	240	90	MATERIALS & SUPPLIES	\$0
225 225	100	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$9,000 \$19,000	240	100	MISCELLANEOUS MUD & CREMICALS	\$0 \$10,000
225	105	INSURANCE	\$1,900	140	110	P&A/TA COSTS	50
225	106	INSPECTIONS	\$17,000	246 340	115	PERFORATINGAVIRELINE SERVICE	\$265,403
225 225	110	LEGAL, TITLE SERVICES MATERIALS & SUPPLIES	\$6,000 \$5,000	240	120	PIPE INSPECTION ROAD, LOCATIONS REPAIRS	\$0 \$2,000
225	120	MISCELLANEOUS	\$5,000	2 40	130	STIMULATION	\$2,616,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$37,915
225	130	MUD & CHEMICALS OPENHOLE LOGGING	\$190,000	240 240	140	SUPERVISION SURFACE EQUIP RENTAL	\$90,047 \$189,573
225 325	141	CASED HOLE LOGGING	\$0	244	150	TRANSPORTATION/TRUCKING	\$2,844
325	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$56,872
225 225	150	POWER FUEL & WATER HAULING RIG MOVE & RACKING COSTS	\$170,000 \$130,000	340 340	160	WELL TESTING/FLOWBACK	\$0 \$165,000
225	160	RIG UP TEAR OUT & STANDBY	\$0	240	148	TAXES	\$273,599
225 225	163	SITE RESTORATION	\$10,000 \$6,000	40	40	CONTINGENCY COSTS 5%	\$248,726 846
225	165	STAKING & SURVEYING SUPERVISION	\$75,600	Ь.		Total Intangible Completion Costs:	
225	175	SUPERVISION - GEOLOGICAL	\$41,400	_	_30753	Tangible Completion Costs	
225	180	TRANSPORTATION/TRUCKING	\$22,000	Maj	Alten	Description	Amount \$175,000
225	178 35	TAXES CONTINGENCY COSTS 5%	\$134,057 5121,870	245	15	ARTIFICIAL LIFT FLOWLINES	\$175,000
		Total Intangible Drilling Costs:	\$2,693,327	24	25	FRAC STRING	50
				245 245	40 45	PACKERS/SLEEVES/PLUGS/GL MANDRELS PRODUCTION LINER	\$0 \$0
Major	Minor	Tangible Brilling C	Amount	245	50	PRODUCTION PROCESSING FACILITY	\$0
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	35	PRODUCTION TUBING	\$150,000
230	20	PACKERS/SLEEVES/PLUGS	166,000	245	60	RODS/PUNIPS	\$0 \$50,000
230 230	25 35	PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$1,144,050 \$169,740	245 245	65 75	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$125,000
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	345	70	TAXES	\$28,600
230	40	TAXES Total Tangible Drilling Coxes:	\$89,295			Total Tangible Completion Custs:	600
				P-11-7-3-	241	Intangible Facility Costs	Amount
Major	Minor	Tangible Facility Costs  Description	Amount One 0812	Major 265	Minor	Description CONSULTING	\$18,100
270	10		2100,000	265	12	COMPANY DIRECT LABOR	\$0
270 270	15 25	CONTAINMENT DEHYDRATION	20	265	20 22	DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION	\$24,000 \$50,000
270	30	PRIMARY POWER MATERIALS	\$56,000	369	25	ENGINEERING / SCIENCE	\$22,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$47,000	365	40	HEALTH/SAFETY/ENVIRONMENTAL	\$0
270 270	60 65	H2S TREATING EQUIPMENT SEPARATION EQUIPMENT	\$0 \$125,000	265 265	45 60	CONTRACT LABOR & SERVICES OVERHEAD	000,TZ 000,TZ
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$0	265	80	SURVEY / PLATS / STAKINGS	\$1,500
270	75	PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	30
270	86 90	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$137,000 \$4,000	265 265	83 10	TAXES CONTINGENCY COSTS 5%	\$6,523 \$5,930
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$86,000	1		Total Intangible Facility Costs:	\$138,053
270	110	TANKS & WALKWAYS	\$90,000				
270 270	130 132	MECHANICAL BATTERY BUILD EI&C BATTERY BUILD	\$154,000 \$45,000			Office Use Only:	
270	134	CONTROLS AND SCADA BATTERY BUILD	\$5,000				
270	136	PRIMARY POWER BUILD	\$56,000				
270 270	135 140	FLOWLINE INSTALLATION SIGNAGE	\$27,000 \$250				
270	125	TAXES	15 67				
<u></u>		Total Tangible Facility Costs:	\$1,7401,52				
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Total Dri		н	\$4,406,170 14				
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Total DC	Tarnet	nie	\$8,190,172.54 \$2,261,443.14				
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Operator		Franklin Mosentum Harris J. L. C.	_				
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.,,,,,,,,,		Craig Walters					
		Chef Executive Officer					
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Approved	lΒγ		_	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 frankliamountainenergy.com

Well#: SHL: Sec 35-T18S-RJ4E 987 FNL 2471 FG1. BHL: Sec 2-T19S-RJ4E 130 FSL 360 FEL County/State: Lea Co., NM Location: Operator: Franklin Mountain Energy 3, LLC Date Prenared: 6/21/2023 Drill and complete a 10,000° WCB well TVD 10,997°, MD 20,997° AFE # DCE230637 Purpose:

Intangible Completion Cost® Intangible Drilling Costs DESCRIPTION

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CONILD TUBING SNUBBING UNIT

COMMUNICATIONS

COMPLETION/OF KOVER RIG

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CONTRA Description ADMINISTRATIVE OVERHEAD \$8,200 ADMINISTRATIVE OVERHEAD
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CEMENTING PRODUCTION CASING
CEMENTING SUFACE CASING 225 225 225 225 225 225 225 225 \$55,000 \$40,000 \$85,000 \$36,000 \$22,000 \$194,313 \$1,896 \$0 COMMUNICATIONS \$75,000 COMPLETION FLUIDS
CONSTRUCTIONALOCATION & ROAD \$6,000 \$45,000 \$23,69 225 225 225 225 225 225 225 225 225 CONTRACT LABOR \$60,000 **DAMAGES/RECLAMATION** \$1.89 DAMAGES/RECLAMATION
DISPOSAL SOLIDS
ELECTRICAL POWER/GENERATION
ENGINEERING
ENVIRONMENTAL/CLEANUP
FISHING TOOLS / SERVICES
FLUIDS/MAULING/DISPOSAL
FRAC WATER/UCOMPLETION FLUID
FUEL, POWER/DIESE
FUNDATION OF THE POWER/DI DAMAGES 52,84 DAMAGES
DAYWORK CONTRACT
DRILLING - DIRECTIONAL
DRILLING - FOOTAGE
DRILLING BITS
ELECTRICAL POWERIGENERATION
ENGINEERING \$650,000 \$230,000 \$90,000 \$110,000 \$5,687 \$6 \$6 \$25,20 \$470,000 ENGINEERING
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EQUIPMENT RENTAL DOWNHOLE
EQUIPMENT RENTAL
ENHINE TOOLS/SERVICES
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HOUSING AND SUPPORT SERVICES
INSURANCE
INSURANCE
INSURANCE \$220,000 \$550,000 FUEL, POWERDIESE,
HEALTH & SAFETY
HOUSING AND SUPPORT SERVICES
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MUD & CHEMICALS
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SUPPLIESED SERVICE
PERFORATINGWURELINE SERVICE 54,70 \$60,00 \$21,000 \$2,200 \$20,000 \$0 \$265,403 INSPECTIONS LEGAL, TITLE SERVICES \$6,000 \$5,000 120 1\_5 PIPE INSPECTION ROAD, LOCATIONS REPAIRS \$0 \$2,000 LEGAL, TITLE SERVICES
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MISCELLANEOUS
MOUSERATHOLE/CONDUCT PIPE
MUD & CHEMICALS
OPENHOLE LOGGING
CASED HOLE LOGGING
FERMITS, LICENSES, ETC
FOWER PILE. & WATER HAULING
RIG MOVE & RACKING COSTS
RIG UP TEAR OUT & STANDBY
SITE RESTORATION
STAKING & SURVEYING STIMULATION SUBSURFACE EQUIPMENTAL RENTAL \$2,616,000 13 140 145 150 155 160 \$37,915 SUBSURFACE EQUIPMENTAL R SUPERVISION SURFACE EQUIP RENTAL TRANSPORTATION/TRUCKING WATER TRANSFER WELDING SERVICES \$189,573 \$2,844 \$56,872 \$20,000 \$165,000 \$165,000 \$269,199 \$180,00 165 148 40 WELL TESTING/FLOWBACK \$130.00 TAXES CONTINGENCY COSTS 5% STAKING & SURVEYING \$6,000 Total Intangible Completion Costs. SUPERVISION SUPERVISION - GEOLOGICAL TRANSPORTATION/TRUCKING \$88,200 \$48,300 \$25,000 \$143,721 Tangible Completion Cos 180 Major 245 245 245 245 Description ARTIFICIAL LIFT FLOWLINES FRAC STRING 3175,000 TAXES CONTINGENCY COSTS 5% Total Intengible Drilling Costs: 5 15 25 178 35 \$130,65 245 245 5 245 245 245 245 245 PACKERS/SLEEVES/PLUGS/GL MANDRELS PRODUCTION LINER Tangible Drilling Cost PRODUCTION LINER
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RODSPUMPS
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TOTAL TRANSFE 50 55 60 65 75 70 \$173,548 bjer Minor Description

230 10 INTERMEDIATE CASING & ATTACHMENTS 230 PACKERS/SLEEVES/PLUGS
PRODUCTION CASING & ATTACHMENTS \$66,00 \$1,165,59 230 230 230 230 \$173,758 \$70,000 SURFACE CASING & ATTACHMENTS
WELLITEAD EQUIPMENT/CASING BOWL \$125,00 Total Tangible Campletion Costs: TAXES \$90,689 \$8 eal Tangible Drilling Costs: I The Balli Costs Description CONSULTING COMPANY DIRECT LABOR Tangible Facility Costs 5180,000 5 12 20 22 25 40 45 60 80 85 Description
FACILITY PIPE/VALVES/FITTINGS \$24,000 \$50,000 \$22,000 CONTAINMENT DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION CONTAINMENT
DEHYDRATION
PRIMARY POWER MATERIALS
FLOWLINES / PIPELINE / HOOKUP
H2S TREATING EQUIPMENT
ROADLOCATION/FENCING/REPAIRS
PORT LIBRATION EQUIPMENT \$56.00 ENGINEERING / SCIENCE EMOINTEENING SCIENCE
HEALTH/SAFETY/ENVIRONMENTAL
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OVERHEAD
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FACILITY SUPFACE EQUIPMENT
H2S SAFETY SYSTEM
CONTROL / INSTRUMENT / METERS / SCADA
TANKS & WALKWAYS
MECHANICAL BATTERY BUILD \$137,000 \$4,000 \$86,000 83 10 TAXES CONTINGENCY COSTS 5% Total Intangible Facility Costs \$90,000 \$154,000 EI&C BATTERY BUILD \$45,00 EIAC BATTERY BUILD
CONTROLS AND SCADA BATTERY BUILD
PRIMARY FOWER BUILD
FLOWLING INSTALLATION
SIGNAGE
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Total Tangible Facility Costs: 134 136 138 140 125 \$5.00 \$27,000 \$250 I'mal Drif 55,957,045,54 51,198,976,75 58,295,921.04 \$11,783,083,07 Total AFE: THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES, BILLING WILL REFLECT YOUR PROPORTINATE SHARE OF THE ACTUAL INVOICE COSTS. Franklin Macnum Energy 3. Operato Dage 6/21/2023 Chief Executor Office WI Owner

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

Approved By

#### Parallel E2E2-Bone Spring and Wolfcamp

#### Working Interest Owners and Unleased Mineral Interest Owners to Be Pooled

MRC Permian Company
Crump Family Partnership, Ltd.
Tarpon Industries Corporation
CD Ray Exploration, LLC (fka 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

#### ORRI to Be Pooled

Crown Oil Partners, LP
Nestegg Energy Corporation
Good News Minerals, LLC
Oak Valley 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
Sortida Resources, LLC
Mike Moylett
Kaleb Smith
Deane Durham



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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, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 24348, 24350-24355, 24362

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

		CASE NOS. 24327-24334 <sup>1</sup>
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. 24348, 24350-24355, and 24362. I am also familiar with the applications filed by MRC Permian ("MRC") in Case Numbers 24327-24334.

<sup>&</sup>lt;sup>1</sup> MRC Permian Company ("MRC") has now withdrawn its objection to FME3's Parallel State Com cases and FME3 is presenting these cases as uncontested affidavit cases. MRC has not yet dismissed its competing cases in Case Nos. 24327-24334 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 Parallel State Com Development Area ("Parallel Development Area").
- 6. **Exhibit C-1** is a locator map, which identifies the general location of the Parallel 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.

#### BONE SPRING GEOLOGY STUDY—CASES 24350, 24351, 24354 and 24355

- 8. The exhibits behind **Tab C-3** are the geology study I prepared for the Bone Spring formation. In case numbers 24350, 24351, 24354 and 24355, FME3 proposes to drill a total of 8 wells—four First Bone wells and four Second Bone Spring wells. I have prepared two separate sets of slides for each target formation.
- 9. **Exhibit C-3-a** is the First Bone Spring Sand Structure map. The Parallel Development Area is identified by the pink box and the approximate location of the First 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 gently to the south. This map also identifies the five wells I used for the cross-section, running from A to A'.
- 10. **Exhibit C-3-b** is a stratigraphic cross section. In my opinion, the well logs on the cross-section give a representative sample of the First 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 Parallel First Bone Spring wells fall within the wells I used for the cross-section. Based on the cross section, I conclude that the First Bone Spring is present and porous in the Parallel Development Area.

- 11. **Exhibit C-3-c** is a First Bone Spring Sand Isopach, which shows that the gross reservoir thickens slightly to the south.
- 12. **Exhibit C-3-d** is the Second Bone Spring Sand structure map. The Parallel 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 reservoir dips gently to the south. This map also identifies the five wells I used for the cross-section, running from A to A'.
- 13. **Exhibit C-3-e** 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 where the proposed Parallel Second Bone Spring wells falls within the wells I used for the cross-section. Based on the cross section, I conclude that the Second Bone Spring Sand is present and porous in the Parallel Development Area.
- 14. **Exhibit C-3-f** is a Second Bone Spring Sand Isopach, which shows that the structure thickens to the north.
  - 15. 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 24348, 24352, 24353, and 24362** 

- 16. The exhibits behind **Tab C-4** are the geology study I prepared for the Wolfcamp formation. In case numbers 24348, 24352, 24353, and 24362, FME 3 is proposing a total of 8 wells—four Wolfcamp A wells and four Wolfcamp B wells. I have prepared two separate sets of slides for each target formation.
- 17. **Exhibit C-4-a** is the Wolfcamp A Structure map. The Parallel 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 thins slightly to the south. This map also identifies the five wells I used for the cross-section, running from A to A'.
- 18. **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 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 Parallel 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 Parallel Development Area.
- 19. **Exhibit C-4-c** is a Wolfcamp A Isopach, which shows that the reservoir thins slightly to the south.
- 20. **Exhibit C-4-d** is the Wolfcamp B Structure map. The Parallel 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 slightly to the southwest. This map also identifies the five wells I used for the cross-section, running from A to A'.

- 21. **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 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 Parallel 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 Parallel Development Area.
- 22. **Exhibit C-4-f** is a Wolfcamp B Isopach, which shows that the reservoir dips slightly to the southwest.
  - 23. 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.
- 24. In my opinion, FME3's Parallel State Development plan prevents waste and protects correlative rights.
- 25. 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 Done

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: 1008 4000 193

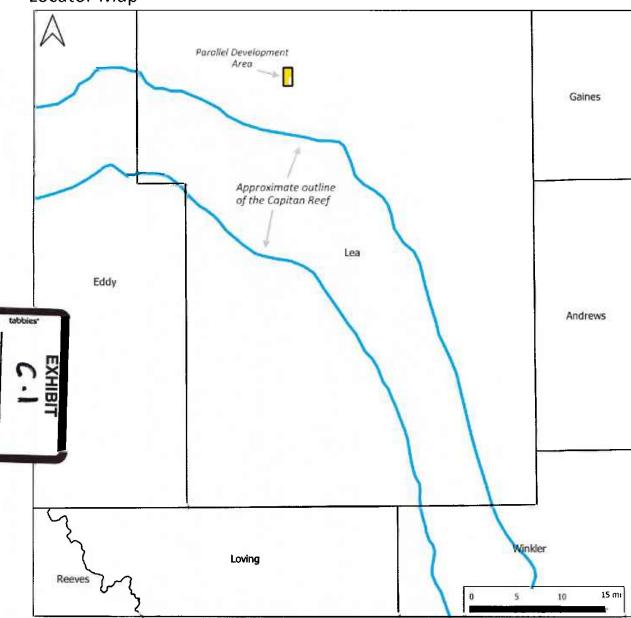
My Commission Expires: 1/3/2028

## Page 198 of 304

#### Parallel Development

#### **Locator Map**

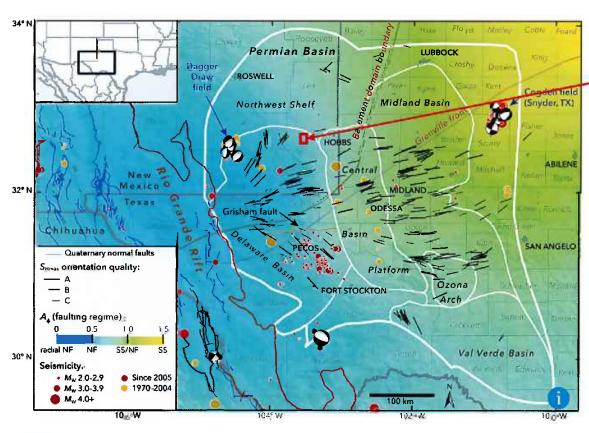
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- Blue box shows the location of the Parallel development area
- Planned wells are located outside the known boundary of the Capitan Reef

### **Regional Stress**





- Red box shows the approximate location of the Parallel development
- Reported local S<sub>Hmax</sub> (Snee and Zoback, 2018) direction is ENE, around 255°
- Wells in the Parallel development are planned to drill N-S, nearly orthogonal to S<sub>hmax</sub>, optimal for induced fracture propagation



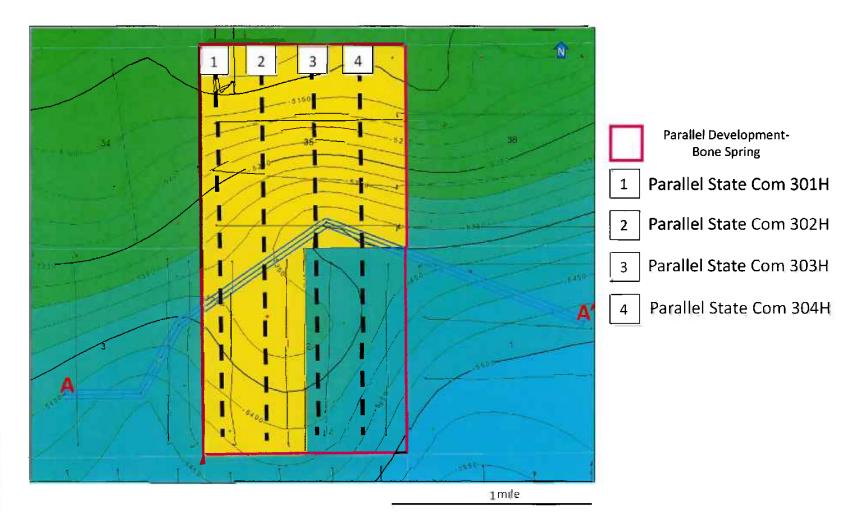
Snee, J.L. and Zoback, M.D., 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 37, no. 2

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

## RANKLIN MOUNTAIN ENERGY

#### First Bone Spring Sand Structure

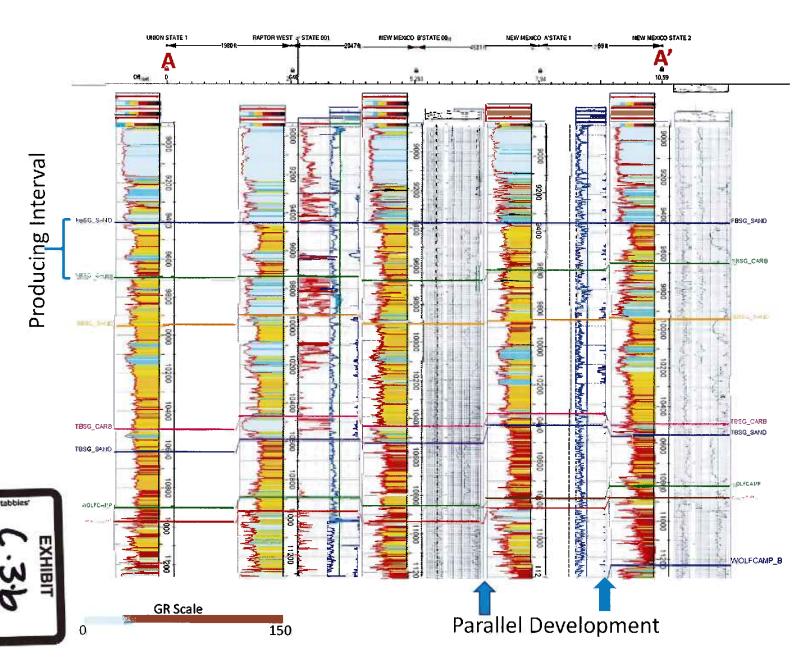
First Bone Spring structure dips gently to the south





## First Bone Spring Cross Section

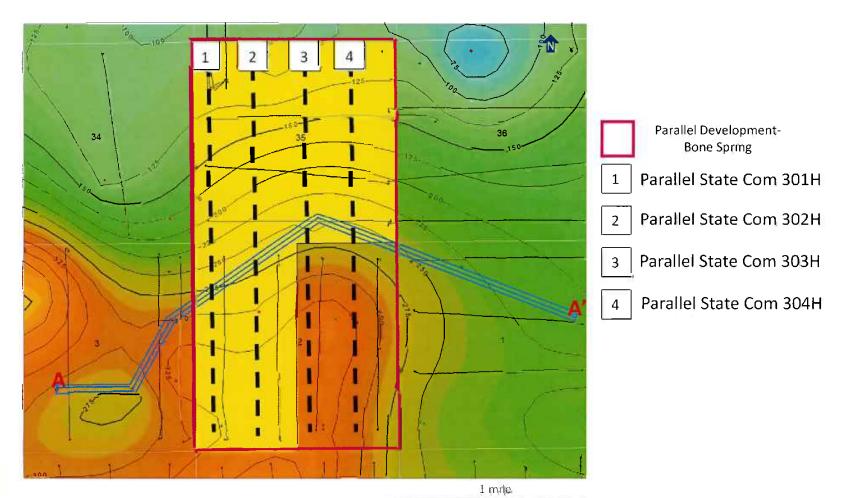




### First Bone Spring Sand Isochore



Gross reservoir thickens slightly to the south

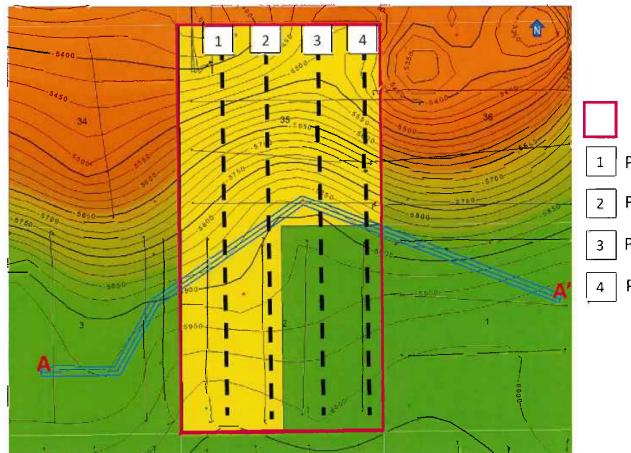




## Second Bone Spring Sand Structure



## Structure dips gently to the south



1 mile

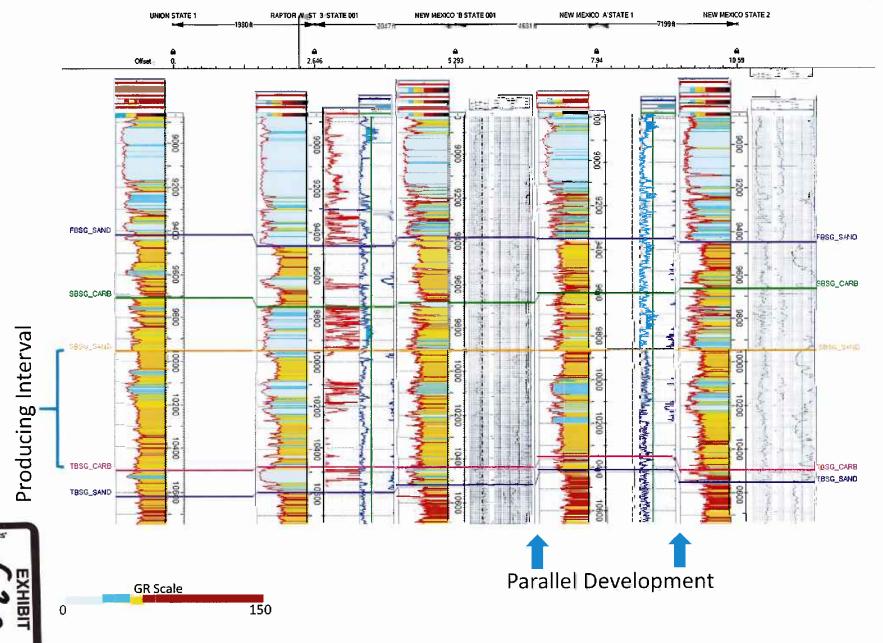


- 1 Parallel State Com 501H
- 2 Parallel State Com 502H
- 3 Parallel State Com 503H
- 4 Parallel State Com 504H



### Second Bone Spring Cross Section

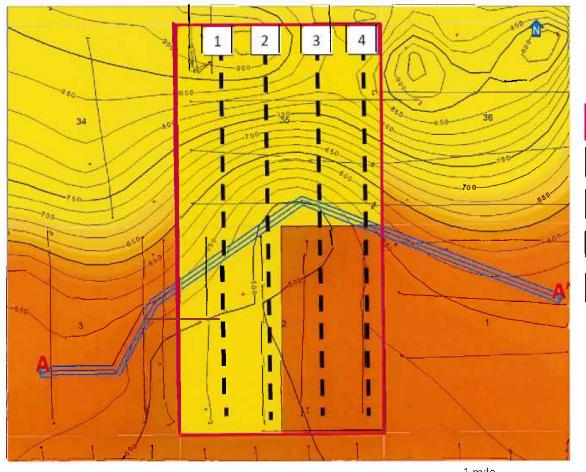




### Second Bone Spring Sand Isochore



#### Gross reservoir thickens to the north







Parallel State Com 502H

Parallel State Com 503H

Parallel State Com 504H

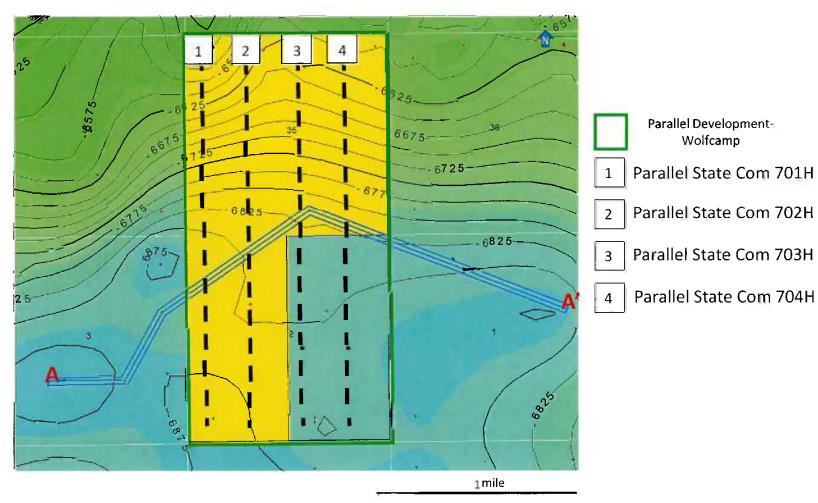


#### Wolfcamp A Structure



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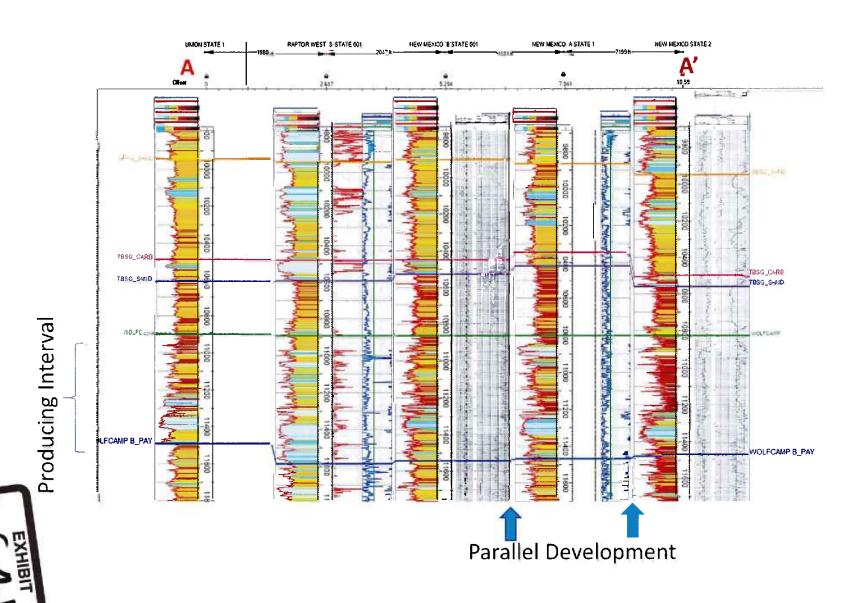
Wolfcamp dips gently to the southeast





#### Wolfcamp A Cross Section



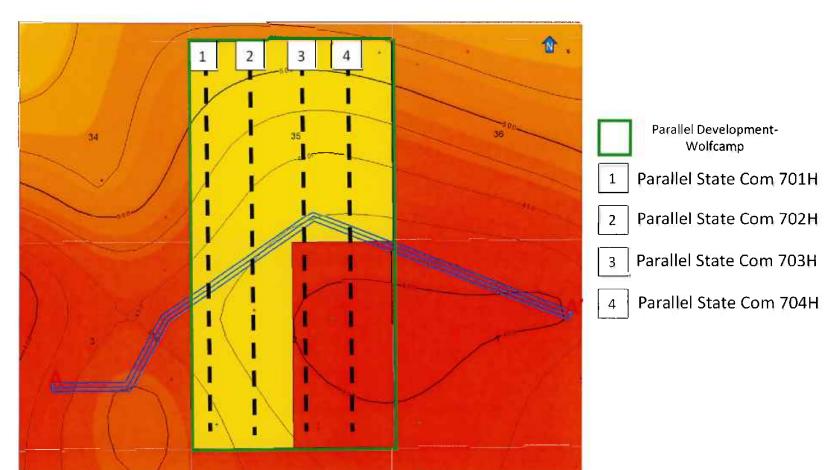




### Wolfcamp A Isochore



## Wolfcamp thins slightly to the south



1 mile

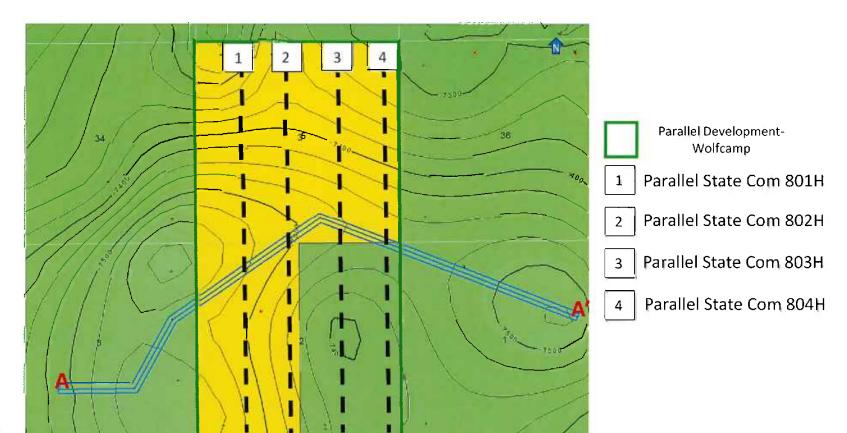


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#### Wolfcamp B Structure



Wolfcamp B dips slightly to the southeast

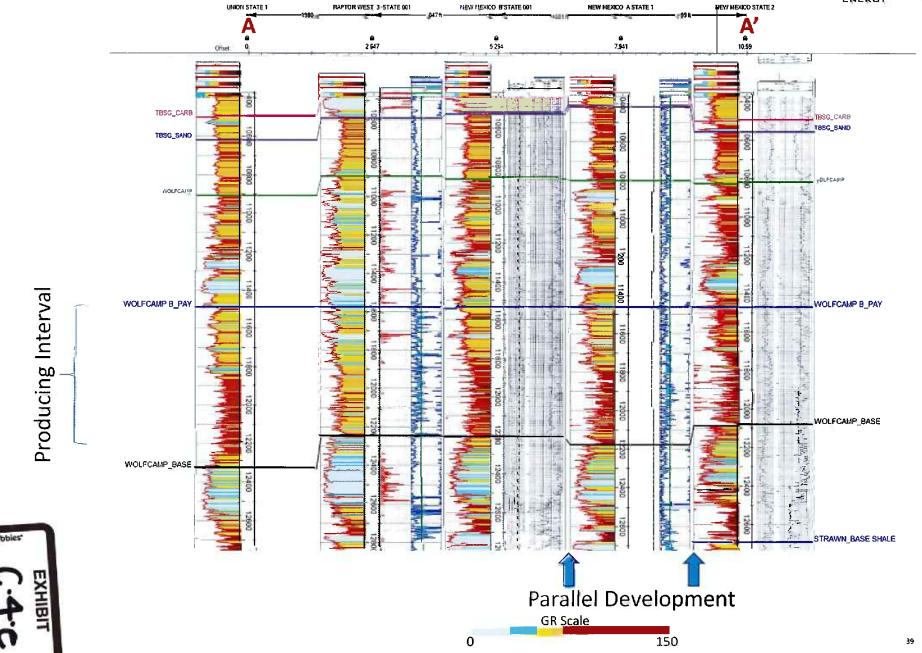


1 mile



### Wolfcamp B Cross Section

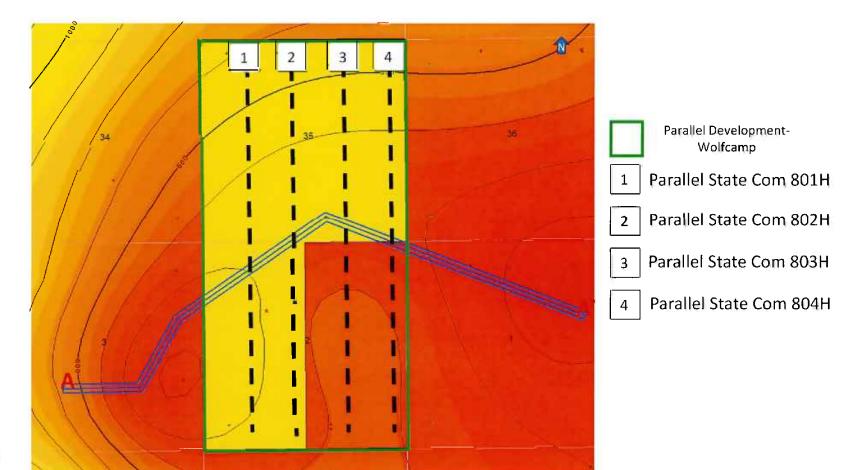




#### Wolfcamp B Isochore



## Wolfcamp B thickens to the northwest



1mile



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

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

Case Nos. 24348, 24350-24355, 24362

#### 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 an additional notice letter to TH McElvain and MRC Permian Company, dated June 6, 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, and the additional notice letters were delivered to the USPS for mailing June 6, 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 9, 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, 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 18, 2024

Weena H. Bennert

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. 24348 (FORMERLY 23850)

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. 24351 (FORMERLY 23851)

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. 23850 and 23851. 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. 24348, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 704H and Parallel State Com 804H wells**, to be horizontally drilled. The Parallel State Com 704H 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 SE/4SE/4 (Unit P) of Section 2, and the Parallel

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Tel: 505.848.1800 www.modrall.com Page 2

State Com 804H 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 SE/4SE/4 (Unit P) of Section 2. 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 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, dedicated to Franklin's proposed Gold 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.

In Case No. 24351, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Bone Spring 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 304H and Parallel State Com 504H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, 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 proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388). 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

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Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1<sup>st</sup> 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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>.

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

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

Sincerely,

Deana M. Bennett

Attorney for Applicant

llena M. 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. 24348

#### **APPLICATION**

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this amended application<sup>1</sup> 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 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. 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 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 to form a standard 323.81 acre, more or less, Wolfcamp horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application in Case 23850.

- 3. Franklin plans to drill the **Parallel State Com 704H and Parallel State Com 804H** wells to a depth sufficient to test the Wolfcamp formation. The Parallel State Com 704H 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 SE/4SE/4 (Unit P) of Section 2, and the Parallel State Com 804H 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 SE/4SE/4 (Unit P) of Section 2. The producing area for the wells is expected to be orthodox.
- 4. Franklin filed Case No. 23850 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. 23850, ¶ 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 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, dedicated to Franklin's proposed Gold 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. 23850 is currently set for contested hearing on April 9, 2024.

Page 3 of 5

Franklin requests that this case be set for a status conference on April 4, 2024 and 9.

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 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;

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

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

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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3

Attorneys for Applicant
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<a href="mailto:deana.bennett@modrall.com">deana.bennett@modrall.com</a>

CASE NO. 24348: 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 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 704H and Parallel State Com 804H wells, to be horizontally drilled. The Parallel State Com 704H 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 SE/4SE/4 (Unit P) of Section 2, and the Parallel State Com 804H 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 SE/4SE/4 (Unit P) of Section 2. 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 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, dedicated to Franklin's proposed Gold 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.

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## 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. 24351

#### **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 323.81-acre, more or less, Bone Spring 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. 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 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 to form a standard 323.81 acre, more or less, Bone Spring horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application in Case 23851.

- 3. Franklin plans to drill the **Parallel State Com 304H and Parallel State Com 504H** wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is expected to be orthodox.
- 4. Franklin filed Case No. 23851 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.
- 5. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:
  - a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).
  - b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).
  - c. A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388).
- 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. 23851 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 a 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/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;
  - 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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<a href="mailto:Yarithza.pena@modrall.com">Yarithza.pena@modrall.com</a>
<a href="mailto:Attorneys for Franklin Mountain Energy 3">Attorneys for Franklin Mountain Energy 3</a>, LLC

CASE NO. 24351: 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 323.81-acre, more or less, Bone Spring 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 304H and Parallel State Com 504H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, 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 proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388). 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.

LAWYERS

May 31, 2024

# <u>VIA CERTIFIED MAIL</u> 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. 24352 (FORMERLY 23845)

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. 24353 (FORMERLY 23846)

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. 24354 (FORMERLY 23848)

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. 24355 (FORMERLY 23847)

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. 23845, 23846, 23847, and 23848. 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.

Modrall Sperling Roehl Harris & Sisk P.A.

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In Case No. 24352, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State** Com 702H and Parallel 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 SE/4SW/4 (Unit N) of Section 2, 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 280-acre more or less Wolfcamp 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, dedicated to Franklin's proposed Gold State Com 702 and 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. 24353, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.13-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 701H and Parallel State Com 801H 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 SW/4SW/4 (Unit M) of Section 2, 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 proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 701H well (API 30-0025-51668) and Gold State 801H (API 30-0025-51669) 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. 24354, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 301H and Parallel State Com 501H wells, to be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4SW/4 (Unit M) of Section 2. 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 proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells. Franklin's proposed spacing unit in this case will also partially overlap the following Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549). 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. 24355, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 302H and Parallel State Com 502H 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 SE/4SW/4 (Unit N) of Section 2, 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 280-acre more or less Bone Spring 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, dedicated to Franklin's proposed Gold State Com 502 and 602H wells. The spacing unit proposed in this application will partially overlap existing Bone Spring spacing units as follows: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405). 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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>.

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

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

Sincerely,

Webra H. Bernett 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 OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

**CASE NO.** 24352

#### <u>APPLICATION</u>

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 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. 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/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 to form a standard 324.02-acre, more or less, Wolfcamp horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23845.

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3. Franklin plans to drill the Parallel State Com 702H and Parallel State Com 802H

wells to a depth sufficient to test the Wolfcamp formation. The wells will 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 SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is

expected to be orthodox.

4. Franklin filed Case No. 23845 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. 23845, ¶ 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 280-acre

more or less Wolfcamp 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, dedicated to Franklin's proposed Gold State Com 702 and 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. 23845 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/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;
  - 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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CASE NO. 24352: 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 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 702H and Parallel 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 SE/4SW/4 (Unit N) of Section 2, 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 280-acre more or less Wolfcamp 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, dedicated to Franklin's proposed Gold State Com 702 and 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. 24353** 

## **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 324.13-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 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/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 324.13-acre, more or less, Wolfcamp horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23846.

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Franklin plans to drill the Parallel State Com 701H and Parallel State Com 801H

wells to a depth sufficient to test the Wolfcamp formation. The wells will 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 SW/4SW/4 (Unit M) of Section 2, and the producing area for the wells is

expected to be orthodox.

4. Franklin filed Case No. 23846 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. 23846, ¶ 4.

5. On December 1, 2023, the Division issued Order R-22970, which pooled

uncommitted interests in a Wolfcamp spacing unit comprised of the W/2SW/4 of Section 23, the

W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East,

Lea County, NM.

6. That unit is dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 701H

well (API 30-0025-51668) and Gold State 801H (API 30-0025-51669) wells.

7. Franklin is filing this amended application, to the extent necessary, to provide

notice that the spacing unit proposed in this application will partially overlap the Gold State Com

Wolfcamp spacing unit described above.

8. 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.

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9. 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.

10. Case No. 23846 is currently set for contested hearing on April 9, 2024.

11. Franklin requests that this case be set for a status conference on April 4, 2024 and

then set for a 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/2W/2 of Section 35, Township 18 South, Range 34 East, and

Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2),

Township 19 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.

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#### By:/s/ Deana M. Bennett

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Attorneys for Applicant

CASE NO. 24353: 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 324.13-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 701H and Parallel State Com 801H 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 SW/4SW/4 (Unit M) of Section 2, 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 proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 701H well (API 30-0025-51668) and Gold State 801H (API 30-0025-51669) 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.** 24354

#### **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 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 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/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 324.13-acre, more or less, Bone Spring horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23848.

- 3. Franklin plans to drill the **Parallel State Com 301H and Parallel State Com 501H** wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4 SW/4 (Unit M) of Section 2; and the producing area for the wells is expected to be orthodox.
- 4. Franklin filed Case No. 23848 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. 23848, ¶ 4.
- 5. On December 1, 2023, the Division issued Order R-22971, which pooled uncommitted interests in a Bone Spring spacing unit comprised of the W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East, Lea County, NM.
- 6. That unit is dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells.
- 7. Franklin is filing this amended application, to the extent necessary, to provide notice that the spacing unit proposed in this application will partially overlap the Gold State Com Bone Spring spacing unit described above.
- 8. Franklin's proposed spacing unit in this case will also partially overlap existing Bone Spring spacing units as follows:
  - a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).

- b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).
- c. A 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549).
- 9. 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.
- 10. 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.
  - 11. Case No. 23848 is currently set for contested hearing on April 9, 2024.
- 12. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for a 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 W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 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

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CASE NO. 24354 : 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 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 301H and Parallel State Com 501H wells, to be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4SW/4 (Unit M) of Section 2. 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 proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells. Franklin's proposed spacing unit in this case will also partially overlap the following Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549). 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.** 24355

#### **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 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. 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/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 to form a standard 324.02-acre, more or less, Bone Spring horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23847.

- 3. Franklin plans to drill the **Parallel State Com 302H and Parallel State Com 502H** wells to a depth sufficient to test the Bone Spring formation. The wells will 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 SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox.
- 4. Franklin filed Case No. 23847 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. 23847, ¶ 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 280-acre more or less Bone Spring 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, dedicated to Franklin's proposed Gold State Com 502 and 602H wells.
- 6. Franklin's proposed spacing unit in this case will partially overlap existing Bone Spring spacing units as follows:
  - a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).
  - b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

- c. A 164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405).
- 7. 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.
- 8. 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.
  - 9. Case No. 23847 is currently set for contested hearing on April 9, 2024.
- 10. 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/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;
  - 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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Attorneys for Applicant

CASE NO. 24355: 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 324.02-acre, more or less, Bone Sprnig 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 302H and Parallel State Com 502H 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 SE/4SW/4 (Unit N) of Section 2, 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 280-acre more or less Bone Spring 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, dedicated to Franklin's proposed Gold State Com 502 and 602H wells. The spacing unit proposed in this application will partially overlap existing Bone Spring spacing units as follows: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405). 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.



LAWYERS

May 31, 2024

<u>VIA CERTIFIED MAIL</u> 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. 24350 (FORMERLY 23849)

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. 24362 (FORMERLY 23852)

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. 23849 and 23852. 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. 24350, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Bone Spring 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Parallel State Com 303H and Parallel State Com 503H wells**, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, 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 proposed spacing unit in this case will partially overlap the following existing spacing

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units: A160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060). 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. 24362, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 703H and Parallel State Com 803H wells, to be horizontally drilled and the producing area for the wells is expected to be orthodox. The Parallel State Com 703H 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 SW/4SE/4 (Unit O) of Section 2, and the Parallel State Com 803H 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 SW/4SE/4 (Unit O) of Section 2. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap 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 dedicated to Franklin's proposed Gold State Com 703H and Gold 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.

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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>.

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

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

Sincerely,

Deana M. Bennett

Attorney for Applicant

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

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

CASE NO. 24350

#### **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 323.91-acre, more or less, Bone Spring 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. 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 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 to form a standard 323.91-acre, more or less, Bone Spring horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23849.

- 3. Franklin plans to drill the **Parallel State Com 303H and Parallel State Com 503H** wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is expected to be orthodox.
- 4. Franklin filed Case No. 23849 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.
- 5. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:
  - a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).
  - b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).
  - c. A 163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060).
- 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. 23849 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 a 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 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;
  - 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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<a href="mailto:Attorneys for Franklin Mountain Energy 3">Attorneys for Franklin Mountain Energy 3</a>, LLC

CASE NO. 24350 : 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 323.91-acre, more or less, Bone Spring 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 303H and Parallel State Com 503H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, 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 proposed spacing unit in this case will partially overlap the following existing spacing units: A160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060). 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 AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24362

#### **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 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. 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 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 to form a standard 323.91-acre, more or less, Wolfcamp horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23852.

- 3. Franklin plans to drill the **Parallel State Com 703H and Parallel State Com 803H** wells to a depth sufficient to test the Wolfcamp formation and the producing area for the wells is expected to be orthodox. The Parallel State Com 703H 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 SW/4SE/4 (Unit O) of Section 2, and the Parallel State Com 803H 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 SW/4SE/4 (Unit O) of Section 2.
- 4. Franklin filed Case No. 23852 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. 23852, ¶ 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 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 dedicated to Franklin's proposed Gold State Com 703H and Gold 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. 23852 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 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;
  - 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.
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Telephone: 505.848.1800

3

Attorneys for Applicant
edebrine@modrall.com
deana.bennett@modrall.com

CASE NO. 24362 : 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 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 703H and Parallel State Com 803H wells, to be horizontally drilled and the producing area for the wells is expected to be orthodox. The Parallel State Com 703H 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 SW/4SE/4 (Unit O) of Section 2, and the Parallel State Com 803H 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 SW/4SE/4 (Unit O) of Section 2. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The spacing unit proposed in this application will partially overlap 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 dedicated to Franklin's proposed Gold State Com 703H and Gold 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.



June 6, 2024

LAWYERS

#### **VIA CERTIFIED MAIL**

Re: Franklin Mountain Energy 3, LLC Applications in Case Nos.

24350, 24351, 24354, and 24355

Deana M. Bennett Tel: 505.848.1834 Fax: 505.848.9710 deana.bennett@modrall.com

To Whom It May Concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division ("Division") and are set for hearing on June 26, 2024. The enclosed applications provide notice of certain overlapping spacing units, but the enclosed applications inadvertently did not identify that the units proposed in the enclosed applications will also overlap a 200-acre more or less spacing unit dedicated to FME Tin Cup 36 State Com 2H well (30-025-40422).

I recently sent you a notice letter for the above captioned cases and I am writing to provide the information about the spacing unit that was inadvertently left out of the applications.

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

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

Please let me know if you have any questions or if I can provide further information.

Sincerely,

Deana M. Bennett

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

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# 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. \_\_\_\_

#### **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 323.91-acre, more or less, Bone Spring 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. 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 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 to form a standard 323.91-acre, more or less, Bone Spring horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23849.

Page 2 of 5

3. Franklin plans to drill the Parallel State Com 303H and Parallel State Com 503H

wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled

from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom

hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is

expected to be orthodox.

4. Franklin filed Case No. 23849 in which Franklin requested that uncommitted

mineral interests in the above described unit be pooled. In that case, Franklin also provided notice

of an overlapping spacing unit.

5. Franklin's proposed spacing unit in this case will partially overlap the following

existing Bone Spring spacing units:

a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H

well (API 30-05-40642).

b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2

of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

,

c. A 163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API

2 dedicated to Matador Production Company's King Cobra 2 State #002H (API

30-025-41060).

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. 23849 is currently set for contested hearing on April 9, 2024.

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9. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for a 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 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;
  - 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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Page 4 of 5

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<u>Yarithza.pena@modrall.com</u>

Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24350 : 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 323.91-acre, more or less, Bone Spring 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 303H and Parallel State Com 503H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SW/4SE/4 (Unit O) of Section 2, 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 proposed spacing unit in this case will partially overlap the following existing spacing units: A160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060). 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 AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

**CASE NO.** 24351

#### **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 323.81-acre, more or less, Bone Spring 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. 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 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 to form a standard 323.81 acre, more or less, Bone Spring horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application in Case 23851.

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wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom

Franklin plans to drill the Parallel State Com 304H and Parallel State Com 504H

hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is

expected to be orthodox.

- 4. Franklin filed Case No. 23851 in which Franklin requested that uncommitted mineral interests in the above described unit be pooled. In that case, Franklin also provided notice of an overlapping spacing unit.
- 5. Franklin's proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units:
  - a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).
  - b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).
  - c. A 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388).
- 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. 23851 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 a 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/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;
  - 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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Received by OCD: 3/5/2024 9:43:33 PM

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Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24351\_: 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 323.81-acre, more or less, Bone Spring 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 304H and Parallel State Com 504H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, 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 proposed spacing unit in this case will partially overlap the following existing Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 160-acre horizontal well spacing unit comprised of the E2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #001H (API 30-025-40388). 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.

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## 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. 24354

#### **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 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 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/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a standard 324.13-acre, more or less, Bone Spring horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23848.

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3. Franklin plans to drill the Parallel State Com 301H and Parallel State Com 501H

wells to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled,

from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed

bottom hole location in the SW/4 SW/4 (Unit M) of Section 2; and the producing area for the wells

is expected to be orthodox.

4. Franklin filed Case No. 23848 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. 23848, ¶ 4.

5. On December 1, 2023, the Division issued Order R-22971, which pooled

uncommitted interests in a Bone Spring spacing unit comprised of the W/2SW/4 of Section 23, the

W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East,

Lea County, NM.

6. That unit is dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H

well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells.

7. Franklin is filing this amended application, to the extent necessary, to provide

notice that the spacing unit proposed in this application will partially overlap the Gold State Com

Bone Spring spacing unit described above.

8. Franklin's proposed spacing unit in this case will also partially overlap existing

Bone Spring spacing units as follows:

a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2

of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H

well (API 30-05-40642).

- b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).
- c. A 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549).
- 9. 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.
- 10. 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.
  - 11. Case No. 23848 is currently set for contested hearing on April 9, 2024.
- 12. Franklin requests that this case be set for a status conference on April 4, 2024 and then set for a 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 W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2 (the equivalent of the W/2W/2 of Section 2), Township 19 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

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Attorneys for Applicant

CASE NO. 24354 : 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 324.13-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2W/2 of Section 35, Township 18 South, Range 34 East, and Lot 4, the SW/NW, and W/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 301H and Parallel State Com 501H wells, to be horizontally drilled, from a proposed surface hole location in the NE/4NW/4 (Unit C) of Section 35 to a proposed bottom hole location in the SW/4SW/4 (Unit M) of Section 2. 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 proposed horizontal spacing unit will partially overlap a 280-acre horizontal spacing unit W/2SW/4 of Section 23, the W/2W/2 of Section 26, and the NW/4NW/4 of Section 35, Township 18 South, Range 34 East dedicated to Franklin Mountain Energy 3, LLC's Gold State Com 301H well (API 30-0025-51666) and Gold State 601H (API 30-0025-51667) wells. Franklin's proposed spacing unit in this case will also partially overlap the following Bone Spring spacing units: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a 164.13-acre Bone Spring horizontal well spacing unit comprised of the W2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #002H (API 30-025-40549). 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.** 24355

#### **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 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. 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/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 to form a standard 324.02-acre, more or less, Bone Spring horizontal spacing unit.

<sup>&</sup>lt;sup>1</sup> This application amends the application filed in Case No. 23847.

- 3. Franklin plans to drill the **Parallel State Com 302H and Parallel State Com 502H** wells to a depth sufficient to test the Bone Spring formation. The wells will 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 SE/4SW/4 (Unit N) of Section 2, and the producing area for the wells is expected to be orthodox.
- 4. Franklin filed Case No. 23847 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. 23847, ¶ 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 280-acre more or less Bone Spring 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, dedicated to Franklin's proposed Gold State Com 502 and 602H wells.
- 6. Franklin's proposed spacing unit in this case will partially overlap existing Bone Spring spacing units as follows:
  - a. A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642).
  - b. A 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634).

c. A 164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2

of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-

025-40405).

7. 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.

8. 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.

9. Case No. 23847 is currently set for contested hearing on April 9, 2024.

10. 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/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;

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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Attorneys for Applicant

CASE NO. 24355 : 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 324.02-acre, more or less, Bone Sprnig 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 302H and Parallel State Com 502H 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 SE/4SW/4 (Unit N) of Section 2, 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 280-acre more or less Bone Spring 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, dedicated to Franklin's proposed Gold State Com 502 and 602H wells. The spacing unit proposed in this application will partially overlap existing Bone Spring spacing units as follows: A 160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a164.02-acre Bone Spring horizontal well spacing unit comprised of the E2W2 of Section 2 dedicated to Franklin Mountain's Playa 2 State #001H (API 30-025-40405). 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 Schu		PS Fo	rm 3877				
odrall Sperling Roehl Harris & Sisk P.A. D Fourth Street, Suite 1000 buquerque NM 87102		Type of Mailing: CERTIFIED MAIL 05/31/2024				Firm Mailing Book ID: 266935	
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0121 7764 06	TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood CO 80401	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
2	9314 8699 0430 0121 7764 13	COG Operating, LLC Operating, LLC 600 West Illinois Ave Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
3	9314 8699 0430 0121 7764 20	Concho Oil & Gas, LLC Oil & Gas, LLC 600 West Illinois Ave Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
4	9314 8699 0430 0121 7764 37	Crump Family Partnership, Ltd. PO Box 50820 Midland TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
5	9314 8699 0430 0121 7764 44	Warren Ventures, Ltd. 808 West Wall Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
6	9314 8699 0430 0121 7764 51	Tarpon Industries Corp. PO Box 52002 Midland TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
7	9314 8699 0430 0121 7764 68	Charles D. Ray PO Box 51608 Midland TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
8	9314 8699 0430 0121 7764 75	Buckhorn Energy, LLC 505 N. Big Spring Street Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
9	9314 8699 0430 0121 7764 82	Sharktooth Resources, Ltd. 300 N. Marienfeld, Suite 700 Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
10	9314 8699 0430 0121 7764 99	Hanley Petroleum, Inc. 415 W. Wall Street, Suite 1500 Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
11	9314 8699 0430 0121 7765 05	LHAH Properties, LLC 250 Jungle Road Palm Beach FL 33480	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
12	9314 8699 0430 0121 7765 12		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
13	9314 8699 0430 0121 7765 29	TBO Oil & Gas, LLC PO Box 10502 Midland TX 79702	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
abbies*	9314 8699 0430 0121 7765 36		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice
EXHIBI	9314 8699 0430 0121 7765 43	TSF WI LP PO Box 222 Midland TX 79702	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,5 Notice

# 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 7765 50	Hanley Petroleum, LLC 1999 Bryan Street, Suite 900 Dallas TX 75201	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
17	9314 8699 0430 0121 7765 67	Marathon Oil Permian LLC 990 Town & Country Blvd Houston TX 77024	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
18	9314 8699 0430 0121 7765 74	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
19	9314 8699 0430 0121 7765 81	Nestegg Energy Corporation 2308 SIERRA VISTA ROAD ARTESIA NM 88210	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
20	9314 8699 0430 0121 7765 98	Good News Minerals, LLC 4000 NORTH BIG SPRING, SUITE 310 MIDLAND TX 79705	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
21	9314 8699 0430 0121 7766 04	Oak Valley Mineral and Land, LP PO BOX 50820 MIDLAND TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
22	9314 8699 0430 0121 7766 11	Post Oak Crown IV-B, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
23	9314 8699 0430 0121 7766 28	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
24	9314 8699 0430 0121 7766 35	Collins & Jones Investments, LLC 508 WEST WALL STREET, SUITE 1200 MIDLAND TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
25	9314 8699 0430 0121 7766 42	Post Oak Mavros II, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
26	9314 8699 0430 0121 7766 59	LMC Energy, LLC 550 WEST TEXAS AVENUE, SUITE 945 MIDLAND TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
27	9314 8699 0430 0121 7766 66	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
28	9314 8699 0430 0121 7766 73	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
29	9314 8699 0430 0121 7766 80	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
30	9314 8699 0430 0121 7766 97		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice

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
31	9314 8699 0430 0121 7767 03	Kaleb Smith PO BOX 50620 MIDLAND TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
32	9314 8699 0430 0121 7767 10	Deane Durham PO BOX 50820 MIDLAND TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
33	9314 8699 0430 0121 7767 27	State of New Mexico Commissioner of Public Lands PO BOX 1148 SANTA FE NM 87504	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
34	9314 8699 0430 0121 7767 34	MRC Permian Company Matador · 5400 LBJ Freeway Ste 1500 Dallas TX 75240	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
35	9314 8699 0430 0121 7767 41	EG3 Development, LLC PO Box 1567 Graham TX 76450	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
36	9314 8699 0430 0121 7767 58	Allar Development, LLC PO Box 1567 Graham TX 76450	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
37	9314 8699 0430 0121 7767 65	Slash Exploration LP 500 North Main Street, Suite 200 Roswell NM 88201	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
38	9314 8699 0430 0121 7767 72	MCT Energy Ltd. 262 CARROLL STREET SUITE 100 FORT WORTH TX 76107	\$1.87	\$4.40 ·	\$2.32	\$0.00	10154.0009.48,51. Notice
39	9314 8699 0430 0121 7767 89	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
40	9314 8699 0430 0121 7767 96	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
41	9314 8699 0430 0121 7768 02	Ridge Runner Holdings, LLC 4000 NORTH BIG SPRING SUITE 210 MIDLAND TX 79705	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
42	9314 8699 0430 0121 7768 19	John Lawrence Thoma, Trustee of the Cornerstone Family Trust 10864 MCKISSICK ROAD PEYTON CO 80813	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
43	9314 8699 0430 0121 7768 26	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
44	9314 8699 0430 0121 7768 33	The Allar Company PO Box 1567 Graham TX 76450	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice

# Type of Mailing: CERTIFIED MAIL 05/31/2024

Line	USPS Article Number	Name, Street, City, State, Zip	Po	ostage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
45	9314 8699 0430 0121 7768 40	EG3, Inc. PO Box 1567 Graham TX 76450		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
46	9314 8699 0430 0121 7768 57	GMT New Mexico Royalty Company LLC 1560 BROADWAY SUITE 2000 DENVER CO 80202		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
47	9314 8699 0430 0121 7768 64	Armstrong Energy Corporation PO BOX 1973 ROSWELL NM 88202	i va	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
48	9314 8699 0430 0121 7768 71	Blue Ridge Royalties, LLC PO BOX 1973 ROSWELL NM 88202		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
49	9314 8699 0430 0121 7768 88	Chimney Rock Oil & Gas, LLC 500 NORTH MAIN STREET SUITE 1000 ROSWELL NM 88201		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.48,51. Notice
			Totals: \$	91.63	\$215.60	\$113.68	\$0.00	
					Grand	Total:	\$420.91	

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

				)5/31/2024 ug: CEKTIFIED MAIL 7/2024	Type of Mailin	ing Rochl Harris & Sisk P.A. rect, Suite 1000	Karlene Schu Modrall Sper 500 Fourth St Albuquerque
ling Book ID: 266961	Firm Mai						
Reference Contents	Rest.Del.Fee	KK Fee	Service Fee	Postage	Name, Street, City, State, Zip	USPS Article Number	Line
10154.0009.52-55. Notice	00.0\$	<b>25.2</b> \$	0t <sup>.</sup> t\$	11.2\$	EG3 Development, LLC PO Box 1567 Graham TX 76450	9314 8699 0430 0121 7901 29	I .
10154.0009.52-55 Notice	00.0\$	25.5\$	0+·+\$	11.2\$	Allar Development, LLC PO Box 1567 Graham TX 76450	95 1067 1210 0640 6698 4156	7
22-52-6000.52-52 Notice	00.0\$	25.2\$	04.4\$	11.2\$	Marathon Oil Permian, LLC 990 Town and Country Blvd Houston TX 77024	£† 1062 1710 0£†0 6698 †1£6	ε
10154,0009,52-55 Notice	00.0\$	25.5\$	0 <del>+</del> .48	11.2\$	TH McElvain Oil & Gas, LLLP 1819 Denver West Dr, Ste 260 Lakewood CO 80401	05 1067 1210 0640 6699 6156	ħ
10154.0009.52-55 Motice	00.0\$	\$2.32	0 <del>7</del> .4\$	11.2\$	COG Operating, LLC 600 West Illinois Ave Midland TX 76450	79 1067 1210 0640 6698 4156	ς
10154.0009.52-52 SoitoV	00.0\$	\$2.32	0 <del>1</del> .48	11.2\$	Concho Oil & Gas, LLC Oil & Gas, LLC 600 West Illinois Ave Midland TX 76450	<i>\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i>	9
10154.0009.52-53 Notice	00.0\$	25.32	0 <i>†</i> .48	11.2\$	ConocoPhillips Company 600 West Illinois Ave Midland TX 76450	18 1067 1210 0640 9698 4169	L
10154.0009.52-52 Notice	00.0\$	\$2.32	04.48	11.2\$	State of New Mexico 310 Old Santa Fe Trail Santa Fe MM 87508	86 1067 1210 0640 968 4169	8
10154.0009.52-53 Notice	00.0\$	\$2.32	04.48	11.2\$		+0 7062 1710 00+0 6698 t186	6
10154.0009.52-53 Motice	00.0\$	<b>25.5</b> \$	0t <sup>.</sup> t\$	11.2\$	HOUSTON TX 77056 34 SOUTH WYNDEN DRIVE SUITE 210	11 2067 1210 0840 9698 4189	10
22-52.6000,4201 Notice	00.0\$	ZE.Z\$	0 <del>†</del> .48	11.2\$	HONZLON LX 1/1056 34 SONTH WYNDEN DRIVE SUITE 210 POST OAK MAVIOS II, LLC	82 2067 1210 0640 6698 4166	II
10154.0009.52-52 SoitoM	00.0\$	\$2.32	0t <sup>.</sup> t\$	11.58081A	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710	SE 2067 1210 0840 9698 4189	12
10154.0009.52-53 Notice	00.0\$	\$2.32	0 <i>†</i> ·†\$	Fi s2	, , , == · · · · · · · · · · · · · · · ·	24 2067 1210 0640 9689 4169	13
22-52.6009.52-52 Sotioe	00.0\$	\$2.32	01.14		Crown Oil Partners, LP	65 2067 1210 0640 9684 4169	ħΙ
10154.0009.52-5. Notice	00.0\$	\$2.32	0t <sup>.</sup> t\$	11.28	MIDLAND TX 79710 Collins & Jones Investments, LLC 508 WEST WALL STREET SUITE 1200	99 7062 1710 0000 6698 7186	SI

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

#### **PS Form 3877**

## Type of Mailing: CERTIFIED MAIL 05/31/2024

Firm Mailing Book ID: 266961

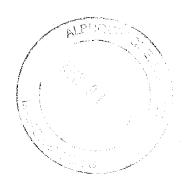
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee		Reference Contents	6/19/
16	9314 8699 0430 0121 7902 73	MCT Energy Ltd. 262 CARROLL STREET SUITE 100 FORT WORTH TX 76107	\$2.11	\$4.40	\$2.32	\$0.00		10154.0009.52-55. Notice	6/19/2024 4:22:58
17	9314 8699 0430 0121 7902 80	H. Jason Wacker 5601 HILLCREST MIDLAND TX 79707	\$2.11	\$4.40	\$2.32	\$0.00	•		
18	9314 8699 0430 0121 7902 97	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	\$2.11	\$4.40	\$2.32	\$0.00		10154.0009.52-55. Notice	PM
19	9314 8699 0430 0121 7903 03	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	\$2.11	\$4.40	\$2.32	\$0.00		10154.0009.52-55. Notice	
20	9314 8699 0430 0121 7903 10	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	\$2.11	\$4.40	\$2.32	\$0.00		10154.0009.52-55. Notice	
21	9314 8699 0430 0121 7903 27	Ridge Runner Holdings, LLC 4000 NORTH BIG SPRING SUITE 210 MIDLAND TX 79705	\$2.11	\$4.40	\$2.32	\$0.00		10154.0009.52-55. Notice	
22	9314 8699 0430 0121 7903 34	John Lawrence Thoma, Trustee of the Cornerstone Family Trust 10864 MCKISSICK ROAD PEYTON CO 80813	\$2.11	\$4.40	\$2.32	\$0.00		10154.0009.52-55. Notice	
23	9314 8699 0430 0121 7903 41	CrownRock Minerals, L.P. PO Box 51933 Midland TX 79710	\$2.11	\$4.40	\$2.32	\$0.00		10154.0009.52-55. Notice	
24	9314 8699 0430 0121 7903 58	The Allar Company PO Box 1567 Graham TX 76450	\$2.11	\$4.40	\$2.32	\$0.00		10154.0009.52-55. Notice	
25	9314 8699 0430 0121 7903 65	EG3, Inc. PO Box 1567 Graham TX 76450	\$2.11	\$4.40	\$2.32	\$0.00		10154.0009.52-55. Notice	
26	9314 8699 0430 0121 7903 72	GMT New Mexico Royalty Company LLC 1560 BROADWAY SUITE 2000 DENVER CO 80202	\$2.11	\$4.40	\$2.32	\$0.00		10154.0009.52-55. Notice	
27	9314 8699 0430 0121 7903 89	Nestegg Energy Corporation 2308 Sierra Vista Artesia NM 88210	\$2.11	\$4.40	\$2.32	\$0.00		10154.0009.52-55. Notice	
28	9314 8699 0430 0121 7903 96	Brazos, LP PO Box 911 Breckenridge TX 76424	\$2.11	\$4.40	\$2.32	\$0.00		10154.0009.52-55. Notice	
29	9314 8699 0430 0121 7904 02	MRC Permian Company Matador 5400 LBJ Freeway, Ste 1500 Dallas TX Dallas TX 75240	\$2.11	\$4.40	\$2.32	\$0.00			Page 289
								Page 2024 Walz CertifiedPro.ne	94:304

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### **PS Form 3877**

## Type of Mailing: CERTIFIED MAIL 05/31/2024

3: 6/	Line	USPS Article Number	Name, Street, City, State, Zip		Postage	Service Fe	e RR Fee	Rest.Del.Fee	Reference Contents	/19/
21/2				Totals:	\$61.19	\$127.60	\$67.28	\$0.00		024
024						Gran	d Total:	\$256.07		4
11:	List Number of l			Dated:						22:5



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

#### **PS Form 3877**

## Type of Mailing: CERTIFIED MAIL 05/31/2024

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0121 7880 89	TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood CO 80401	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
2	9314 8699 0430 0121 7880 96	Otter Creek, LLC PO Box 1557 Sealy TX 77474	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
3	9314 8699 0430 0121 7881 02	COG Operating, LLC Operating, LLC 600 West Illinois Ave Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
4	9314 8699 0430 0121 7881 19	Concho Oil & Gas, LLC Oil & Gas, LLC 600 West Illinois Ave Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
5	9314 8699 0430 0121 7881 26	Crump Family Partnership, Ltd. PO Box 50820 Midland TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
6	9314 8699 0430 0121 7881 33	Warren Ventures, Ltd. 808 West Wall Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
7	9314 8699 0430 0121 7881 40	Tarpon Industries Corp. PO Box 52002 Midland TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
. 8	9314 8699 0430 0121 7881 57	Charles D. Ray PO Box 51608 Midland TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
9	9314 8699 0430 0121 7881 64	Buckhorn Energy, LLC 407 N. Big Spring Street, Ste 240 Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
10	9314 8699 0430 0121 7881 71	Sharktooth Resources, Ltd. 407 N. Big Spring Street, Ste 240 Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
11	9314 8699 0430 0121 7881 88	Hanley Petroleum, Inc. 415 W. Wall Street, Suite 1500 Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
12	9314 8699 0430 0121 7881 95	LHAH Properties, LLC 250 Jungle Road Palm Beach FL 33480	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
. 13	9314 8699 0430 0121 7882 01	H6 Holdings, LLC 16275 NE 85th Street, Suite A Redmond WA 98052	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
14	9314 8699 0430 0121 7882 18	TBO Oil & Gas, LLC PO Box 10502 Midland TX 79702	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice
15	9314 8699 0430 0121 7882 25	Mavros Oil Company, LLC PO Box 50820 Midland TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62. Notice

## Type of Mailing: CERTIFIED MAIL 05/31/2024

arlene Sch	uman	PS	Form 3877				
00 Fourth S	rling Rochl Harris & Sisk P.A. Street, Suite 1000 e NM 87102	Type of Mailin 0	g: CERTIFIED MAIL 5/31/2024			Firm Maili	ing Book ID: 266955
						111111111111111111111111111111111111111	
Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
16	9314 8699 0430 0121 7882 32	TSF WI LP PO Box 222 Midland TX 79702	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62 Notice
17	9314 8699 0430 0121 7882 49	Hanley Petroleum, LLC 415 West Wall, Ste 1500 Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62 Notice
18	9314 8699 0430 0121 7882 56	Marathon Oil Permian LLC 990 Town & Country Blvd Houston TX 77024	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62 Notice
19	9314 8699 0430 0121 7882 63	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62 Notice
20	9314 8699 0430 0121 7882 70	Nestegg Energy Corporation 2308 SIERRA VISTA ROAD ARTESIA NM 88210	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62 Notice
21	9314 8699 0430 0121 7882 87	Good News Minerals, LLC 4000 NORTH BIG SPRING, SUITE 310 MIDLAND TX 79705	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62 Notice
22	9314 8699 0430 0121 7882 94	Oak Valley Mineral and Land, LP PO BOX 50820 MIDLAND TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62 Notice
23	9314 8699 0430 0121 7883 00		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62 Notice
24	9314 8699 0430 0121 7883 17		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62 Notice
25	9314 8699 0430 0121 7883 24	Collins & Jones Investments, LLC 508 WEST WALL STREET, SUITE 1200 MIDLAND TX 79701	<b>\$1.87</b>	\$4.40	\$2.32	\$0.00	10154.0009.50,62 Notice
26	9314 8699 0430 0121 7883 31		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62 Notice
27	9314 8699 0430 0121 7883 48		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,65 Notice
28	9314 8699 0430 0121 7883 55		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,6 Notice
29	9314 8699 0430 0121 7883 62		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,6 Notice
30	9314 8699 0430 0121 7883 79		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,6 Notice

## Type of Mailing: CERTIFIED MAIL 05/31/2024

arlene Sch	uman		PS Form 3877				
0 Fourth S	rling Roehl Harris & Sisk P.A. Street, Suite 1000	Type of Ma	iling: CERTIFIED MAIL 05/31/2024				
lbuquerqu	e NM 87102		03/31/2024			Firm Maili	ing Book ID: 266955
			Dantaga	Service Fee	DD Foo	Rest.Del.Fee	Reference Contents
Line	USPS Article Number	Name, Street, City, State, Zip	Postage \$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,62
31	9314 8699 0430 0121 7883 86	Mike Moylett PO BOX 50820 MIDLAND TX 79710		<b>ֆ4.4</b> 0		•	Notice
32	9314 8699 0430 0121 7883 93	Kaleb Smith PO BOX 50620 MIDLAND TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,6 Notice
33	9314 8699 0430 0121 7884 09	Deane Durham PO BOX 50820 MIDLAND TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,6 Notice
34	9314 8699 0430 0121 7884 16	State of New Mexico Commissioner of Public Lands PO BOX 1148 SANTA FE NM 87504	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,6 Notice
35	9314 8699 0430 0121 7884 23	MRC Permian Company Matador 5400 LBJ Freeway Ste 1500 Dallas TX 75240	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,6 Notice
36	9314 8699 0430 0121 7884 30	EG3 Development, LLC PO Box 1567 Graham TX 76450	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,6 Notice
37	9314 8699 0430 0121 7884 47	Allar Development, LLC PO Box 1567 Graham TX 76450	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,6 Notice
38	9314 8699 0430 0121 7884 54	ConocoPhillips Company 600 West Illinois Ave Midland TX 76450	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,6 Notice
39	9314 8699 0430 0121 7884 61	MCT Energy Ltd. 262 CARROLL STREET SUITE 100 FORT WORTH TX 76107	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50,0 Notice
40	9314 8699 0430 0121 7884 78	SHG Energy, LLC 4101 KINGWOOD COURT MIDLAND TX 79707	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50, Notice
41	9314 8699 0430 0121 7884 85	Sitka Consulting, LLC 5907 NORTH OSSINEKE DRIVE SPRING TX 77386	\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50, Notice
42	9314 8699 0430 0121 7884 92		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50, Notice
43	9314 8699 0430 0121 7885 08		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50, Notice
44	9314 8699 0430 0121 7885 15		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009.50, Notice

## Type of Mailing: CERTIFIED MAIL 05/31/2024

Line	e U	SPS Article Number	Name, Street, City, State, Zip	**	Postage	Service Fee	RR Fee	Rest.Del.Fe	e	Reference Contents
4:	5 93	314 8699 0430 0121 7885 22	The Allar Company PO Box 1567 Graham TX 76450		\$1.87	\$4.40	\$2.32	\$0.00		10154.0009.50,62. Notice
40	6 93	314 8699 0430 0121 7885 39	EG3, Inc. PO Box 1567 Graham TX 76450		\$1.87	\$4.40	\$2.32	\$0.00		10154.0009.50,62. Notice
4′	7 93	314 8699 0430 0121 7885 46	GMT New Mexico Royalty Company LLC 1560 BROADWAY SUITE 2000 DENVER CO 80202		\$1.87	\$4.40	\$2.32	\$0.00		10154.0009.50,62. Notice
4	8 93	314 8699 0430 0121 7885 53	Brazos, LP PO Box 911 Breckenridge TX 76424		\$1.87	\$4.40	\$2.32	\$0.00		10154.0009.50,62. Notice
				Totals:	\$89.76	\$211.20	\$111.36	\$0.00		
	. •					Grand	Total:	\$412.32		

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 06/06/2024

arlene Schuman Iodrall Sperling Rochl Harris & Sisk P.A. 10 Fourth Street, Suite 1000 Ibuquerque NM 87102		g Roehl Harris & Sisk P.A. et, Suite 1000 Type of Mailing					Firm Mailing Book ID: 267250	
Line	USPS Article Number	Name, Street, City, State, Zip		Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0122 0471 85	TH McElvain Oil & Gas, LLLP 1819 Denver West Drive Ste 260 Lakewood CO 80401		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009. Notice
2	9314 8699 0430 0122 0471 92	MRC Permian Company Matador 5400 LBJ Freeway Ste 1500 Dallas TX 75240		\$1.87	\$4.40	\$2.32	\$0.00	10154.0009. Notice

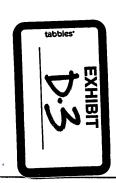
List Number of Pieces Listed by Sender Total Number of Pieces Received at Post Office Postmaster: Dated: Name of receiving employee

2



ansaction Report Details - CertifiedPro.net
Firm Mail Book ID= 266935
Generated: 6/18/2024 2:23:51 PM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	6 Mailing Status	Service Options	Mall Ballions Barrie
9314869904300121776888	2024-05-31 10:42 AM				ROSWELL	NM	88201	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:18 PM
9314869904300121776871	2024-05-31 10:42 AM	10154.0009.48.51.			ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 10:05 AM
9314869904300121776864	2024-05-31 10:42 AM	10154.0009.48,51.	• · · / · · · · · · · · · · · · · · · ·		ROSWELL	NM	88202	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 10:05 AM
9314869904300121776857	2024-05-31 10:42 AM	10154.0009.48,51.	0 0, 1		DENVER	CO	80202	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	2024-00-00 10.03 AW
9314869904300121776840	2024-05-31 10:42 AM	10154.0009.48,51.			Graham	TX	76450	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:35 AM
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9314869904300121776826	2024-05-31 10:42 AM	10154.0009.48,51.			Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 10:55 AM
9314869904300121776819	2024-05-31 10:42 AM	10154.0009.48,51.	John Lawrence Thoma, Trustee of the	Cornerstone Family Trust	PEYTON	co	80813	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 6;50 PM
9314869904300121776802	2024-05-31 10:42 AM	10154.0009.48,51.	·	contestione raining trast	MIDLAND	TX	79705	Undelivered	Return Receipt - Electronic, Certified Mail	2024-00-03 0,30 PW
9314869904300121776796	2024-05-31 10:42 AM				SPRING	TX	77386	Delivered	Return Receipt - Electronic, Certified Mail	
9314869904300121776789	2024-05-31 10:42 AM		<del>-</del> -		MIDLAND	TX	79707	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 2:55 PM
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9314869904300121776727	2024-05-31 10:42 AM 2024-05-31 10:42 AM	10154.0009.48,51.	State of New Mexico	Commissioner of Public Lands	Dallas	TX	75240	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 11:23 AM
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	2024-05-31 10:42 AM				MIDLAND	TX	79707	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
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9314869904300121776413	2024-05-31 10:42 AM	10154.0009.48,51.	COG Operating, LLC Operating, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 7:49 AM
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Received by OCD: 6/19/2024 4:22:58 PM

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uspevaride Number	Date Created	Reference Number	VERNIES C	Name 2	4 Gry	Sin	Į.	a sampaniana a	Service Options	Mail Delivery Date.
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Received by OCD: 6/19/2024 4:22:58 PM

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9314869904300121788546	2024-05-31 1:01 PM	10154.0009.50,62.	•		DENVER	CO	80202	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	2024-06-03 9:57 AM
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9314869904300121788416	2024-05-31 1:01 PM	10154.0009.50,62.		Commissioner of Public Lands	SANTA FE	NM	87504	Delivered	Return Receipt - Electronic, Certified Mail	
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9314869904300121788393	2024-05-31 1:01 PM	10154.0009.50,62.			MIDLAND	TX	79710	Undelivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9314869904300121788386	2024-05-31 1:01 PM	10154.0009.50.62.			MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024 00 00 12:00 044
9314869904300121788379	2024-05-31 1:01 PM	,	Sortida Resources, LLC		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9314869904300121788362	2024-05-31 1:01 PM	10154.0009.50.62.			MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM 2024-06-03 10:17 AM
9314869904300121788355	2024-05-31 1:01 PM	10154.0009.50,62.			MIDLAND	TX	79707	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	2024-06-03 10:17 AW
9314869904300121788348	2024-05-31 1:01 PM	•			MIDLAND	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300121788331	2024-05-31 1:01 PM	10154.0009.50,62.			HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 12:27 PM
9314869904300121788324	2024-05-31 1:01 PM	•	Collins & Jones Investments, LLC		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 12:27 PM 2024-06-03 4:03 PM
9314869904300121788317	2024-05-31 1:01 PM	10154.0009.50,62.			HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 4:03 PM 2024-06-04 12:26 PM
9314869904300121788300	2024-05-31 1:01 PM		Post Oak Crown IV-B, LLC		HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 12:27 PM
9314869904300121788294	2024-05-31 1:01 PM	10154.0009.50,62.	Oak Valley Mineral and Land, LP		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 12:27 PM 2024-06-06 12:06 PM
9314869904300121788287	2024-05-31 1:01 PM	10154.0009.50,62.	Good News Minerals, LLC		MIDLAND	TX	79705	Undelivered	Return Receipt - Electronic, Certified Mail	2024-00-00 12.00 FW
9314869904300121788270	2024-05-31 1:01 PM	10154.0009.50,62.	Nestegg Energy Corporation		ARTESIA	NM	88210	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 2:05 PM
9314869904300121788263	2024-05-31 1:01 PM	10154.0009.50,62.			MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9314869904300121788256	2024-05-31 1:01 PM	10154.0009.50,62.	Marathon Oil Permian LLC		Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-05 11:27 AM
9314869904300121788249	2024-05-31 1:01 PM	10154.0009.50,62.	Hanley Petroleum, LLC		Midland	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	2024 00 03 11.27 AW
9314869904300121788232	2024-05-31 1:01 PM	10154.0009.50,62.	TSF WI LP		Midland	TX	79702	To be Returned	Return Receipt - Electronic, Certified Mail	
9314869904300121788225	2024-05-31 1:01 PM	10154.0009.50,62.	Mavros Oil Company, LLC		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9314869904300121788218	2024-05-31 1:01 PM	10154.0009.50,62.	TBO Oil & Gas, LLC		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 11:18 AM
9314869904300121788201	2024-05-31 1:01 PM	10154.0009.50,62.	H6 Holdings, LLC		Redmond	WA	98052	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-05 5:07 PM
9314869904300121788195	2024-05-31 1:01 PM	10154.0009.50,62.	LHAH Properties, LLC		Palm Beach	FL	33480	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-05 10:36 AM
9314869904300121788188	2024-05-31 1:01 PM	10154.0009.50,62.	Hanley Petroleum, Inc.		Midland	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	2021 00 00 20:501111
9314869904300121788171	2024-05-31 1:01 PM	10154.0009.50,62.	Sharktooth Resources, Ltd.		Midland	TX	79701	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300121788164	2024-05-31 1:01 PM	10154.0009.50,62.	Buckhorn Energy, LLC		Midland	TX	79701	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300121788157	2024-05-31 1:01 PM	10154.0009.50,62.	Charles D. Ray		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-10 8:36 AM
9314869904300121788140	2024-05-31 1:01 PM	10154.0009.50,62.	Tarpon Industries Corp.		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 11:56 AM
9314869904300121788133	2024-05-31 1:01 PM	10154.0009.50,62.	Warren Ventures, Ltd.		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 11:39 AM
9314869904300121788126	2024-05-31 1:01 PM	10154.0009.50,62.	Crump Family Partnership, Ltd.		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-06 12:06 PM
9314869904300121788119	2024-05-31 1:01 PM	10154.0009.50,62.	Concho Oil & Gas, LLC Oil & Gas, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 7:49 AM
9314869904300121788102	2024-05-31 1:01 PM	10154.0009.50,62.	COG Operating, LLC Operating, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-04 7:49 AM
9314869904300121788096	2024-05-31 1:01 PM	10154.0009.50,62.	Otter Creek, LLC		Sealy	TX	77474	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
9314869904300121788089	2024-05-31 1:01 PM	10154.0009.50,62.	TH McElvain Oil & Gas, LLLP		Lakewood	СО	80401	Delivered	Return Receipt - Electronic, Certified Mail	2024-06-03 12:33 PM
										00 05 12.05 1 101

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<b>Transaction Report</b>	Details - C	ertifiedPro	.net							
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r Name 1	Name 2	City	State	Zip	Mailing Status		Service Opti	ons	Mail Delivery D	ate
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TH McElvain Oil & Gas, LLLI	-	Lakewood	CO	80401	Delivered	Return Receipt	- Electronic,	Certified Mail	2024-06-10 12:5	3 PM

#### **LEGAL NOTICE** June 9, 2024

and ending with the issue dated June 09, 2024.

Publisher

Sworn and subscribed to before me this 9th day of June 2024.

**Business Manager** 

My commission expires

January 29, 2027

(Seal) STATE OF NEW MEXICO **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 Publication

CASE No. 24348: Notice to all affected parties, as well as heirs and devises of: MRC Permian Company; Matador Resources Company; TH McElvain Oil & Gas, LLLP; COG Operating, LLC; Concho Oil & Gas, LLC; Potto Oil & Gas, LLC; Marros Oil & Gas, LLC; Mar The producing area for the wells is expected to be orthodox. Franklin also seeks, to the extent necessary, ne producing area for the wells is expected to be ofmodox. 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 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, dedicated to Franklin's proposed Gold 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.

> CASE NO. 24351: Notice to all affected parties; as well as helrs and devisees of: MRC Permian Company; Matador Resources Company; TH McElvain Oil & Gas, LLLP; 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 Valley Mineral and Land, LP; Post Oak Crown IV-B, LLC; Control Company, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Control Company, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and Land, LP; Post Oak Crown IV-B, LLC; Colline and LP; Post Oak Crown IV-B, LLC; Colline and LP; Post Oak Crown IV-B, LC; Post Oak Crown IV-B, Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy, LLC; H. Jason Wacker; David W. Cromwell; Sortida Resources, LLC; Mike Moylett; Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands 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 the virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: https://www.emrid.nm.gov/ocd/hearing-info/. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Bone Spring horizontal spacing unit comprising the E/E/2 of Section 35, Township, 18 South, Range 34 East, and Lot 1, the SE/NE, and E/2SE of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 304H and Parallel State Com 504H wells, to be horizontally drilled from proposed surface hole locations in the NE/4NE/4 (Unit A) of Section 35 to proposed bottom hole locations in the SE/4SE/4 (Unit P) of Section 2, and the producing area for the wells is expected to be arthodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40634) Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy LLC; H. Jason Wacker; David W. Cromwell; Sortida Resources, LLC; Mike Moylett; Kaleb Smith; Dean 00291104

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

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### June 9, 2024

## Affidavit of Publicatio

ing his their may replied -

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 publishe in the regular and entire issue of said newspaper, and not a supplement thereofor a period of 1 issue(s).

> Beginning with the issue dated June 09, 2024 and ending with the issue dated June 09, 2024.

Publisher

Sworn and subscribed to before me this 9th day of June 2024.

Business Manager

My commission expires January 29, 2027

(Seal)

STATE OF NEW MEXICO 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.

CASE NO. 24350: 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; Nesigg Energy Corporation; Good News Minerals, LLC: Oak Valley 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; Sortida Resources, LLC; Mike Moylett; Kaleb, Smith; Dean Durham; State of New Mexico through its Commissioner of Public 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 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/cod/hearing-info/. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.91-acre, more or less, Bone Spring 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, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spaci bottam hole locations in the SW/4SE/4 (Unit O) of Section 2, and the producing area for the wells is expected to be grithodox. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. The proposed spacing unit in this case will partially overlap the following existing spacing units: A160-acre Bone Spring horizontal well spacing unit comprised of the N/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 2H well (API 30-05-40642); a 160-acre Bone Spring horizontal well spacing unit comprised of the S/2S/2 of Section 35 dedicated to Franklin Mountain's Butter Cup 35 State Com 1H well (API 30-05-40634); and a163.92-acre horizontal well spacing unit comprised of the W2E2 of Section 2 dedicated to Matador Production Company's King Cobra 2 State #002H (API 30-025-41060). 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.

oppgrator of the wells, and a 200% charge for risk involved in drilling salo wells. Said area is localed appgaximately 24 miles west of Hobbs, New Mexico.

CASE, NO. 24362: Notice to all affected parties, as well as helrs and devisees of: MRC Permian Company; Matador Resources Company; TH McElvain Oil & Gas, LLLP; Otter Creek, LLC; COG Opegating, 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 Valley Mineral and Land, LP; Post Oak Crown IV-B, LLC; Post Oak Crown IV, LLC; Collins & Jones Investments, LLC; Milke Moylett; Kaleß, Smith; Dean Durham; State of New Mexico; Lands; EG3 Development, LLC; Milke Moylett; Kaleß, Smith; Dean Durham; State of New Mexico; Lands; EG3 Development, LLC; Milke Moylett; Kaleß, Smith; Dean Durham; State of New Mexico; Lands; EG3 Development, LLC; Milke Moylett; Kaleß, Smith; Dean Durham; State of New Mexico; Lands; EG3 Development, LLC; Ridge Runner Holdings, LLC; John Lawrence Thomas, Trustee of the Cornerstone Family Trust; CrownRock Minerals, LP; The Allar Company; EG3, Inc.; GMT New Mexico Royalty Company LLC; Brazgs, LP through its Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and, to the extent necessary, approval oiling overlapping spacing unit, Lea County, New Mexico. The State of New Mexico through its Oil Consegvation 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 tashion, both in person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, tesignation 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.

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

#### Affidavit of Publication

Afficiacy in of Publicatio

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs
New-Sun, a message publisher of the Hobbs
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#### Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobb News-Sun, a newspaper published at ; Hobbs, New Mexico, solemnly swear ti the clipping attached hereto was publis in the regular and entire issue of said 3 newspaper, and not a supplement ther for a period of 1 issue(s).

> 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.

Bussiehull Black Business Manager

My commission expires
anuary 297430E/OF NEW MEXICO
Seal) NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/20

This newspaper is duly qualified to put legal notices or advertisements within meaning of Section 3, Chapter 167, La 1937 and payment of fees for said pub has been made.

September 20, 2023

CASE NO. 23845: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Concho Oll & Gas, LLC; TH McElvain Oll & Gas, LLLP; Nestegg Energy Corporation; State of New Mexico Commissioner of Public Lends of the Application of Franklin Mountain Energy 3, LLC frompulsory pooling and notice of overlapping unit, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on October 5, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at https://www.emnrd.nm.gov/ocd/hearing-info/. This hearing is subject continuance by the Division to a subsequent docket date. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/ZW/2 of Section 37, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 3021 wells; to be horizontally drilled. The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially overlap a spacing unit in Section 35, Township 18 South, Range 34 East, N.M.P.M. Lea County, New Mexico. 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. 23846: Notice to all affected parties, as well as helrs and devisees of: COG Operating, LLC:

In drilling said wells. Sald area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 23846: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Concho Oil & Gas, LLC; Th McEivain Oil & Gas, LLLP; Nestagg Energy Corporation; State of New Mexico Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping 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 8:16 a.m. on October 5, 2023 to consider this application, information about accessing the electron hearing: is posted at "OCD NOTICES" at https://www.emnrd.nm.gow/ocd/hearlnq-into/. This hearing is subject to continuance by the Division to a subsequent docket date. Applicant seeks an order from the Division pooling, all uncommitted mineral interests within a 324-02-acre, more or less, Wolfcamp horizontal spacing unit commisting the WZWIZ of Section 35, Township 18 South, Range 34 East, NM.P.M., Lca County, New Mexico. This spacing unit will be dedicated to the Parallel State Com 701H and Parallel State Com 901H wells, to bs. horizontally drilled. The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially overlap a spacing unit in Section 35, Township 18 South, Range 34 East, NM.P.M. Lea County, New Mexico. 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 risk involved in drilling said wells. Said area is located approximately 24 miles west of thosbs, New Mexico.

CASE NO. 23847. Notice to all affected parties, are well as heles and dayles and dayless of COG Operation LLC.

in drilling said wells. Sald area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 23847: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Concho Oil & Gas, LLLC; TM McElvain Oil & Gas, LLLP; Nestegg Energy Corporation; State of New Mexico Commissioner of Public Lends 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 through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at \$15.6.m. on October 5, 2023 to consider this application, Information about accossing the electron hearing is posted at "OCD NOTICES" at https://www.emhrd.inm.gow/ocd/hearing-Info/. This hearing is subject ontinuance by the Division to a subsequent docket date. Applicant seeks an order from the Division pooling all uncommitted mineral Interests within a 324.02-acre, more or less, Bone Spring horizontal spacing unit will be addicated to the Peraillel State Com 3024 and Paraillel State Com 5024 wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially overlap a spacing unit in Section 35, Township 18 South, Range 34 East, N.M.P.M. Lea County, New Mexico. 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, New Mexico.

CASE NO, 23848: Notice to all affected parties, as well as helrs and devisees of: COG Operating, LLC:

in drilling said wells. Sald area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 23848: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC; Concho Oil & Gas, LLC; Th McElivario Oil & Gas, LLLP; Nestegg Energy Corporation; State of New Mexico Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC rompulsory pooling and notice of overlapping unit, Lee County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on October 5, 2023 to consider this application, Information about accessing the electroch hearing is posted at "OCD NOTICES" at https://www.emnrd.nm.gov/ocd/hearing-info/. This hearing is subject to continuance by the Division to a subsequent dockort date. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 324.02-acre, more or less, Bone Spring horizontal specing unit momprising the W/2W/2 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 Parallel State Com 3011 was precing unit proposed in this application will partially overlap a specing unit in Section 35, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. 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 resyrvision, 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.

designation of Planton Mountain Chelly 3, LtC as operator to the week, and a 200% Blagge to hisk involved in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Moxico.

CASE NO, 23849: Notice to all affected parties, as well as heirs and devisees of: TH McElvain Oil & Gas, LLCP; Otter Creek, LLC; COG Operating, LLC; Concho Oil & Gas, LLC; Crump Family Partnership, Ltd.; Warner Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhon Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; He Holdings, LLC; BG Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; He Holdings, LLC; BG Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; He Holdings, LLC; BG Sharktooth Resources, Ltd.; He Holdings, LLC; TSF WI LP; Hanley Patroleum, LLC; Alfarthon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC; Sortida Resources, LLC; Mike Moylett: Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. October 5, 2023 to consider this application. Information about accessing the electronic hearing is posted at OCD NOTICES\* a https://www.cmmrd.nm.gov/ocd/hearing-info/. This hearing is subject to confusionate by the Division to a subsequent docker date. Applicant seeks an order from the Division, pooling all uncommitted mineral interests within a 2023-92-acra, more or less, Bone Syring horizontal spacing unit comprising the W/ZEZ of Section 35, Township 18 South, Range 34 East, M.M.P.M., Lea County, New Mexico. This spacing unit proposed to the Parallel State Com 303H and Parallel State Com 503H wells, to be horizontally diffied. The producing area for the wells is expected to be ort

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

CASE NO. 23550: Notice to all affected parties, as well as heirs and devisees of: THI McElvain Oil & Gas, LLLP, COG Operating, LLC; Concho Oil & Gas, LLC, Crump Family Parinership, Ltd.; Warren Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hange Petroleum, inc.; LHAH Properties, LLC; H6 Holdings, LLC; TBO (I) & Gas, LLC; Mavros Oil Company, LLC; TSF Wil LP; Hanley Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Parlners, LP; Nestegg Energy Corporation; Good News Milnerais, LLC; Oallins & Jones Investments, LLC; Post Oak Mavros II, LLC; LMC Energy, LLC; H3 Jason Wacker; David W. Crownell; Sortida Resources, LLC; Mike Moylett: Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. The State of New Mexico through its Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Lea County, New Mexico. The State of New Mexico through its COD NOTICES's at https://www.emmrc.mic.gov/god/hearing-info/. This hearing is subject to continuance by the Division will conduct a public hearing at 8:15 a.m. on October 5, 2023 to consider this application. Information about accessing the electronic hearing is posted to continuance by the Division in a subsequent docker date; Applicant saeks an order from the Division pooling and uncommitted milneral interests within a 323.61 ace, more or less, Wolfcamp norizontal spacing unit wild an experiment of the public of the producing area for the wells is expected to be orthodox. The spacing unit proposed to this application will partially overlap a spacing unit wild.

The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially over

Said area is focated approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 23651: Notice to all affected parties, as well as heirs and devisees of: TH McEtvini Oil & Gas. LLC; Crump Family Partnership, Ltd.; Warren Ventures, Ltd.; Tarpori Industries Corp.; Charles D. Ray; Buckborn Energy, Ltd.; Sharktool Hesourose, Ltd.; Hangy Petroleum, Inc.; LHAH Proporties, Ltd.; His Hoddings, Ltd.; Bo Oil & Gas. LLC; Crump Family Petroleum, Inc.; HAH Proporties, Ltd.; His Hoddings, Ltd.; Dat Oil & Gas. LLC; Mavros Oil Company, Ltd.; TSF Wit Lp; Hanloy Petroleum, Ltd.; Marsthoro Oil Permian Ltd.; Crown Oil Partners, Lp. Nestege Energy Corporation; Good News Minerals, Ltd.; Oak Valley Mineral and Land, Lp; Post Oak Crown IV-B. Ltd.; Post Oak Cown IV-B. Ltd.; Hostown Mexico, Tollies & Jones Investments, Ltd.; Oak Mavros II, Ltd.; Ltd. Copt.; Ltd.; Ltd.; Copt. Copt. Hollies & Jones Investments, Ltd.; Oak Mavros II, Ltd.; Ltd. Copt.; Ltd.; Ltd.; Oak Mavros II, Ltd.; Ltd. Copt.; Ltd.; Dat Oak Mavros II, Ltd.; Ltd. Copt.; Ltd.; Dat Oak Mavros III, Ltd.; Ltd.; Oak Mavros III, Ltd.; Dat Oak Mavros III, Ltd.; Ltd.; Oak Mavros III, Ltd.; Dat Oak Mavros III, Ltd.; Dat Oak Mavros III, Ltd.; Ltd.; Oak Mavros III, Ltd.; Dat Oak Mavros III, Ltd.; Ltd.; Oak Mavros III, Ltd.; Dat Oak Mavros III, Ltd.; Dat Oak Mavros III, Ltd.; Dat Oak Mavros III, Ltd.; Ltd.; Dat Oak Mavros III, Dat Oak Mavros III, Ltd.; Dat Oak

20th day of September 2023.

Wh Black

My commission expires January 29, TAGE OF NEW MEXICO NOTARY PUBLIC **GUSSIE RUTH BLACK COMMISSION # 1087528** 

COMMISSION EXPIRES 01/29/20

This newspaper is duly qualified to put legal notices or advertisements within a meaning of Section 3, Chapter 167, La 1937 and payment of fees for said pub has been made.

Received by OCD: 6/19/2024 4:22:58 PM
Concho Oli & Gas, LLC; TH McElvain Oli & Gas, LLLP; Nestegg Energy Corporation; State of New Maxico Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC for computery pooling and notice of overlapping unit, Les County, New Maxico. The State of New Mexico through its Oil Conservation Division birely gives notice that the Division will conduct a public hearing at 315 a.m. on October 5, 2023 to consider this application, information about accessing the electronic hearing is posted at OCD NOTICEs at https://www.emmrd.mm.gov/ocd/hearing-into/. This hearing is subject to continuance by the Division to a subsequent docket date. Applicant seeks an order from the Division pooling, all uncommitted mineral Interests within a 324.02-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2WV2 of Section 35, Township 18 South, Range 34 East, and Lot 3, the SE/NW, and E/2SW of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicted to the Parallel State Com 302H and Parallel State Com 502H wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. The spacing unit proposed in this application, information about a serious proposed in this application, information about a serious producing area for the wells is expected to be orthodox. The spacing unit proposed in this application will partially overlap a spacing unit in Section 35, Township 18 South, Range 34 East, N.M.P.M. Lea County, New Mexico. Also to be considered will be the cost of drilling and completing said wells. Sald area is located approximately 24 miles west of Hobbs, New Mexico. Inding sald wells. Sald area is located approximately 24 miles west of Hobbs, New Mexico. Inding sald wells. Sald area is located approximately 24 miles west of Hobbs, New Mexico.

In drilling sald wells. Sald area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 23848: Notice to all affected parties, as well as heirs and devisees of: COG Operating, LLC. Concho Oll & Gas. LLC: If McElvain Oll & Gas. LLC! P. Nestedge Energy Corporation: State of New Mexico Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC for compusiony pooling and notice of overlapping 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 \$1.55 a.m. on October 5, 2023 to consider ithis application, Information about accessing the electron hearing is posted at "OCD NOTICES" at https://www.emnnd.nm.gov/locd/hearing-Info/. This hearing is subject to continuance by the Division to a subsequent docket date. Applicant seeks an order from the Division pooling all uncommitted minoral interests within a 324.02-acre, more or less, Bone Spring horizontal spacing unit will be dedicated to the Parallel State Com 3014 and Parallel State Com 5014 wells, to be horizontally drilled. The producing area for the wells is expected to be orthodox. The spacing unit proposed this application will partially overlap a spacing unit in Section 35. Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. 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 osts and charges for survivision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, as well as heirs and devisees of: Th McElvain Oll & CASE NO. 23849: Notice to all affected parties, as well as heirs and devisees of: Th McElvain Oll &

Gesignation or irental information thereby 3, LCL as operation of the wests, also a cours organist in the minore in drilling said wells. Said area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 23849: Notice to all affected parties, as well as heirs and devisees of: TH McElvain Oil & Gas, LLC; Crump Femily Partnership, Ltd.; Warren Ventures, Ltd.; Tarpon industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LtC; He Holdings, LLC; Post Oil & Gas, LLC; Marves Oil Company, LLC; TSF WI LP; Henley Petroleum, LtC; Merathon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC; Oak Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC; Oak Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC; Oak Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC; Oak Crown Oil Partners, LLC; Mc Energy, LLC; H. Jason Wacker; David W. Cromwells, Sorlida Resources, LLC; Mike Moylett. Kaiob Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands Application of Franklin Mountain Energy 3, LLC for compulsory pooling and notice of overlapping unit, Les County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. October 5, 2023 to consider this application. Information about accessing the electronic hearing is posted at OCD NOTICES\* at https://www.emmrd.m..gov/ocd/hearing-info/. This hearing is subject to continuates by the Division to a subsequent docked date. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.92-acre, more or less, Bone Spring horizontal spacing unit verifice and the Willey of the Parallel State Com 303M and Parallel State Com 303M wells, to be fortzontally diffed. The producing area for the wells is expected to be onthoux. The spacing unit proposed t

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

CASE NO. 23950: Notice to all affected parties, as well as helrs and devisees of: TH McElvain Oil & Gas, LLC; Crump Family Partnership, Ltd.; Werren Ventures, Ltd.; Tarpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petrolaum, Inc.; LHAH Properties, LLC; H6 Holdings, Ltd.; TBO Oil & Gas, LLC; Moraties D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petrolaum, Inc.; LHAH Properties, LLC; H6 Holdings, Ltd.; TBO Oil & Gas, LLC; Moratino Oil Parnien LLC; Grown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC; TG KValley Mineral and Land, LP.; Post Oak Crown IV-3, LLC; Post Oak Grown IV, LLC; Collad Forman LLC; H3 and Land, LP.; Post Oak Crown IV-3, LLC; Post Oak Grown IV, LLC; Collad Forman LC; Crown Oil Partners, LP; McMartners, LLC; H6 Energy, LLC; H Jason Wacker; David W. Cromwell; Sorties Hasources, LLC; Mike Moylett: Kakeb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC for computery pooling and notice of overlapping unit, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division heresty gives notice that the Division will conduct a public hearing at 8:15 a.m. Oil Conservation Division heresty gives notice that the Division will conduct a public hearing at 8:15 a.m. October 5, 2023 to consider this application. Information about accessing the electronic hearing is posted at "OCD NOTICES" at https://www.emmrd.mm.gov/ocd/hearling-into/. This bearing is subject to continuance by the Division to a subsequent docket date. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323.81-acre, more or less, Wolfcamp.horizontal specing unit committed mineral interests within a 323.81-acre, more or less, Wolfcamp.horizontal specing unit committed to the Parafiel State Com Total and Parafiel St

Said area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 33851; Notice to all affected parties, as well as helrs and devisees of: TH McElvalm Oil & Gas, LLLP; COG Operating, LLC; Concho Oil & Gas, LLLC; Cump Family Partnership, Ltd.; Warren Ventures, Ltd.; Terpon Industries Corp.; Charles D. Ray; Buckhorn Energy, LLC; Sherktooth Resources, Ltd.; Harley Petroleum, LLC; McLore Coll & Gas, LLC; Mavros Oil Company, LLC; TSF WI LP; Haniay Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Partners, LP; Nostegg Energy Corporation; Good News Minrenis, LLC; Callins, LLC; Callins, LLC; Callins, LLC; Callins, LLC; Collins & Jones Investments, LLC; Post Oak Crown IV-B, LLC; Post Oak Crown IV-B, LLC; Collins & Jones Investments, LLC; Post Oak Mavros ii, LLC; LMC Energy, LLC; H. Jason Wacker; David W. Cromopulsory pooling and notice of overlapping unit, Lea County, New Mexico. The State of New Mexico through its Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC Group Bits of Construction Division hereby gives notice that the Division will conduct a public hearing at 31-t5 a.m. on October 5, 2023 to consider this application, Information about accessing the electronic hearing is posted to CON NOTICES; at https://www.emmrd.mm.gov/ec/Mesing-Info/This hearing is subject to continuance by the Division to a subsequent docket date. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a \$22.81-acr, more or less, Bone Spring horizontal specing unit comprising the ErzErz of Section 35, Township is 8 South, Range 34 East, Nath. M. P.M., Las County, New Mexico. This Spring horizontal specing unit of Section 2, Township is 95 South, Range 34 East, Nath. M. P.M., Las County, New Mexico, This specing unit will be producing area for the wells to generating costs and completing said wells, the horizontally drilled partially overlaps a spacing unit in Section 35. Township is 8 South, Range 36 East, Nath. M. P.M., Las County, New Mexico, This spac

Said area is located approximately 24 miles west of Hobbs, New Mexico.

CASE NO. 23852: Notice to all affected parties, as well as heirs and devisees of: TH McElvain Oil & Gas. LLLP; Otter Creek, LLC; CDG Operating, LLC; Concho Oil & Gas. LLC; Crump Family Partnership, Ltd.; Warren Ventures, Ltd.; Tarpon industries Copp.; Charles D. Ray; Buckhorn Energy, LLC; Sharktooth Resources, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; He Holdings, LLC; Box Hotel Partnership, Ltd.; Warren Ventures, Ltd.; Hanley Petroleum, Inc.; LHAH Properties, LLC; He Holdings, LLC; Box Old & Gas., LLC; Mavros Oil Company, LLC; TSE WI LP; Hanley Petroleum, LLC; Marathon Oil Permian LLC; Crown Oil Partners, LP; Nestegg Energy Corporation; Good News Minerals, LLC: Ada Crown IV. LLC; Collins & Jones Investments, LLC; Post Oak Mavros III, LLC; LMC Energy, LLC; H. Jason Wacker; David W. Cromwells Sortida Resources, LLC; Mike Moylett: Kaleb Smith; Dean Durham; State of New Mexico through its Commissioner of Public Lands of the Application of Franklin Mountain Energy 3, LLC for compulsory gooding and notice of overlapping unit, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. October 5, 2023 to consider this application of Franklin Mountain Energy 3, LLC for compulsory of the Division to a subsequent docket date, Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 323-352-acre, more or less, Wolfcamp horizontal spacing unit mommitted mineral interests within a 323-352-acre, more or less, Wolfcamp horizontal spacing unit mommitted mineral interests within a 323-352-acre, more or less, Wolfcamp horizontal spacing unit mommitted mineral interests within a 323-352-acre, more or less, Wolfcamp horizontal spacing unit mommitted mineral interests within a 323-352-acre, more or less, Wolfcamp horizontal spacing unit mommitted mineral interests a within a 323-352-acre, more or less, Wolfca