

Before the Oil Conservation Division Examiner Hearing August 27th, 2024

Compulsory Pooling

Case Nos. 24205, 24206, 24199, 24198
Ball W/2 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, LEA COUNTY, NEW MEXICO

CASE NOS. 24198, 24206

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. 24199, 24205

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

CASE NOS. 24367-24368

APPLICATIONS OF MRC PERMIAN COMPANY FOR APPROVAL COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 24369-24370

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  - Exhibit B-16-a: C-102s
  - Exhibit B-16-b: Lease Tract Map and Summary of Interests
  - Exhibit B-16-c: Well Proposal Letter and AFES
  - Exhibit B-16-d: Pooled Parties

#### • CASE NO. 24199 SPECIFIC TESTIMONY AND EXHIBITS

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  - Exhibit B-17-a: C-102s
  - Exhibit B-17-b: Lease Tract Map and Summary of Interests
  - Exhibit B-17-c: Well Proposal Letter and AFES
  - Exhibit B-17-d: Pooled Parties

#### • CASE NO. 24198 SPECIFIC TESTIMONY AND EXHIBITS

- o Exhibit B-18: Application
  - Exhibit B-18-a: C-102s
  - Exhibit B-18-b: Lease Tract Map and Summary of Interests
  - Exhibit B-18-c: Well Proposal Letter and AFES
  - Exhibit B-18-d: Pooled Parties

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Map

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  - o Exhibit C-4-c: Wolfcamp A Isopach Map
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- Exhibit D-2: Wolfcamp A Development
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- Exhibit D-5: Well Back up Data

#### Tab E: Declaration of Deana M. Bennett

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

Tab A: Compulsory Pooling Checklists

## Received by OCD: 8/20/2024 5:13:54 PM COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24198	APPLICANT'S RESPONSE
Hearing Date	August 27, 2024
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC OGRID No. 331595
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
Case Title:	Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling, Lea County, New Mexico.
Entries of Appearance/Intervenors:	MRC Permian Company
Well Family	Ball State Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Scharb; Wolfcamp Pool (Pool Code 55640)
Well Location Setback Rules:	State-Wide Rules Apply
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	E/2W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B.18.b
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1: Ball State Com 702H	API No. Pending SHL: 822' FNL & 2397' FWL, (Unit C), Section 32, T18S, R35E BHL: 100' FNL & 2290' FWL, (Unit C) Section 20, T18S, R35E Completion Target: Wolfcamp A (Approx. 10,524' TVD) Orientation: North/South
Well #2: Ball State Com 802H	API No. Pending SHL: 822' FNL & 2307' FWL, (Unit C), Section 32, T18S, R35E BHL: 100' FNL & 1660' FWL, (Unit C) Section 20, T18S, R35E Completion Target: Wolfcamp D (Approx. 11,067' TVD) Orientation: North/South
Horizontal Well First and Last Take Points	See Exhibit B.18.a er Hearing 8-27-24

Received by OCD: 8/20/2024 5:13:54 PM Completion Target (Formation, TVD and MD)	See Exhibit B.18.c
	See Exhibit 5/2010
AFE Capex and Operating Costs	\$9,000.00
Drilling Supervision/Month \$	\$900.00
Production Supervision/Month \$	See Exhibit B Pargraph 75
Justification for Supervision Costs	200%
Requested Risk Charge	20076
Notice of Hearing Proposed Notice of Hearing	Exhibit B.18
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E.1 to E.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E.4
Proof of Published Notice of Hearing (10 days before hearing)	
Ownership Determination	
	Exhibit B.18.b
Land Ownership Schematic of the Spacing Unit Tract List (including lease numbers and owners)	Exhibit B.18.b
If approval of Non-Standard Spacing Unit is requested, Tract List	N/A
(including lease numbers and owners) of Tracts subject to notice	
Pooled Parties (including ownership type)	Exhibit B.18.d
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above &	N/A
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.14
Overhead Rates In Proposal Letter	Exhibit B.18.c
Cost Estimate to Drill and Complete	Exhibit B.18.c
Cost Estimate to Equip Well	Exhibit B.18.c
Cost Estimate for Production Facilities	Exhibit B.18.c
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C.1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B.4
Well Orientation (with rationale)	Exhibit C.2
Target Formation	Exhibit C.4
HSU Cross Section	Exhibit C.4.b; C.4.e
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit B.18.a
	Exhibit B.18.b
Tracts  Common of Interests Unit Descritulation (Tracts)	Exhibit B.18.b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C.1
General Location Map (including basin)	
Well Bore Location Map	Exhibit C.2
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 iner Hearing 8-27-24

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Cross Section (including Landing Zone)	Exhibit C.4.b; C.4.e
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information prov	vided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett
Date:	8/20/2024

## COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
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Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC OGRID No. 331595
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
Case Title:	Application of Franklin Mountain Energy 3, LLC for Compulsory
	Pooling, and, to the Extend Necessary, Approval of an Overlapping
	Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	MRC Permian Company
Well Family	Ball State Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Airstrip, Bone Spring (Pool Code 960) and WC-025 G-06
	S183518A;Bone Spring (Pool Code 97930
Well Location Setback Rules:	State-Wide Rules Apply
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	E/2W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is	
approval of non-standard unit requested in this application?	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B.17.b
	See Exhibit B.17.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)	Add Wells as Needed
Well #1: Ball State Com 302H	API No. Pending
	SHL: 822' FNL & 2367' FWL, (Unit C), Section 32, T18S, R35E
	BHL: 100' FNL & 2290' FWL, (Unit C) Section 20, T18S, R35E
	Completion Target: First Bone Spring (Approx. 8,859' TVD)
	Orientation: North/South
Well #2: Ball State Com 602H	API No. Pending
	SHL: 822' FNL & 2277' FWL, (Unit C), Section 32, T18S, R35E
	BHL: 100' FNL & 1660' FWL, (Unit C) Section 20, T18S, R35E Completion Target: Third Bone Spring (Approx. 10,046' TVD)
	Orientation Target. Third Boile Spring (Approx. 10,046 170)
OCD Examir	1000 04400 04400

Horizontal Well First and Last Take Points	See Exhibit B.17.a
Completion Target (Formation, TVD and MD)	See Exhibit B.17.c
AFE Capex and Operating Costs	
	\$9,000.00
Drilling Supervision/Month \$	\$900.00
Production Supervision/Month \$	
Justification for Supervision Costs	See Exhibit B Pargraph 68
Requested Risk Charge	200%
Notice of Hearing	Euhikia D 47
Proposed Notice of Hearing	Exhibit B.17 Exhibit E.1 to E.3
Proof of Mailed Notice of Hearing (20 days before hearing)	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B.17.b
Tract List (including lease numbers and owners) If approval of Non-Standard Spacing Unit is requested, Tract List	Exhibit B.17.b
(including lease numbers and owners) of Tracts subject to notice	N/A
Pooled Parties (including ownership type)	Exhibit B.17.d
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above &	N/A
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.14
Overhead Rates In Proposal Letter	Exhibit B.17.c
Cost Estimate to Drill and Complete	Exhibit B.17.c
Cost Estimate to Equip Well	Exhibit B.17.c
Cost Estimate for Production Facilities	Exhibit B.17.c
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C.1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B.4
Well Orientation (with rationale)	Exhibit C.2
Target Formation	Exhibit C.3
HSU Cross Section	Exhibit C.3.b; C.3.e
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit B.17.a
Tracts	Exhibit B.17.b
	Exhibit B.17.b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C.1
General Location Map (including basin)	
Well Bore Location Map	Exhibit C.2
Structure Contour Map - Subsea Depth OCD Exami	Exhibit C.3.a; C.3.d ner Hearing 8-27-24

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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	N/A	
CERTIFICATION: I hereby certify that the information prov	vided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett	
Signed Name (Attorney or Party Representative):	/s/ Deana M. Bennett	
Date:		8/20/2024

## COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24205	APPLICANT'S RESPONSE
Hearing Date	August 27, 2024
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC OGRID No. 331595
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
Case Title:	Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling, and, to the Extend Necessary, Approval of an Overlapping Spacing Unit, Lea County, New Mexico.
Entries of Appearance/Intervenors:	MRC Permian Company
Well Family	Ball State Com
Formation/Pool	
formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Airstrip, Bone Spring (Pool Code 960) and WC-025 G-06 S183518A;Bone Spring (Pool Code 97930
Well Location Setback Rules:	State-Wide Rules Apply
Spacing Unit	
ype (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	W/2W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B.15.b
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1: Ball State Com 301H	API No. Pending SHL: 821' FNL & 389' FWL, (Unit D), Section 32, T18S, R35E BHL: 100' FNL & 965' FWL, (Unit D) Section 20, T18S, R35E Completion Target: First Bone Spring (Approx. 8,888' TVD) Orientation: North/South
Well #2: Ball State Com 601H OCD Examin	API No. Pending SHL: 820' FNL & 326' FWL, (Unit D), Section 32, T18S, R35E BHL: 100' FNL & 360' FWL, (Unit C) Section 20, T18S, R35E Completion Target: Third Bone Spring (Approx. 10,065' TVD)

Horizontal Well First and Last Take Points	See Exhibit B.15.a
Completion Target (Formation, TVD and MD)	See Exhibit B.15.c
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
lustification for Supervision Costs	See Exhibit B Pargraph 54
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B.15
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E.1 to E.3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit E.4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B.15.b
Tract List (including lease numbers and owners) f approval of Non-Standard Spacing Unit is requested, Tract List	Exhibit B.15.b
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Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C.1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B.4
Well Orientation (with rationale)	Exhibit C.2
Farget Formation	Exhibit C.3
HSU Cross Section	Exhibit C.3.b; C.3.e
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit B.15.a
Tracts	Exhibit B.15.b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.15.b
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.2
Structure Contour Man - Subsea Denth	Exhibit C.3.a; C.3.d iner Hearing 8-27-24

	Tuge IT UIT
Exhibit C.3.a; C.3.d	
Exhibit C.3.b; C.3.e	
N/A	
vided in this checklist is complete and accurate.	
Deana M. Bennett	
/s/ Deana M. Bennett	
	8/20/2024
	N/A  vided in this checklist is complete and accurate.  Deana M. Bennett

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24206	APPLICANT'S RESPONSE
Hearing Date	August 27, 2024
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC OGRID No. 331595
Applicant's Counsel:	Modrall, Sperling, Roehl, Harris, & Sisk, P.A.
Case Title:	Application of Franklin Mountain Energy 3, LLC for Compulsory Pooling, Lea County, New Mexico.
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Well Family	Ball State Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	Scharb; Wolfcamp Pool (Pool Code 55640)
Well Location Setback Rules:	State-Wide Rules Apply
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	40-acres
Orientation:	North/South
Description: TRS/County	W/2W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico.
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Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B.16.b
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1: Ball State Com 701H	API No. <i>Pending</i> SHL: 821' FNL & 416' FWL, (Unit D), Section 32, T18S, R35E BHL: 100' FNL & 800' FWL, (Unit D) Section 20, T18S, R35E Completion Target: Wolfcamp A (Approx. 10,539' TVD) Orientation: North/South
Well #2: Ball State Com 801H	API No. Pending SHL: 821' FNL & 356' FWL, (Unit D), Section 32, T18S, R35E BHL: 100' FNL & 360' FWL, (Unit D) Section 20, T18S, R35E
	Completion Target: Wolfcamp D (Approx. 11,132' TVD) Orientation: North/South

Received by OCD: 8/20/2024 5:13:54 PM. Completion Target (Formation, TVD and MID)	See Exhibit B.16.c
	See Exhibit B.10.C
AFE Capex and Operating Costs	¢0,000,00
Drilling Supervision/Month \$	\$9,000.00
Production Supervision/Month \$	\$900.00
Justification for Supervision Costs	See Exhibit B Pargraph 61
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B.16
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E.1 to E.3
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Pooled Parties (including ownership type)	
Unlocatable Parties to be Pooled  Ownership Depth Severance (including percentage above &	N/A
Ownersuib Debtii Severance (incidding bercentage apove &	N/A
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Well Orientation (with rationale)	Exhibit C.2
Target Formation	Exhibit C.4
HSU Cross Section	Exhibit C.4.b; C.4.e
Depth Severance Discussion	N/A
Forms, Figures and Tables	Exhibit B.16.a
C-102	Exhibit B.16.b
Tracts	Exhibit B.16.b
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C.1
General Location Map (including basin) Well Bore Location Map	Exhibit C.2
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Structure Contour Map - Subsea Depth	Exhibit C.4.a; C.4.d
Cross Section Location Map (including wells)	ner Hearing 8-27-24

Received by OCD: 8/20/2024 5:13:54 PM	Page 17 of 15
Cross Section (including Landing Zone)	Exhibit C.4.b; C.4.e
Additional Information	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information pro</b>	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:	8/20/2024

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

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

CASE NOS. 24198, 24206

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. 24199, 24205

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

CASE NOS. 24367-24368

APPLICATIONS OF MRC PERMIAN COMPANY FOR APPROVAL COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 24369-24370

#### SELF-AFFIRMED STATEMENT OF DON JOHNSON

Don Johnson hereby states and declares as follows:

#### **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 area of Lea County in New Mexico. I am involved in title, ownership, and leasing.
- 4. I am familiar with the applications FME3 filed in Case Nos.24198, 24199, 24205, and 24206. I am also familiar with the applications filed by MRC Permian Company ("MRC") in Case Numbers 24367-24370. I am familiar with the land matters involved in these cases.
- 5. My testimony and exhibits addresses the information common to all cases and then addresses case specific information on a case-by-case basis.

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

- 6. These cases involve competing applications for a 640-acre development comprised of Bone Spring and Wolfcamp horizontal spacing units underlying the W/2 of Sections 20 and 29, Township 18 South, Range 35 East. With respect to the W/2 acreage, FME3 has proposed a total of eight wells, known as its Ball State Com wells. MRC has proposed a total of four wells, known as its Condor wells. FME3 also has proposed eight Ball wells in the E/2 of Sections 20 and 29, in Case Nos. 24195-24197, and 24207, and those cases are uncontested.
- 7. In its four 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. Finally, FME3 requests that the Division deny MRC's competing pooling applications.
- 8. The purpose of my testimony is to demonstrate, from a land perspective, why FME3 should be designated operator of the acreage at issue in the cases, which I refer to as the Ball West

Development Area, and why FME3's development plan for the Ball West Development Area is superior to MRC's plan.

- 9. 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. Second, FME3's development plan will reduce surface facilities and surface impacts. 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.
  - 10. **Exhibit B-1** is a map showing the general location and the spacing units at issue.
- and why MRC's applications should be denied. Each of the factors will be discussed by FME3's witnesses as relevant to each witness' area of expertise. I will be focusing on ownership, FME3's ability to prudently and timely drill, complete and operate the wells in development area and prevent waste.
- 12. **Exhibit B-3** provides an overview of working interest ownership within the Ball West Development Area and an overview of the Ball West Development Plan.
- 13. As shown on **Exhibit B-3**, FME3 has 50% working interest ownership in the W/2W/2 and in the E/2W/2 for both the Bone Spring and the Wolfcamp.
- 14. Conversely, MRC only has 25% working interest ownership in the W/2W/2 and in the E/2W/2 and, to my knowledge, does not have the support of any working interest owners.
- 15. FME3 seeks to develop acreage where it owns most of the working interest or has majority interest control as it has done and plans to do in this area.

- 16. FME3 has the highest working interest and should be awarded operatorship.
- 17. **Exhibit B-4** provides a comparison of FME3's development plans as compared to MRC's. As you can see from Exhibit B-4, in the W/2, FME3 is planning four Bone Spring wells and four Wolfcamp wells (total of 8 wells) in the W/2 Ball West Development Area whereas MRC proposes only two Bone Spring wells and only two Wolfcamp wells (total of 4 wells).
  - 18. FME3's Wolfcamp B and MRC's Wolfcamp D are targeting the same formation.
- 19. FME3's development plan includes targeting the Third Bone Spring. Significantly, MRC's applications do not include the Third Bone Spring, which will result in waste and will negatively impact correlative rights.
- 20. FME3's development plan includes targeting the Wolfcamp A. Significantly, MRC's applications do not include the Wolfcamp A, which will result in waste and will negatively impact correlative rights.
- 21. In addition, FME3 is proposing a similar development plan in the E/2 of Sections 20 and 29, with an additional 8 wells proposed following the same development plan.
- 22. Because FME3 is targeting two benches that MRC is excluding, FME3 should be awarded operatorship.
- 23. Because FME3's Ball West Development Plan encompasses both the W/2 and the E/2 of Sections 20 and 29, FME3's development plan allows for more efficiencies, which, in turn reduces surface impacts and costs.
- 24. 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.
  - 25. **Exhibit B-5** is a map showing the Ball West Development Plan.

- 26. **Exhibit B-6** outlines how FME3's development plan minimizes surface disturbance and reduces waste. FME3's plan reduces waste because the Ball W/2 development shares a central tank battery (CTB) with the Ball E/2 development. FME3's plan reduces waste as the Ball W/2 development shares a drill pad with the Ball E/2 development.
- 27. Conversely, under MRC's plans, additional surface disturbance will be required for drilling pads and CTB.
- 28. **Exhibit B-7** discusses other benefits of FME3's plan. FME3's development plan provides the ability to decommission an old tank battery and to P&A an older horizontal well, including fully reclaiming the well pad.
- 29. Consolidation of Ball W/2 production into the Ball CTB with Ball E/2 production creates a single point for Third Party connections
- 30. When compared to MRC's plan, on a per well basis, FME3's plan is superior because there is less equipment needed by third parties; less pipeline infrastructure and disturbance by third parties; and helps prevent third-party waste
- 31. FME3 understands the take-away constraints in this area and is taking steps to proactively address them.
- 32. **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.
- 33. **Exhibit B-9** discusses water takeaway constraints and steps FME3 is taking to address those constraints, including investing \$24 million of capital. FME3 is investing to expand the pipeline system to increase capacity, including approximately 25 miles of pipeline infrastructure. Approximately 17 miles of new pipeline infrastructure has been placed into service

over the last 12 months and the remaining approximately 8 miles have a target in service date of late Q3 2024.

- 34. **Exhibit B-10** discusses gas takeaway constraints and FME3's approach to address them. FME3 is investing approximately \$20 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. Approximately 8 miles of new pipeline infrastructure and two H2S central treatment points have been placed in service over last 12 months with the remaining approximately 8 miles having a targeted in service date late Q3 2024.
- 35. FME3 also signed an acreage dedication with Northwind to facilitate Northwind's buildout to reach FME3's operated acreage.
- 36. **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 Ball.
- 37. **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.
- 38. FME3 has 2 drilling rigs on the Alpha (6) well project as of August 2024. FME3 will start completions on the Satellite (9) well project October 2024.
- 39. Conversely, MRC's last well drilled and completed in this area was in 2019 and MRC has no active permits within this six mile radius.

- 40. FME3 has been diligently working to develop this area. **Exhibit B-13** identifies the timeline and future target dates.
- 41. As indicated on B-13, FME3 acquired its initial lease in this area in December 2022 and FME3 has continued to acquire leases.
- 42. FME3 sent out proposal letters in January 2024. FME3 originally filed its pooling cases in February 2024, and anticipates commencing drilling operations in December 2024.
  - 43. Significantly, FME3 has a term assignment expiration in January 2025.
- 44. 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.
- 45. FME3 sent its well proposal letters to the working interest owners and unleased mineral interest owners in January 2024.
- 46. **Exhibit B-14** is a summary of FME3's communications with working interest owners and unleased mineral interest owners, including MRC.
  - 47. FME3 negotiated with the uncommitted interest owners in good faith.
  - 48. I now provide specific testimony and exhibits for each of the Ball State Com cases.

#### **CASE NO. 24205 SPECIFIC TESTIMONY AND EXHIBITS**

- 49. Below is a brief description of the facts and exhibits for Case No. 24205.
- 50. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 320.00-acre, more or less, Bone Spring horizontal spacing unit

comprising the W/2W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Ball State Com 301H and Ball 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. 24205 is attached as **Exhibit B-15**.

- 51. Attached as **Exhibit B-15-a** are the C-102s for the wells proposed in Case No. 24205. The wells will develop the Airstrip, Bone Spring (Pool Code 960) and WC-025 G-06 S183518A;Bone Spring (Pool Code 97930).
  - 52. The producing area for the wells will be orthodox.
- 53. Attached as **Exhibit B-15-b** is a lease tract map for Case No. 24205. This map shows the ownership breakdown and again confirms that FME3 has higher working interest ownership than MRC. FME3 has 50% working interest. MRC only has 25% working interest.
- 54. Attached as **Exhibit B-15-c** is an example proposal letter and the Authorizations for Expenditure ("AFEs") for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFEs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
  - 55. There are no depth severances within the proposed spacing unit.
  - 56. **Exhibit B-15-d** is a list of the parties to be pooled in Case 24205.

#### CASE NO. 24206 SPECIFIC TESTIMONY AND EXHIBITS

- 57. Below is a brief description of the facts and exhibits for Case No. 24206.
- 58. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 320.00-acre, more or less, Wolfcamp horizontal spacing unit comprising

the W/2W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Ball State Com 701H and Ball 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. 24205 is attached as **Exhibit B-16**.

- 59. Attached as **Exhibit B-16-a** are the C-102s for the wells proposed in Case No. 24206. The wells will develop the Scharb; Wolfcamp Pool (Pool Code 55640). The producing area for the wells will be orthodox.
- 60. Attached as **Exhibit B-16-b** is a lease tract map for Case No. 24205. This map shows the ownership breakdown and again confirms that FME3 has higher working interest ownership than MRC. FME3 has 50% working interest. MRC only has 25% working interest.
- 61. Attached as **Exhibit B-16-c** is an example proposal letter and the Authorizations for Expenditure ("AFEs") for the proposed wells. The proposal letter identifies the proposed surface hole location and bottom hole location, and the approximate TVD. It also contains separate elections for each well. In my opinion, the estimated costs reflected on the AFEs are fair and reasonable, and are comparable to the costs of other wells of similar depth, length and completion method being drilled in this area of New Mexico.
  - 62. There are no depth severances within the proposed spacing unit.
  - 63. **Exhibit B-16-d** is a list of the parties to be pooled in Case 24206.

#### CASE NO. 24199 SPECIFIC TESTIMONY AND EXHIBITS

- 64. Below is a brief description of the facts and exhibits for Case No. 24199.
- 65. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 320.00-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea

County, New Mexico. This spacing unit will be dedicated to the **Ball State Com 302H and Ball 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. 24199 is attached as **Exhibit B-17**.

- 66. Attached as **Exhibit B-17-a** are the C-102s for the wells proposed in Case No. 24199. The wells will develop the Airstrip, Bone Spring (Pool Code 960) and WC-025 G-06 S183518A;Bone Spring (Pool Code 97930). The producing area for the wells will be orthodox.
- 67. Attached as **Exhibit B-17-b** is a lease tract map for Case No. 24199. This map shows the ownership breakdown and again confirms that FME3 has higher working interest ownership than MRC. FME3 has 50% working interest. MRC only has 25% working interest.
- 68. 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.
  - 69. There are no depth severances within the proposed spacing unit.
  - 70. **Exhibit B-17-d** is a list of the parties to be pooled in Case 24199.

#### CASE NO. 24198 SPECIFIC TESTIMONY AND EXHIBITS

- 71. Below is a brief description of the facts and exhibits for Case No. 24198.
- 72. In this case, FME3 seeks an order from the Division pooling all uncommitted mineral interests within a 320.00-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Ball State Com 702H and Ball**

**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. 24198 is attached as **Exhibit B-18**.

- 73. Attached as **Exhibit B-18-a** are the C-102s for the wells proposed in Case No. 24198. The wells will develop the Scharb; Wolfcamp Pool (Pool Code 55640). The producing area for the wells will be orthodox.
- 74. Attached as **Exhibit B-18-b** is a lease tract map for Case No. 24199. This map shows the ownership breakdown and again confirms that FME3 has higher working interest ownership than MRC. FME3 has 50% working interest. MRC only has 25% working interest.
- 75. 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.
  - 76. There are no depth severances within the proposed spacing unit.
  - 77. **Exhibit B-18-d** is a list of the parties to be pooled in Case 24198.

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

78. 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.

- 79. FME3 requests the maximum cost plus 200% risk charge be assessed against nonconsenting pooled working interest owners.
  - 80. FME3 requests that it be designated operator of the wells.
  - 81. FME3 requests that overriding royalty interest owners be pooled.
  - 82. To the extent necessary, FME3 requests approval of overlapping spacing units.
- 83. I provided Modrall with the names and addresses of uncommitted interest owners and overriding royalty interests owners of record in the Ball units. I also provided information regarding operators or working interest owners in any of the in any of the spacing units the Ball applications will overlap.
- 84. 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.
- 85. The attachments to my Declaration were prepared by me or compiled from company business records.
- 86. I attest under penalty of perjury 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 and I will adopt this testimony at the hearing in this matter.

[Signature page follows]

Dated: August 19, 2024

Don Johnson

### Location Map – Lea County, NM



16S 34E	16S 35E	165 36E	16S 37E	16S 38E	
17 <b>5</b> 34E	175 35E	175 36E	175 37E	175 38E	
185 34E	EALL 185.35E	185 36E	18\$ 37E	Hobbs 1 <b>©</b> S 38E	
195 34E	195 35E	195 36E	195 37E	195 38E	
205 34E	205 35E	205 365	205 37E	205 38E	
215 33E	21S 34E LEA	21S 35E	215 368	215 37E 21	

Ball Development Area

T18S-R35E

Section 20: All

Section 29: All

Containing 1280.00 Acres

E2: Uncontested

W2: Contested by MRC Permian



## Comparison of Operator's Development Plans – FME3 vs. MRC



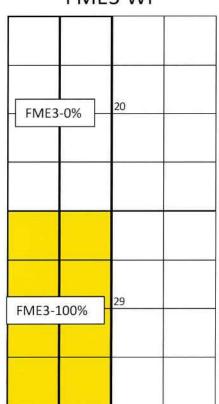
Factor	FME3	MRC	Comments			
Working Interest Control		×	<ul> <li>FME3 has highest working interest.</li> <li>FME3 has leasehold and working interest ownership of 50% in the units compared to MRC's 25%.</li> </ul>			
Risk		×	<ul> <li>FME3's plan is vetted, thorough, and proven.</li> <li>Based on seismic, other review.</li> </ul>			
Surface Factor		×	<ul> <li>FME3's development plan and demonstrated pace of development proves we plan to timely drill these assets.</li> <li>FME3 can develop the Ball development area with minimal surface impacts.</li> <li>FME3 has pooling hearings for the E2 of the Ball Unit and pooling orders under advisement in the Foxtail unit direction to the south.</li> <li>FME3 has permits necessary to commence drilling and third-party contracts in place demonstrating readiness.</li> <li>Ball State Com wells are on FME3's plan to develop in 2024 to meet leasehold expirations.</li> <li>FME3 has ~77,000 acres under executed Surface Use Agreements in the area.</li> </ul>			
Prudent Operator/Prevent Waste		×	<ul> <li>FME3 has existing operations in the area.</li> <li>FME3 has been active in this area since 2022 whereas MRC hasn't been since 2019.</li> <li>FME3's plan is part of a holistic development in this area, is efficient, thoughtful and reduces overall footprint and disturbance.</li> </ul>			
Infrastructure	$ \checkmark $	×	<ul> <li>FME3 is actively solving for gas and water constraints to support larger developments.</li> <li>FME3 is investing significant capital on infrastructure to ensure gas and water are on pipe.</li> </ul>			
Geologic/Reservoir Evidence	$ \checkmark $	×	<ul> <li>FME3's (4)Third Bone Spring &amp; Wolfcamp A wells will add reserves MRC's development plan overlooks.</li> <li>FME3's well placement and density is proven.</li> </ul>			
Cost Estimates		×	FME3's cost estimates are lower than MRC's.			

## Ownership Comparison Table – Bone Spring & Wolfcamp Overview

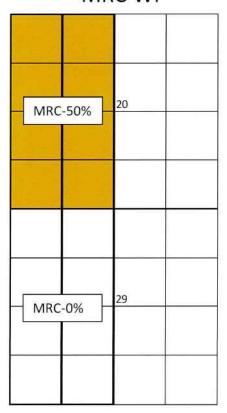


	Interest by Slot	
	W2W2	E2W2
Franklin Mountain Energy 3, LLC	50%	50%
MRC Permian Company	25%	25%





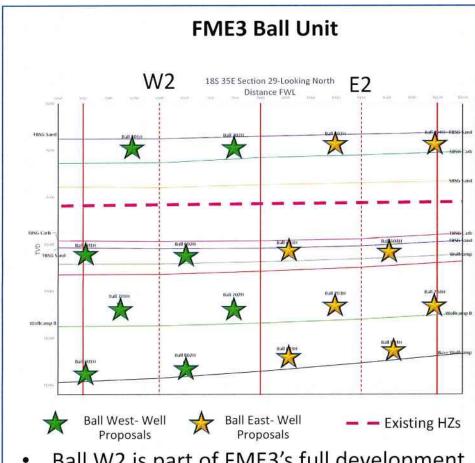
### MRC WI



B.3

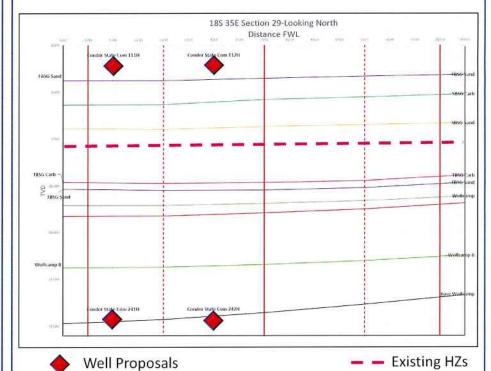
## Development Comparison: FME3's Development Plan Is Superior





- Ball W2 is part of FME3's full development of proven geologic targets
- FME3 is targeting the 1<sup>st</sup> Bone Spring, 3<sup>rd</sup>
   Bone Spring, Wolfcamp A and Wolfcamp B formations





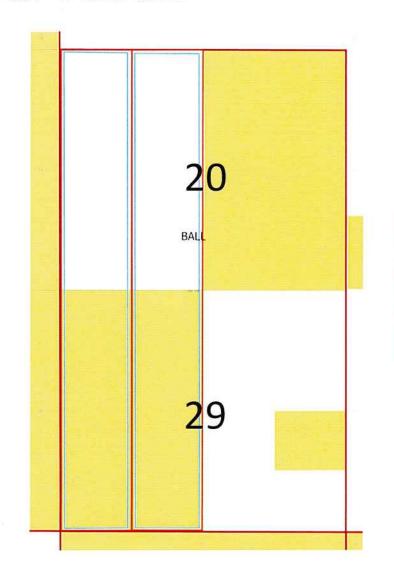
- MRC Permian not targeting 3<sup>rd</sup> Bone Spring
- MRC Permian is not targeting Wolfcamp A

#### Ball State Com Unit Case Overview

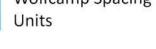


#### T18S-R35E Sec. 20 & 29: W2 - 640.00 acres

- Case No. 24205- T18S-R35E Sec. 20 & 29: W2W2 320.00 acres
  - O Bone Spring
    - Ball State Com 301H
    - Ball State Com 601H
- Case No. 24206- T18S-R35E Sec. 20
   & 29: W2W2 320.00 acres
  - Wolfcamp
    - Ball State Com 701H
    - Ball State Com 801H
- Case No. 24199- T18S-R35E Sec. 20
   & 29: E2W2 320.00 acres
  - Bone Spring
    - Ball State Com 302H
    - Ball State Com 602H
- Case No. 24198- T18S-R35E Sec. 20
   & 29: E2W2 320.00 acres
  - Wolfcamp
    - Ball State Com 702H
    - Ball State Com 802H





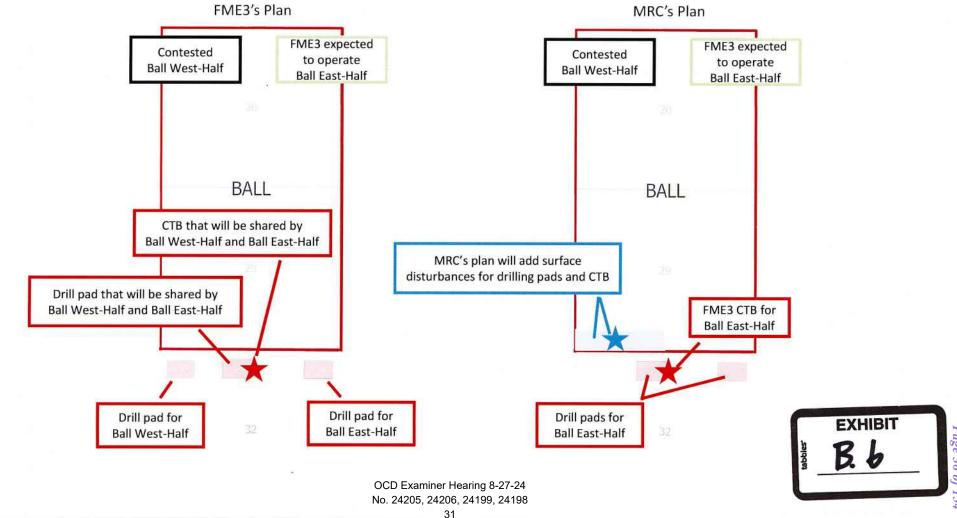




## FME3's Development Plan Minimizes Surface Disturbances



- FME3's plan reduces waste as the Ball West-Half development shares a CTB with the Ball East-Half development
- FME3's plan reduces waste as the Ball West-Half development shares a drill pad with the Ball East-Half development
- MRC's plan will result in waste
  - Additional surface disturbances will be required for drilling pads and CTB

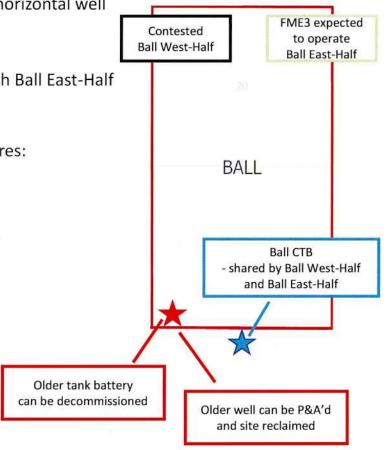


# FME3's Development Plan Cleans Up Asset and Reduces 3<sup>rd</sup> Party Surface Disturbances



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- FME3's development plan provides the ability to decommission an old tank battery
- FME3's development plan provides the ability to P&A an older horizontal well
  - Well pad can be fully reclaimed
- Consolidation of Ball West-Half production into the Ball CTB with Ball East-Half production creates a single point for 3<sup>rd</sup> Party connections
- When compared to MRC, on a per well basis, FME3's plan requires:
  - Less equipment by 3<sup>rd</sup> parties
  - Less pipeline infrastructure and disturbance by 3<sup>rd</sup> parties
  - Reduces 3<sup>rd</sup> party surface disturbances



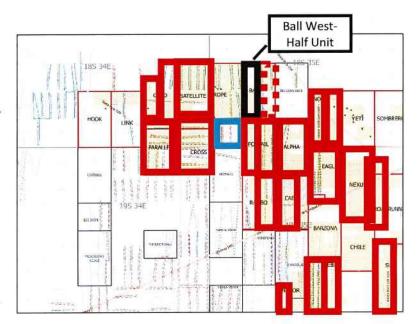


# FME3 Is Addressing Gas and Water Takeaway Constraints



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- FME3 is investing significant capital into gas and water infrastructure to ensure pipeline solutions are in place
  - \$44mm of approved projects
    - 2024 budget of \$37mm
    - \$34mm invested to date, \$44mm by the end of 2024
  - 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





= MRC Operated Project

= FME3 Operated Projects

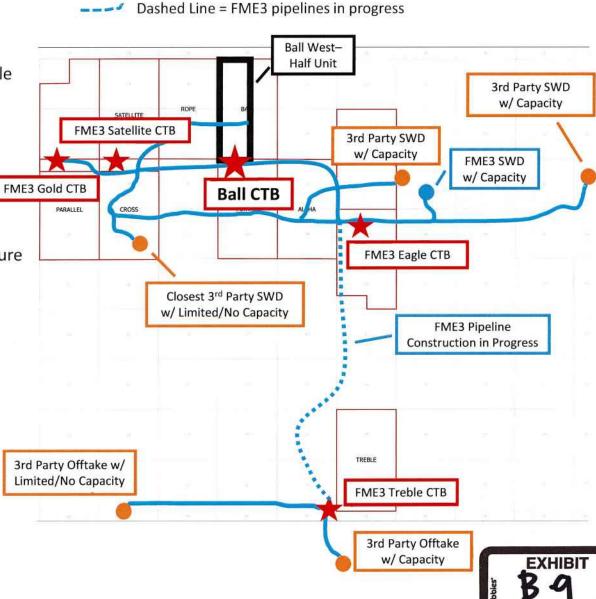
= Unit expected to be taken under advisement in Aug 2024



# FME3 Is Investing \$24mm of Capital to Solve Water Takeaway Constraints



- Adequate water takeaway does not exist to support large horizontal projects
  - 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
  - \$24mm of approved projects
- ~17 miles of new pipeline infrastructure in-service over last 12 months
- Remaining ~8 miles target in service late Q3 2024
- FME3 has tied in 4 CTBs over last 12 months
- FME3 disposal access will include:
  - FME3 owned SWD
  - Firm takeaway contracts
  - Interruptible takeaway contracts



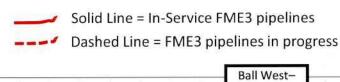
Solid Line = In-Service FME3 pipelines

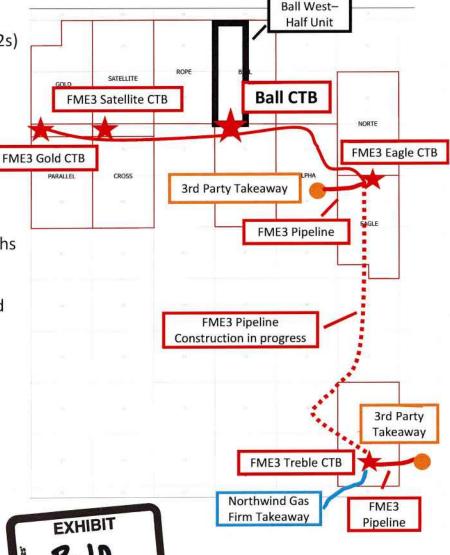
## FME3 Is Investing \$20mm of Capital to Solve Gas Takeaway Constraints



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- Adequate gas takeaway does not exist to support large horizontal projects
  - 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
- \$20mm of approved projects
  - ~8 miles of new pipeline infrastructure and two H2S central treatment points in-service over last 12 months
  - Remaining ~8 miles target in service late Q3 2024
- 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



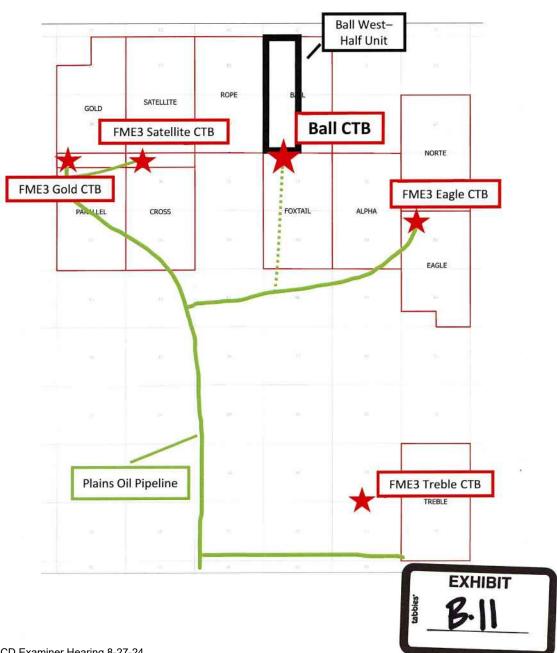


## FME3 Has a Reliable Oil Pipeline Solution in Place



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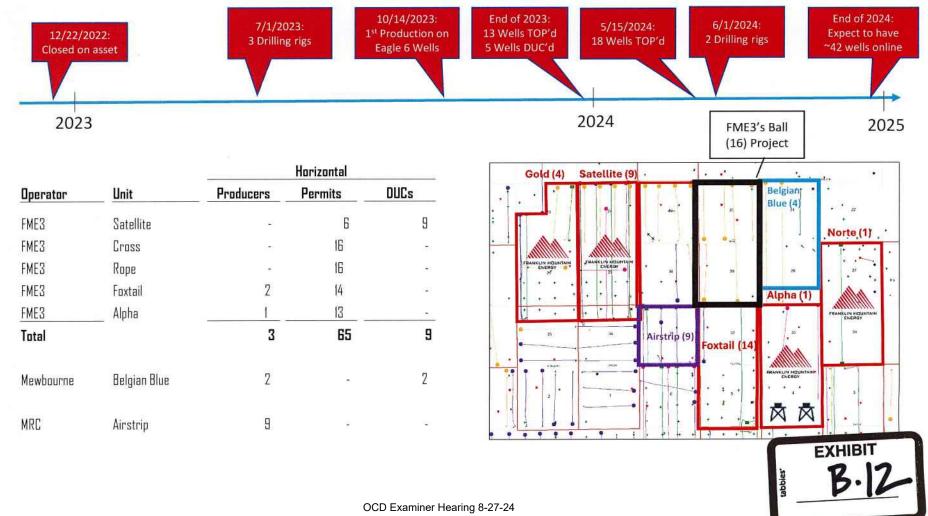
- FME3 strives to get all production on pipeline to reduce truck traffic and associated waste
- FME3 signed an acreage dedication with Plains to ensure oil pipeline takeaway would be in place day 1 for new developments
- Plains oil pipeline is ~2 miles for Ball CTB



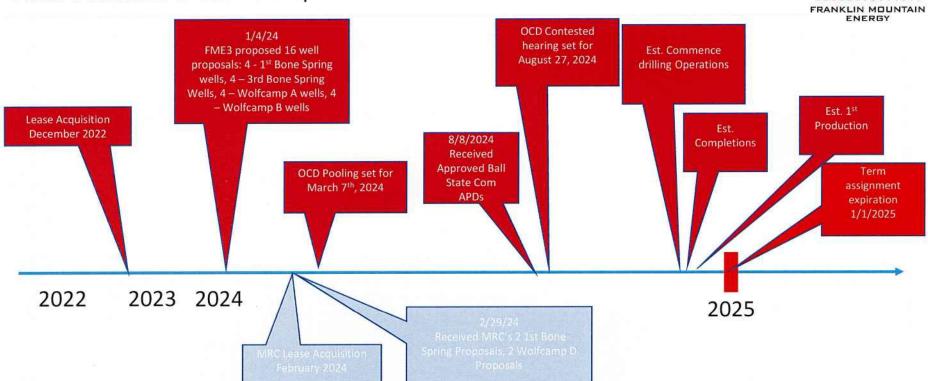
## FME3 Is All Systems Go



- FME3 is active in the of Ball Development Area
  - FME3 has turned on production 18 wells between October 2023 and June 2024
  - FME3 has 2 drilling rigs on the Alpha (6) well project as of August 2024
  - FME3 will start completions on the Satellite (9) well project October 2024
- MRC's last well drilled and completed was 2019 (Airstrip)



## FME3's Timeline of Ball Development



- FME3's timeline from lease acquisitions, to initiated development plans, to commencing drilling operations, to 1<sup>st</sup> production in the Ball State Unit is estimated at ~24 months
- December 2022: Closes on its initial transactions in Northern Lea County, establishing its position in the Ball Development Area
- January 2024: FME3 sends out 16 Ball well proposals
- January 2024: FME3 acquires additional interest in Ball Unit through a major acquisition

- February 2024: MRC Acquires interest in Ball
- February 2024: FME3 Receives 4 MRC well proposals
- August 2024: Contested Hearing
- December 2024: FME3 estimates to commence drilling operations
- January 1<sup>st</sup>, 2025: FME3 has an assignment expiration



# Summary of Communication



Date	Owner	Exchange
	MRC Permian Company	
	(Formerly owned by COG	
1/9/2024	Operating)	Well proposals received
		Well proposals received, Reached out to MRO on 2/29/2024 to make sure they received
		elections. They were received on 1/16/2024, but not internally processed until I reached
1/16/2024	Marathon Oil Permian LLC	out. Withdrew objections in E2 of Ball.
		Well proposals received, have had multiple email exchanges. Most current email
1/27/2024	Hanley Petroleum, Inc.	8/14/2024 stating they are still reviewing AFEs and JOA and will process after hearing.
		Well proposals received, have had multiple email exchanges. Most current email
1/27/2024	Hanley Petroleum LLC	8/14/2024 stating they are still reviewing AFEs and JOA and will process after hearing.
		Well proposals received, have had multiple email exchanges. Most current email
1/27/2024	LHAH Properties LLC	8/14/2024 stating they are still reviewing AFEs and JOA and will process after hearing.
1/8/2024	H6 Holdings Ц.С	Well proposals received, received email inquiring about working interest
1/8/2024	TBO Oil & Gas, LLC	Well proposals received, reviewing 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 AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO.

CASE NO. 24205

## APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 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.
- Franklin seeks to dedicate the spacing unit to the Ball State Com 301H and Ball State Com 601H wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20.
  - 3. The producing area for the wells is expected to be orthodox.
- 4. This proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing units:



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- A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #001H well (API 30-025-40814);
- b. A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #001H well (API 30-025-41519).
- 5. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.
- 6. The pooling of all interests in the Bone Spring formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2024, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico;
  - Approving, to the extent necessary, the proposed overlapping spacing unit;
  - 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
Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24205: 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 320-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Ball State Com 301H and Ball State Com 601H wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing units:

- A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #001H well (API 30-025-40814);
- A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #001H well (API 30-025-41519).

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 17 miles West of Hobbs, New Mexico.

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

### 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> Pool Code 97930	<sup>3</sup> Pool N WC-025 G-06 S183513	
Property Code	Property BALL STA	6 Well Number 301H	
<sup>7</sup> OGRID No. 331595	Operator FRANKLIN MOUNTA	* Elevation 3934.5*	

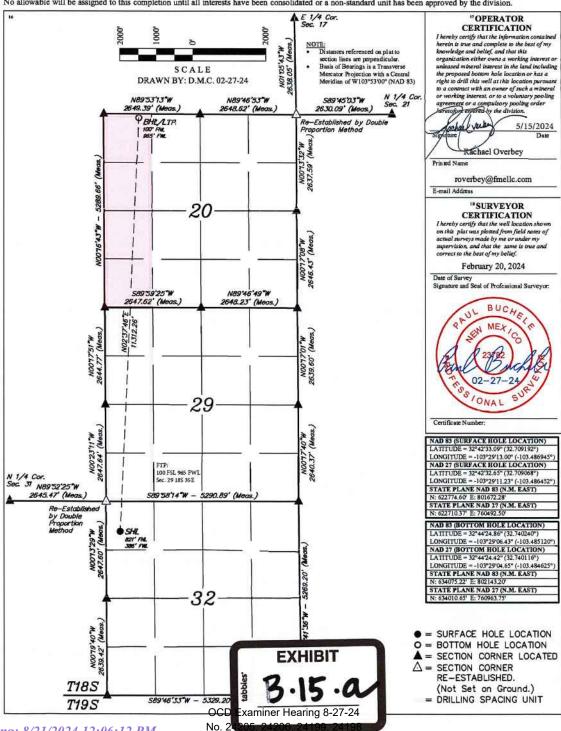
#### "Surface Location

UL or lot no.	Section 32	Township 18S	Range 35E	Let Idn	Feet from the 821	North/South line NORTH	Feet from the 386	East/West line WEST	County LEA
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#### "Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	18S	35E		100	NORTH	965	WEST	LEA
12 Dedicated Acr	es 13 ]	loint or Infill	14 Cons	olidation 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.



<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 Phote: U. District II Bistrict II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 Prione: (373) 748-1285 Fax: (373) 748-97/20 District III 1000 Rio Brazzoe Road, Aziec, 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

API Number	<sup>2</sup> Pool Code 960	<sup>3</sup> Pool Name AIRSTRIP; BONE	SPRING
Property Code	5 Property Nat BALL STATE	6 Well Number 301H	
OGRID No. 331595	Operator National Present Pres	* Elevation 3934.5*	

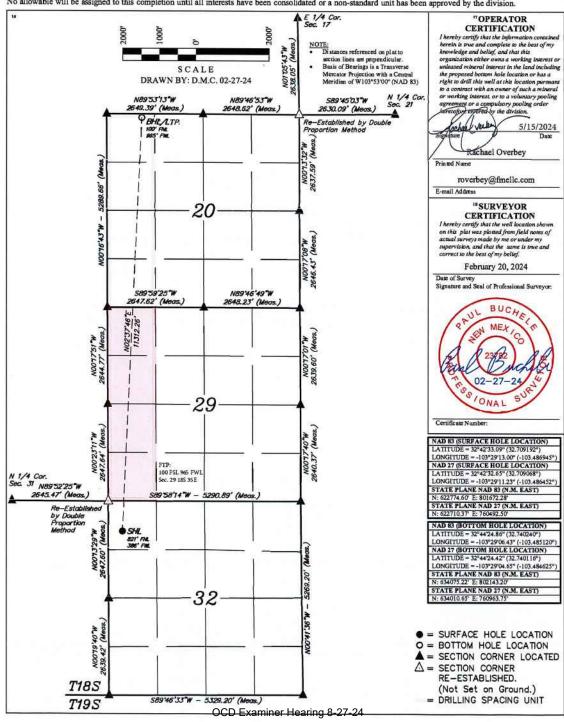
#### Surface Location

D	32	188	35E	27377	821	NORTH	386	WEST	LEA	
				D		coim o				_

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

UL or lot na.	Section	Tewnship	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	18S	35E		100	NORTH	965	WEST	LEA
12 Dedicated Acre 160	13 ]	oint or Infill	14 Cons	olidation 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.



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32

160

18S

Range 35E

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

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East/West line WEST

Feet from the 326

AMENDED REPORT

County

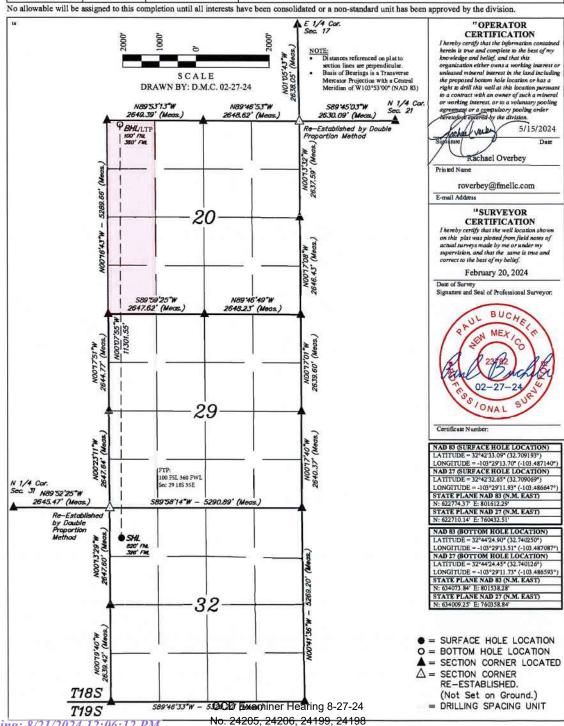
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>2</sup> Pool Code 97930	<sup>3</sup> Pool N WC-025 G-06 S183518	
Property Code	Property BALL STA	6 Well Number 601 H	
OGRID No. 331595	Operator FRANKLIN MOUNTA	* Elevation 3934.7	

"Surface Location

orth/South II 820

	-				ACTUAL OF THE PROPERTY OF THE PARTY.	the property of the second second second second			
UL or lot no. D	Section 20	Township 18S	Range 35E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 360	East/West line WEST	County



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

## 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

LEA

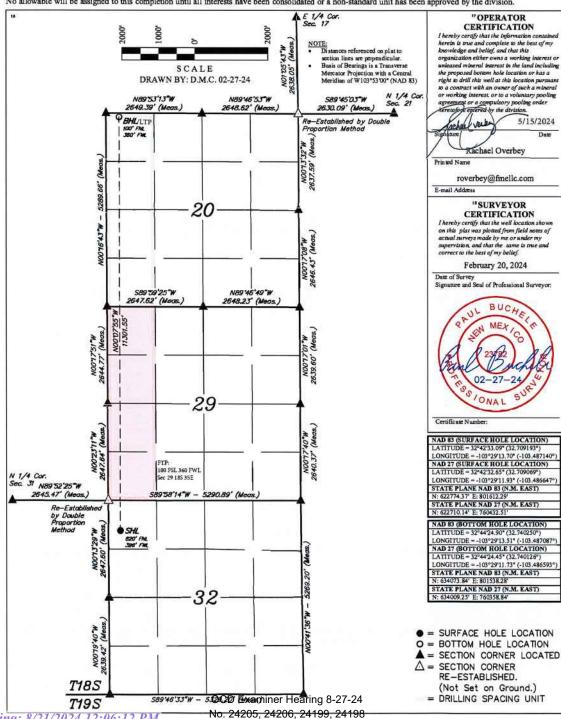
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 960	Pool Name AIRSTRIP; BONE SPRING
Property Code	<sup>5</sup> Property Name BALL STATE COM	6 Well Number 601H
OGRID No. 331595	*Operator Name FRANKLIN MOUNTAIN ENERGY 3,	LLC S934.7'

"Surface Location North/South I

		100	222		020	HORTH	320	TAGE	Dur
			972	-		cp:00			
			ш	Bottom H	lole Location I	f Different From	Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	188	35E		100	NORTH	360	WEST	LEA

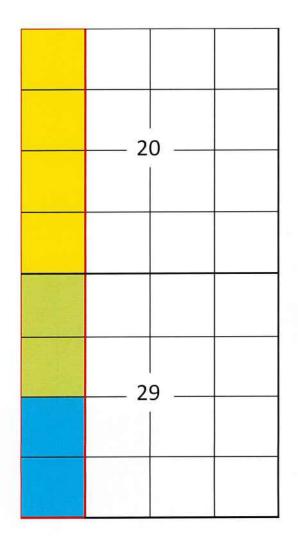
160 No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



# Case No. 24205 Unit Summary



# Case No. 24205 W2W2 of Sec 20 & 29- T18S-R35E Ball State Com 301H Ball State Com 601H



Proposed Bone Spring Unit
Tract 1 (160.00 Acres)
Tract 2 (80.00 Acres)
Tract 3 (80.00 Acres)

Commited Working Int	erest
Franklin Mountain Energy 3, LLC	50.000000%
Uncommited Working In	iterest
COG Operating LLC	25.000000%
Marathon Oil Permian LLC	18.750000%
Hanley Petroleum, Inc.	4.937500%
LHAH Properties LLC	0.625000%
H6 Holdings LLC	0.312500%
Hanley Petroleum LLC	0.312500%
TBO Oil & Gas, LLC	0.062500%
Total:	100.000000%

Tract	Lease	%
1	VB-1381	50.0000%
2	A0-4096	25.0000%
3	VB-1878	25.0000%





Sent via USPS: 9405536105536070211357

January 4, 2024

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

RE: Well Proposals

Township 18 South, Range 35 East

Section 20: W2W2 Section 29: W2W2 Lea County, New Mexico 320.00 acres, more or less

Dear Working Interest Owner:

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

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Ball State Com 301H	1BS	8,888'	21,388'	Sec 32- T18S- R35E 575 FNL 330 FWL	Sec 20- T18S- R35E 100 FNL 965 FWL	\$11,183,950.44	N/A
Ball State Com 601H	3BS	10,065	20,065	Sec 32- T18S- R35E 575 FNL 270 FWL	Sec 20- T18S- R35E 100 FNL 360 FWL	\$11,797,546.84	N/A
Ball State Com 701H	WCA	10,539'	20,539'	Sec 32- T18S- R35E 575 FNL 360 FWL	Sec 20- T18S- R35E 100 FNL 800 FWL	\$11,797,546.84	N/A
Ball State Com 801H	WCB	11,132'	21,132'	Sec 32- T18S- R35E 575 FNL 300 FWL	Sec 20- T18S- R35E 100 FNL 360 FWL	\$12,164,281.44	N/A

B·15·C



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 Jon Rutledge at <u>jrutledge@fmellc.com</u> or to the address provided below at your earliest convenience.

FME3 looks forward to working with you or your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME3 will file an application for compulsory pooling to pool any uncommitted owners.

Should you have any questions, please do not hesitate to contact the undersigned at (303) 709-7007.

Respectfully,

Franklin Mountain Energy 3, LLC

Jon Rutledge Landman



Ball State Com 301H:
I/We hereby elect to participate in the Ball State Com 301H well.  I/We hereby elect NOT to participate in the Ball State Com 301H well.
Ball State Com 601H:
I/We hereby elect to participate in the Ball State Com 601H well.  I/We hereby elect NOT to participate in the Ball State Com 601H well.
Ball State Com 701H:
I/We hereby elect to participate in the Ball State Com 701H well.  I/We hereby elect NOT to participate in the Ball State Com 701H well.
Ball State Com 801H:
I/We hereby elect to participate in the Ball State Com 701H well.  I/We hereby elect NOT to participate in the Ball State Com 701H well
Owner: Marathon Oil Permian, LLC
By:
Printed Name:
Title:
Date:



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

FRANKLIN MOUNTAIN
ENERGY
AITHORITY FOR EXPENDITURE
Well Name:
Location:
Location:
Dill: Sec 20-7188-R358 199 FNI. 330 FWL
Dill: Sec 20-7188-R358 100 FNI. 965 FWI.
Feedlish Mountain Factory 1.11

.ocation		BIIL: Sec 20-T18S-R35E 100 FNL 965 FWL Franklin Mountain Energy 3, LLC		Data Per		10/25/2021	
)perato		Drill and complete a 10,000 IBS well.		AFE#:	ерансия	DCE231026	
urpose:		TVD 8,888', MD 21,388'.		APLW		14. 5231020	
		Intangible Drilling Costs				Intangible Completion Costs	
Major	Minor	Description	Amount	Major	Minor	Description	Amount
225	10	ADMINISTRATIVE OVERHEAD CASING CREW & EQPT	\$4,000	240 240	5	ADMINISTRATIVE OVERHEAD  CASED HOLE LOGS & SURVEYS	\$10,30 \$7,50
225	15	CEMENTING INTERMEDIATE CASING	\$50,000	240	15	CASING CREW & EQPT	1
225	16	CEMENTING PRODUCTION CASING	\$150,000	240	20	COILED TUBING/SNUBBING UNIT COMMUNICATIONS	\$276,50 \$2,50
225	20	CEMENTING SUFACE CASING COMMUNICATIONS	\$50,000 \$40,000	240	30	COMPANY DIRECT LABOR	32,00
225	30	COMPLETION FLUIDS	\$6,000	240	35	COMPLETION/WORKOVER RIG	\$32,50
225	34	CONSTRUCTION/LOCATION & ROAD CONTRACT LABOR	\$45,000	240 240	45	CONTRACT LABOR/ROUSTABOUTS DAMAGES/RECLAMATION	\$25,00 \$50
225	45	DAMAGES	\$15,000	240	5.5	DISPOSAL SOLIDS	\$10,00
225	50	DAYWORK CONTRACT	\$653,000	240	62	ELECTRICAL POWER/GENERATION ENGINEERING	\$3,60
225	55 60	DRILLING - FOOTAGE	\$300,000 \$120,000	240	65	ENVIRONMENTAL/CLEANUP	33,00
225	65	DRILLING BITS	\$140,000	240	70	FISHING TOOLS / SERVICES	1
225	70	ELECTRICAL POWER GENERATION ENGINEERING	\$20,000	240	71	FRAC WATER/COMPLETION FLUID	\$110,00 \$544,00
225	80	ENVIRONMENTAL SERVICES	\$250,000	240	75	FUEL, POWER/DIESEL	\$495,50
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000	240 240	B0 B5	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES	\$6,10 \$9,50
225	90	EQUIPMENT RENTAL FISHING TOOLS/SERVICES	\$50,000	240	90	MATERIALS & SUPPLIES	\$50
225	95	HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	5
225	100	HOUSING AND SUPPORT SERVICES INSURANCE	\$45,000 \$1,700	240 240	110	MUD & CHEMICALS P&A/TA COSTS	\$1,40 \$
225	106	INSPECTIONS	\$15,000	240	115	PERFORATING/WIRELINE SERVICE	\$262,00
225	110	LEGAL, TITLE SERVICES	\$6,000	240	120	PIPE INSPECTION	
225	115	MATERIALS & SUPPLIES MISCELLANEOUS	\$5,000 \$5,000	240	130	ROAD, LOCATIONS REPAIRS STIMULATION	\$11,00 \$2,365,00
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$31,00
225	130	MUD & CHEMICALS	\$320,000	240	140	SUPERVISION	\$96,50
225	140	OPENHOLE LOGGING CASED HOLE LOGGING	50	240 240	145	SURFACE EQUIP RENTAL TRANSPORTATION/TRUCKING	\$186,50
225	141	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$106,00
225	150	POWER FUEL & WATER HAULING	\$200,000	240	160	WELDING SERVICES	5
225 225	155	RIG MOVE & RACKING COSTS RIG UP TEAR OUT & STANDBY	591,500 \$0	240 240	165	WELL TESTING/FLOWBACK TAXES	\$93,60 \$
225	InJ	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$281,28
225	165	STAKING & SURVEYING	\$6,000			Total Intangible Completion Costs:	\$4,969,28
225 225	170 175	SUPERVISION SUPERVISION - GEOLOGICAL	\$85,000 \$39,000			Tangible Completion Costs	
225	180	TRANSPORTATION/TRUCKING	\$39,000	Major	Minor	Description	Amount
225 225	178	TAXES CONTINGENCY COSTS 5%	\$165,506 \$150,460	245 245	13	ARTIFICIAL LIFT FLOWLINES	\$200,00
225	13	Total Intangible Drilling Casts:	\$3,325,166	245	25	FRAC STRING	s
		SANCTHER ON SANCTON		245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$-10,00
Major	Atlac	Tangible Drilling Costs  Description	Amount	245	45	PRODUCTION LINER PRODUCTION PROCESSING FACILITY	5
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$380,000	245	55	PRODUCTION TUBING	\$90,00
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245 245	60	RODS/PUMPS	\$60,00
230 230	35	PRODUCTION CASING & ATTACHMENTS SURFACE CASING & ATTACHMENTS	\$699,177 \$169,740	345	75	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$142,70
238	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$29,29
230	40	TAXES Total Tangible Drilling Costs:	\$76,170 \$1,461,087			Total Tangible Completion Costs:	\$361,99
		And the second s		-	***	Intangible Facility Costs	Amount
Major	Mino	Tangible Facility Costs  Description	Amount	Major 265	5	Description CONSULTING	\$9,50
270	10	FACILITY PIPE/VALVES/FITTINGS	\$147,000	265	12	COMPANY DIRECT LABOR	
270 270	35	CONTAINMENT DEHYDRATION	\$0 \$0	265 265	20	DAMAGES/ROW/PERMITS, ETC PAD/ROAD CONSTRUCTION	\$12,70 \$30,00
270	30	PRIMARY POWER MATERIALS	\$14,400	265	25	ENGINEERING / SCIENCE	\$13,90
270	50	FLOWLINES / PIPELINE / HOOKUP	\$76,000	265	40	HEALTHSAFETY/ENVIRONMENTAL	\$5,00
270 270	65	H2S TREATING EQUIPMENT SEPARATION EQUIPMENT	\$0 \$94,800	265 265	45	CONTRACT LABOR & SERVICES OVERHEAD	\$3,00
270	66	ROAD/LOCATION/FENCING/REPAIRS	50	265	50	SURVEY / PLATS / STAKINGS	\$80
270	75	PRE-FABRICATED SKIDS	\$0	265	85	TRANSPORTATION / TRUCKING	
270 270	56 90	FACILITY SURFACE EQUIPMENT H2S SAFETY SYSTEM	\$75,400 \$4,000	265 265	10	TAXES CONTINGENCY COSTS 5%	\$4,12 \$3,74
270	100	CONTROL/INSTRUMENT/METERS/SCADA	\$57,000	1		Total Intangible Facility Costs:	\$82,76
270	110	TANKS & WALKWAYS	\$47,600			0/5-11-0-1-	
270 270	130	MECHANICAL BATTERY BUILD EI&C BATTERY BUILD	\$117,800 \$47,000			Office Use Only:	
270	134	CONTROLS AND SCADA BATTERY BUILD	\$2,600				
270 270	136	PRIMARY POWER BUILD	\$15,100 \$43,500				
270	140	FLOWLINE INSTALLATION SIGNAGE	\$43,500				
270	125	TAXES	\$40,854				
		Total Tangible Facility Costs:	\$783,634				
			41.70 A43 A11				
otal Dri		er.	\$4,786,253.44 \$5,531,278.50				
otal Fac		2000	\$866,418,50				
ntal DC			\$8,294,446,00 \$2,023,085.94	1			
ntal AF	10		\$11,183,950.44				
	THIS A	AUTHORITY FOR EXPENDITURE IS BASED ON COST.	PSTIMATES BILLING	WILL REE	LECTS	OUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS
Operator		Franklin Metiodain Energy/3. LLC					
Approve	d By	Crang Walters 7	_	Date			10/25/2023
		Chief Executive Officer					
_					_		
/I Own	et.	24					
pprove	d By			Date			
		:					
rinted !	varries			Title			

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



Frunklin Mountain Energy 3, LLC 44 Cook Street, Suite 1000 Derver, CO 80200 Phone 720-414-7868 frunklinmountainenergy com

FOR EXPENDITURE
Bild State Com 90HI
SHL: Sec 22-T18S-R35E 575 FNL 270 FWL
BILL: Sec 22-T18S-R35E 100 FNL 300 FWL
Franklin Mounton Finergy J, LLC
Drill and complete a 10,000 3BS well.
TVD 160-85 MI 20 08-8 Operator:

County/State: Lea Co., NM Date Prepared: 1/2/2024

Purpose: Drill and c TVD 16,00		TVD 10,065°, MD 20,065°.		AFE#:			
		lataugible Drilling Costs				Intangible Completion Costs	
Major		Description	Amount	Major	Minor	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4,000	240		ADMINISTRATIVE OVERHEAD	\$10,30
225	10	CASING CREW & EQPT	\$80,000	240	10	CASED HOLE LOGS & SURVEYS CASING CREW & EOPT	\$7,5
225	15	CEMENTING INTERMEDIATE CASING	\$50,000	240	15	COILED TUBING/SNUBBING UNIT	\$276.5
225	16	CEMENTING PRODUCTION CASING	5150,000	240	25	COMMUNICATIONS	\$2,5
225	20	CEMENTING SUFACE CASING	\$50,000	240	10	COMPANY DIRECT LABOR	944.0
225	25	COMMUNICATIONS	\$40,000	240	15	COMPLETION/WORK OVER RIG	\$32,5
225	30	COMPLETION FLUIDS	\$4,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$25,0
225	34	CONSTRUCTION/LOCATION & ROAD		240	50	DAMAGES/RECLAMATION	55
225	40	CONTRACT LABOR	\$30,000 \$15,000	240	55	DISPOSAL SOLIDS	\$10,0
225	45	DAMAGES DAYWORK CONTRACT	\$762,300	240	60	ELECTRICAL POWER/GENERATION	*****
225	50		\$120,000	340	62	ENGINEERING	\$3.6
225		DRILLING - DIRECTIONAL	\$120,000	340	65	ENVIRONMENTAL/CLEANUP	20.0
225	60 65	DRILLING - FOOTAGE DRILLING BITS	\$140,000	340	70	FISHING TOOLS SERVICES	
			\$140,000	340	71	FLUIDS/HAULING/DISPOSAL	\$110.0
225	70 75	FLECTRICAL POWER/GENERATION ENGINEERING	\$20,000	340	72	FRAC WATER/COMPLETION FLUID	5544.0
			\$250,000	240	75	FUEL POWER/DIESEL	\$574,0
225	164	ENVIRONMENTAL SERVICES EOUIPMENT RENTAL DOWNHOLE	\$60,000	240	80	HEALTH & SAFETY	\$6.1
			\$50,000	240	85	HOUSING AND SUPPORT SERVICES	\$9.5
225	85	EQUIPMENT KENTAL FISHING TOOLS/SERVICES	SO	340	90	MATERIALS & SUPPLIES	55
1550			\$7,600	240	95	MISCELLANEOUS	100
325	95	HEALTH & SAFETY	\$45,000	240	100	MUD & CHEMICALS	51,4
225	100	HOUSING AND SUPPORT SERVICES		240	110	P&A/FA COSTS	31,4
225	105	INSURANCE	\$1,700	340	115	PERFORATING/WIRELINE SERVICE	\$262,0
225	106	INSPECTIONS	56,000	240	120	PIPE INSPECTION	18-0-1
225	110	LEGAL, TITLE SERVICES	\$5,000	340	125	ROAD, LOCATIONS REPAIRS	\$11.0
325	115	MATERIALS & SUPPLIES		340	130	STIMULATION	52,859,0
225	120	MISCELLANEOUS	\$5,000	240		SUBSURFACE EQUIPMENTAL RENTAL	\$31.0
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUPERVISION	\$96.5
225	130	MUD & CHEMICALS	\$320,000	240	145	SURFACE EQUIP RENTAL	\$186,5
225	140	OPENHOLE LOGGING	\$0		149		\$1,0
225	141	CASED HOLE LOGGING	sn	240		TRANSPORTATION/TRUCKING	\$106,6
225	145	PERMITS, LICENSES, ETC	\$30,000		155	WATER TRANSPER	2100'6
125	150	POWER FUEL & WATER HAULING	\$200,000	240	160	WELDING SERVICES	
225	155	RIG-MOVE & RACKING COSTS	\$91,500	240	165	WELL TESTING/FLOWBACK	\$93,6
225	160	RIG UP TEAR OUT & STANDBY	50	240	1-1R -40	TAXES	\$3156
225	163	SITE RESTORATION	\$10,000	240	40	CONTINGENCY COSTS 5%	\$5,576,1
224	165	STAKING & SURVEYING	\$6,000			Total Intangible Completion Costs:	35,570,1
225	170	SUPERVISION	\$85,000			1.04 (1.054 V.) 947 (1.054 V.) 94 (1.055 V.)	
225	175	SUPERVISION - GEOLOGICAL	\$39,000			Tangible Completion Costs	
225	180	TRANSPORTATION/TRUCKING	\$39,000	Major		Description	Amount
225	178	TAXES	\$164,874	245	5	ARTIFICIAL LIFT FLOWLINES	\$200,0
225	35	CONTINGENCY COSTS 5%	\$149,885	245	24	FRAC STRING	
		Total Intangible Drilling Costs:	\$3,453,259	245	40		\$40,
		Catal Control (NO asset) (NO asset) (NO 11		245	45	PACKERS/SLEEVES/PLUGS/GL MANDRELS	3417
		Tangible Drilling Costs		27.00	50	PRODUCTION LINER	
Major		Description	Amount	245	2.9	PRODUCTION PROCESSING FACILITY	\$90,
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,758	245	55	PRODUCTION TUBING	3500
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245	50	RODS/PUMPS	
230	25	PRODUCTION CASING & ATTACHMENTS	\$790,399	245	65	SUBSURFACE EQUIPMENT	\$60,
230	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$142,
210	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$29,
230	10	TAXES	\$69,844			Total Tangible Completion Costs:	\$561,
0.2000011		Total Tangible Drilling Costs:	\$1,339,741			The Court of the C	
		Water Wallow				Intangible Facility Costs	
		Tangihle Facility Costs		Major		r Description	Amoun
Major	Minor	Description	Amount	265	. 5	CONSULTING	\$9,
270	10	FACILITY PIPE/VALVES/FITTINGS	\$147,000	265	12	COMPANY DIRECT LABOR	
270	1.5	CONTAINMENT	\$0	265	20	DAMAGES/ROW/PERMITS, ETC	\$12,
270	25	DEHYDRATION	50	265	22	PAD/ROAD CONSTRUCTION	\$30,
270	30	PRIMARY POWER MATERIALS	\$14,400	265	25	ENGINEERING / SCIENCE	.513,
270	50	FLOWLINES / PIPELINE / HOOKUP	\$76,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$5,
270	60	H2S TREATING EQUIPMENT	So	265	45	CONTRACT LABOR & SERVICES	
270	65	SEPARATION EQUIPMENT	\$94,800	265	60	OVERHEAD	\$3,
270	65	ROAD/LOCATION/FENCING/REPAIRS	SD	265	80	SURVEY / PLATS / STAKINGS	5
270	75	PRE-FABRICATED SKIDS	50	265	85	TRANSPORTATION / TRUCKING	
770	80	FACILITY SURFACE EQUIPMENT	575,400	265	83	TAXES	\$4
270	90	H2S SAFETY SYSTEM	54,000	265	10	CONTINGENCY COSTS 5%	53.
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$57,000	12702		Total Intangible Facility Costs:	\$82,
270	110	TANKS & WALKWAYS	\$47,600		_	The state of the s	
270	130	MECHANICAL BATTERY BUILD	\$117,800		_	Office Use Only:	
454	132	EI&C BATTERY BUILD	\$47,000		_		
320			\$2,600				
270	134	CONTROLS AND SCADA BATTERY BUILD	\$15,100				
270		PRIMARY POWER BUILD		1			
270 270	136						
270 270 270	138	FLOWLINE INSTALLATION	\$43,500				
270 270 270 270 270	138 140	FLOWLINE INSTALLATION SIGNAGE	\$43,500 \$600				
270 270 270	138	FLOWLINE INSTALLATION	\$43,500				

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

Operator:	Franklin Adjuntain Greeky 3, L.L.C
Approved By:	SKA
	Chief Executive Officer

Date 1/2/2024

Date Tale:

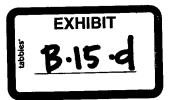
ALL PARTICIPANTS MUST CARRY THEIR OWN CONTROL OF WELL INSURANCE AND ATTACH A CERTIFICATE OF INSURANCE TO THIS ELECTION OR INSURE WITH FME

Total Drill Total Completic Total Facility Total DC Tangible Total AFE.

WI Owner

## **Ball W2W2 Pooled Party List**

COG Operating, LLC	WI
Marathon Oil Permian, LLC	WI/ORRI
Hanley Petroleum, LLC	WI
Hanley Petroleum, Inc.	WI
LHAH Properties, LLC	WI
H6 Holdings, LLC	WI
TBO Oil & Gas, LLC	WI
Mavros Oil Company	WI
Zunis Energy, LLC	ORRI
Blue Ox Partners LLC	ORRI
Luckaloy Limited Company	ORRI
Oak Valley Mineral and Land, LP	ORRI
Good News Minerals, LLC	ORRI
William J. McCaw	ORRI
Crown Oil Partners, LP	ORRI
Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts	ORRI
Post Oak Crown IV-B, LLC	ORRI
Post Oak Crown IV, LLC	ORRI
Collins & Jones Investments, LLC	ORRI
Post Oak Mavros II, LLC	ORRI
LMC Energy LLC	ORRI
H. Jason Wacker	ORRI
David W. Cromwell	ORRI
Sortida Resources, LLC	ORRI
Mike Moylett	ORRI
Kaleb Smith	ORRI .
Deane Durham	ORRI



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

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

CASE NO. 24206

## APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, Franklin states as follows:

- Franklin has an interest in the subject lands and has a right to drill and operate a
  well thereon.
- Franklin seeks to dedicate the spacing unit to the Ball State Com 701H and Ball State Com 801H wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20.
  - 3. The producing area for the wells is expected to be orthodox.
- 4. 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.
- 5. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.



Received by OCD: 2/6/2024 10:18:06 AM

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2024, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico;
  - B. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells:
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.
Deana M. Bennett
Yarithza Peña
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24206: Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Ball State Com 701H and Ball State Com 801H wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.

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

UL or lot no. Section Township

Range

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

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

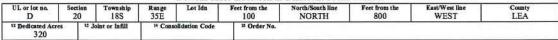
AMENDED REPORT

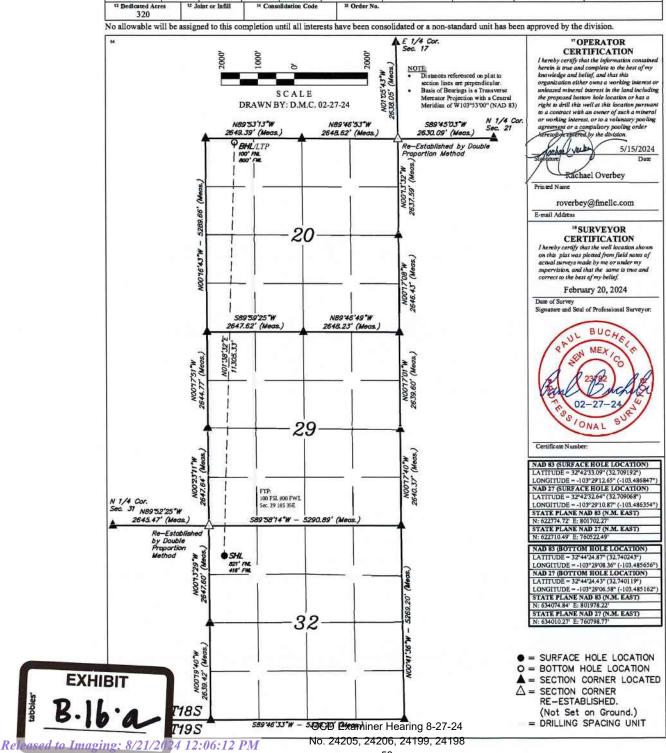
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	*Pool Code 55640	<sup>3</sup> Pool Name SCHARB; WOLFCAMP
Property Code	<sup>3</sup> Property Nat BALL STATE	
OGRID No. 331595	Operator Na FRANKLIN MOUNTAIN	

Surface Location

D	32	18S	35E		821	NORTH	416	WEST	LEA	
			11	Bottom H	ole Location	If Different Fron	n Surface			200





| District | | 1025 N. French Dr., Hobbs, NM 88240 | Phone: (575) 393-6161. Fax: (575) 393-0720 | District II | 811 S. First St., Artesia, NM 88210 | Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Azsec, 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

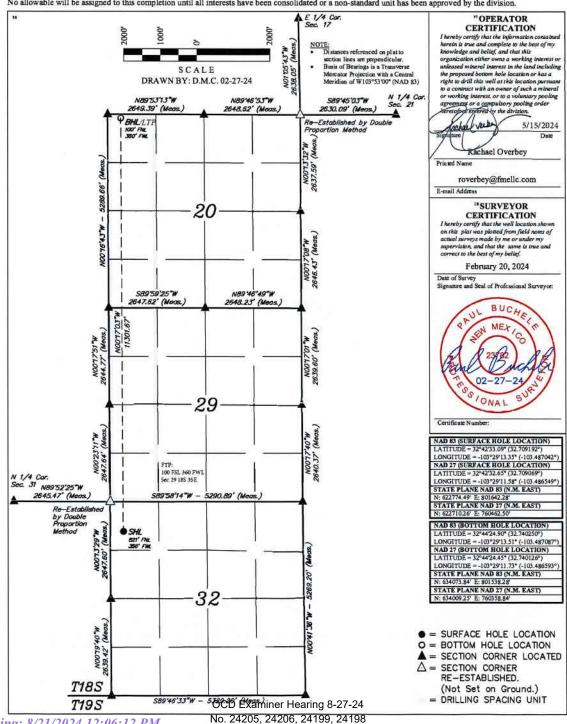
<sup>1</sup> API Number	<sup>2</sup> Pool Code 55640	Pool Name SCHARB; WOLFCAMP
Property Code	<sup>5</sup> Property Name BALL STATE CO	6 Well Numbe M 801H
<sup>7</sup> OGRID No. 331595	Operator Name FRANKLIN MOUNTAIN EN	PRGY 3, LLC S934.6'

"Surface Location									
UL or lot no.	Section 32	Township 18S	Range 35E	Lot Idn	Feet from the 821	North/South line NORTH	Feet from the 356	East/West line WEST	County

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Tewnship	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	18S	35E		100	NORTH	360	WEST	LEA
12 Dedicated Acre 320	es to J	oint or Infill	14 Cons	olidation Code	15 Order No.				

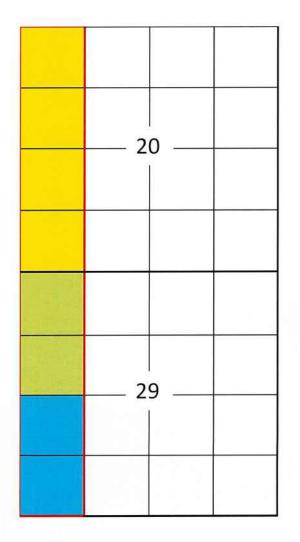
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



## Case No. 24206 Unit Summary



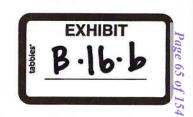
# Case No. 24206 W2W2 of Sec 20 & 29- T18S-R35E Ball State Com 701H Ball State Com 801H



Proposed Wolfcamp Unit
Tract 1 (160.00 Acres)
Tract 2 (80.00 Acres)
Tract 3 (80.00 Acres)

Commited Working Into	erest
Franklin Mountain Energy 3, LLC	50.000000%
Uncommited Working In	terest
COG Operating LLC	25.000000%
Marathon Oil Permian LLC	18.750000%
Hanley Petroleum, Inc.	4.937500%
LHAH Properties LLC	0.625000%
H6 Holdings LLC	0.312500%
Hanley Petroleum LLC	0.312500%
TBO Oil & Gas, LLC	0.062500%
Total:	100.000000%

Tract	Lease	%
1	VB-1381	50.0000%
2	A0-4096	25.0000%
3	VB-1878	25.0000%





Sent via USPS: 9405536105536070211357

January 4, 2024

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

Attn: Land Dept, Permian Basin

RE: Well Proposals

Township 18 South, Range 35 East

Section 20: W2W2 Section 29: W2W2 Lea County, New Mexico 320.00 acres, more or less

Dear Working Interest Owner:

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

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Ball State Com 301H	1BS	8,888'	21,388'	Sec 32- T18S- R35E 575 FNL 330 FWL	Sec 20- T18S- R35E 100 FNL 965 FWL	\$11,183,950.44	N/A
Ball State Com 601H	3BS	10,065'	20,065	Sec 32- T18S- R35E 575 FNL 270 FWL	Sec 20- T18S- R35E 100 FNL 360 FWL	\$11,797,546.84	N/A
Ball State Com 701H	WCA	10,539*	20,539'	Sec 32- T18S- R35E 575 FNL 360 FWL	Sec 20- T18S- R35E 100 FNL 800 FWL	\$11,797,546.84	N/A
Ball State Com 801H	WCB	11,132'	21,132'	Sec 32- T18S- R35E 575 FNL 300 FWL	Sec 20- T18S- R35E 100 FNL 360 FWL	\$12,164,281.44	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 Jon Rutledge at <u>jrutledge@fmellc.com</u> or to the address provided below at your earliest convenience.

FME3 looks forward to working with you or your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME3 will file an application for compulsory pooling to pool any uncommitted owners.

Should you have any questions, please do not hesitate to contact the undersigned at (303) 709-7007.

Respectfully,

Franklin Mountain Energy 3, LLC

Jon Rutledge Landman



Ball State Com 301H:
I/We hereby elect to participate in the Ball State Com 301H wellI/We hereby elect NOT to participate in the Ball State Com 301H well.
Ball State Com 601H:
I/We hereby elect to participate in the Ball State Com 601H well.  I/We hereby elect NOT to participate in the Ball State Com 601H well.
Ball State Com 701H:
I/We hereby elect to participate in the Ball State Com 701H well I/We hereby elect NOT to participate in the Ball State Com 701H well.
Ball State Com 801H:
I/We hereby elect to participate in the Ball State Com 701H wellI/We hereby elect NOT to participate in the Ball State Com 701H well.
Owner: Marathon Oil Permian, LLC
By:
Printed Name:
Title:
Date:



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

Well #: 70111

County/State: 1.88 Co., NM

Date Prepared: 1/2/2024

AFE #: DCE240167

0 5 6 6 9 9 5 9 5 9 5 9 5 9 5 9 5 9 5 9 5	Intangible Drilling Costs  Description  ADMINISTRATIVE OVERHEAD  CASING CREW & EQUIT  CEMENTING INFERMEDIATE CASING  CEMENTING INFERMEDIATE CASING  CEMENTING PRODUCTION CASING  COMMERION FLUIDS  COMMERION FLUIDS  CONSTRUCTION-LOCATION & ROAD  CONTRACT LABOR  DAMAGES  DAMAGES  DAMAGES  DAMING-FOOTACE  DRILLING - FOOTACE  DRILLING SERVICES  ELECTRICAL POWERGENERATION  ENGINEERING  ENVIRONMENTAL SERVICES  EQUIPMENT RENTAL  PISHING TOOLSSERVICES  INSPECTIONS  LEGAL IT IT SERVICES  INSPECTIONS  LEGAL TITLE SERVICES  MATERIALS & SUPPLIES  MATERIALS & SUPPLIES  MATERIALS & SUPPLIES  MACELLANDEOUS  MOUSSFRATHOLE CONDUCT PIPE  MID & CIEMICALS  OPENHOLE LOGGING  CASED HOLE LOGGING  CASED HOLE LOGGING  CASED HOLE LOGGING	Amount  \$4,900 \$50,000 \$150,000 \$150,000 \$15,000 \$15,000 \$15,000 \$15,000 \$17,000 \$120,000 \$120,000 \$120,000 \$120,000 \$140,000 \$20,000 \$20,000 \$21,000 \$20,000	Atajor 240 240 240 240 240 240 240 240 240 240	Minor 5 10 13 20 225 30 35 45 50 62 65 70 71 72 75 80 95 100 110 115	Intungible Completion Costs  Description ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS CASING CREW & EOPT COLLED TUBINGSNUBBING UNIT COMMINICATIONS COMPANY DIRECT LABOR COMPLETION/ORDIVER RIG CONTRACT LABOR/COUSTABOUTS DANAGES/RECLAMATION DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES FULIDS/SHAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FILED, POWER/DESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLAMFOUS MATERIALS & SUPPLIES MISCELLAMFOUS MUD & CHEMIC ALS	Amount 518 518 518 526 531 532 531 532 532 533 533 533 533 533 533 533 533
0 5 6 6 9 9 5 9 5 9 5 9 5 9 5 9 5 9 5 9 5	DECIDIOS  ADMINISTRATIVE OVERHEAD  CASING CREW & EQIT  CENERNING INFERMEDIATE CASING  CENERNING INFERMEDIATE CASING  CENERNING PRODUCTION CASING  CEMERNING SUPACE CASING  COMBUNICATIONS  COMBUNICATIONS  COMBUNICATIONS  CONSTRUCTIONS  CONSTRUCTION OF A COMBUNICATION & ROAD  CONTRACT LABOR  DAMAGES  DAYWORK CONTRACT  DRILLING - DRIECTIONAL  DRILLING - POOTAGE  DRILLING BITS  ELECTRICAL POWERGENERATION  ENGINERING  ENGINERING  ENGUNERING  ENGUNERING	\$4,000 \$50,000 \$150,000 \$150,000 \$150,000 \$40,000 \$40,000 \$15,000 \$15,000 \$17,000 \$20,000 \$20,000 \$20,000 \$20,000 \$51,000 \$51,000 \$51,000 \$5,000	240 240 240 240 240 240 240 240 240 240	5 10 13 20 25 30 35 45 50 62 65 70 71 72 75 80 83 90 91 110	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS COMPLET LOSS CONTROL COMMUNICATIONS COMPLET LABOR ELECTRIC AL POWER GENERATION ENCINEERING ENVIRONMENTAL CLEANUP FISHING TOOLS / SERVICES FULIDS HALLING DISPOSAL FRAC WATER/COMPLETION FLUID FIELD, POWER DISSEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANFOUS MUD & CHEMIC ALS MISCELLANFOUS	\$11 \$27 \$32 \$33 \$33 \$34 \$34 \$34 \$35 \$37 \$37 \$37
0 5 5 6 9 5 0 4 0 5 0 5 0 0 5 0 4 5 0 5 00 5 06 0 5 5 00 11 5 5 5 5 5 5 5 5 5 5 5 5 5 5	CASING CREW & EQUIT CEMENTING PRODUCTION CASING CEMENTING PRODUCTION CASING CEMENTING PRODUCTION CASING CEMENTING SEPACE CASING COMMARICATIONS COMMARICATIONS CONSTRUCTION-LOCATION & ROAD CONSTRUCTION-LOCATION & ROAD CONSTRUCTION-LOCATION & ROAD CONTRACT LABOR DAYWORK CONTRACT DEBLING-FOOTAGE DAYWORK CONTRACT DEBLING-FOOTAGE DEBLING-FOOTAGE DEBLING-FOOTAGE DEBLING-FOOTAGE DEBLING-FOOTAGE DEBLING-FOOTAGE DEBLING-FOOTAGE DEVELORAL SERVICES EVENTAL SERVICES EVENTAL SERVICES USENING TOOL SERVICES INSURANCE	\$80,000 \$50,000 \$50,000 \$50,000 \$50,000 \$15,000 \$15,000 \$15,000 \$120,000 \$120,000 \$20,000 \$20,000 \$50,000 \$51,	240 240 240 240 240 240 240 240 240 240	10 13 20 25 30 35 45 50 55 60 62 65 70 71 72 75 80 83 90 91 80 91 91 91 91 91 91 91 91 91 91 91 91 91	CASED HOLE LOGS & SURVEYS CASING CREW & EOPT COILED TUBINGSNUBBING UNIT COMMINICATIONS COMPANY DIRECT LABOR COMPLETIONWORKOVER RIG CONTRACT LABOR ROUSTABOUTS DANAGES/RECLAMATION DISPOSAL SOLIEDS ELECTRIC AL POWER-GENERATION ENGINEERING ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES FULDSHAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FITEL, POWER-BUSSEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLAMFOUS MUD & CHEMIC ALS	\$17 \$27 \$31 \$31 \$31 \$31 \$31 \$31 \$31 \$31 \$31 \$31
55 6 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	CEMENTING INTERNEDATE CASING CEMENTING PRODUCTION CASING CEMENTING SUFACT CASING COMMUNICATIONS COMMUNICATIONS COMMUNICATIONS CONTRACT LABOR DAMAGES DEBLING - POTACE DEBLING - POTACE DEBLING BITS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL PSHING TOOL SUSPENIONE IEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MOSSERATIOLECONDUCT PIPE MIDD & CIENTICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$50,000 \$19,000 \$40,000 \$40,000 \$40,000 \$50,000 \$15,000 \$15,000 \$17,000 \$20,000 \$20,000 \$20,000 \$20,000 \$51,000	240 240 240 240 240 240 240 240 240 240	15 20 25 30 55 45 50 55 60 62 65 70 71 72 75 80 85 90 95 100 110	CASING CREW & EOPT COLLED TUBINGSNUBBING UNIT COMMENICATIONS COMPANY DIRECT LABOR COMPLETION-WORKOVER RIG CONTRACT LABORROUSTABOUTS DANAGESIAGELANATION DISPOSAL SOLIDS ELECTRICAL POWER GENERATION ENCORERING ENVIRONMENTAL CLEANUP FISHING TOOLS / SERVICES FULIDSHAULING DISPOSAL FRAC WATERCOMPLETION FLUID FIEL, POWER DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANFOUS MUDE & CHEMIC ALS MISCELLANFOUS	\$276 \$33 \$31 \$41 \$54 \$57 \$57 \$57
6 9 3 3 4 9 5 9 5 9 5 9 4 5 9 5 9 9 5 9 9 9 9 9	CEMENTING PRODUCTION CASING CEMENTING SPACE CASING COMMALINICATIONS COMMERCION PLUEDS CONSTRUCTION-LOCATION & ROAD CONTRACT LABOR DAYWORK CONTRACT DEBLING, DRECTIONAL DEBLING, FOOTAGE DEBLING, FOOTAGE DEBLING, FOOTAGE DEBLING BITS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL PSHING TOOL SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLES MICCELLARIOUS MICC	\$150,000 \$50,000 \$5,000 \$5,000 \$15,000 \$15,000 \$15,000 \$120,000 \$120,000 \$20,000 \$20,000 \$50,000 \$5,000 \$15,00	240 240 240 240 240 240 240 240 240 240	25 30 35 43 50 62 65 70 71 72 75 80 83 90 95 100 110	COLLED TUBINGS NUBBING UNIT COMMENICATIONS COMPANY DIRECT LABOR COMPANY DIRECT LABOR COMPANY DIRECT LABOR CONTRACT LABOR/ROUST ABOUTS DANAGES/RECLAMATION DISPOSAL SOLIES ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES FULIDISHAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FITEL, POWER/DISSEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLAMFOUS MUD & CHEMIC ALS	\$11 \$2 \$11 \$3 \$11 \$34 \$37 \$37 \$3
99 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	CEMENTING SUPACTE CASING COMMAINCATIONS COMMAINCATIONS CONSTRUCTION-LOCATION & ROAD CONSTRUCTION-LOCATION & ROAD CONTRACT LABOR DAMAGES DAYWORK CONTRACT DRILLING-POTACE DRILLING-POTACE DRILLING-POTACE DRILLING-POTACE DRILLING-POTACE DRILLING-POTACE DRILLING-POTACE ENGINERRING ENTROMOBENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL FISHING TOOL SSERVICES IEGALTI & SAFETY HUSSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MOGSERATHOLECONDUCT PIPE MICD & CHEMICALS OPENHICALS OPENH	\$40,000) \$6,000 \$15,000 \$15,000 \$15,000 \$15,000 \$120,000 \$120,000 \$120,000 \$120,000 \$20,000 \$50,000 \$50,000 \$51,7000 \$15,000 \$5,000	240 240 240 240 240 240 240 240 240 240	30 35 45 50 55 60 62 65 70 71 72 75 80 85 96 95 160 110	COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUSTABOUTS DANAGES/RECLANATION DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENT ALCILEANUP FISHING TOOLS / SERVICES FULDISHAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FILLI, POWER/DISSEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANFOUS MUD & CHEMIC ALS	\$11 \$1 \$1 \$11 \$54 \$57 \$5
0 44 40 65 50 65 60 6	COMPLETION FILTIDS CONSTRUCTION-OLOCATION & ROAD CONTRACT LABOR DAMAGES DAVYORK CONTRACT DEBLLING-POTTAGE DEBLLING-POTTAGE DEBLLING-POTTAGE DEBLLING-POTTAGE DEBLLING-POTTAGE DEBLLING-POTTAGE DEBLLING-POTTAGE DEBLLING-POTTAGE ENGINERATION E	50,000 \$15,000 \$15,000 \$15,000 \$15,000 \$170,000 \$120,000 \$140,000 \$20,000 \$20,000 \$50,000 \$50,000 \$51,7000 \$5,000	240 340 240 240 240 240 240 240 240 240 240 2	55 45 50 55 60 62 65 70 71 72 75 80 85 96 95 160 110	COMPLETION/WORKOVER RIG CONTRACT LABOR/ROUST ABOUTS DANAGES/RECLAMATION DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION ENGINEERING ENVIRONMENTAL/CLEANUP FISHING TOOLS / SERVICES FLUIDS/HAULING/DISPOSAL FRAC WATER/COMPLETION FLUID FITEL, POWER/DESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANFOUS MUD & CHEMIC ALS	\$2 \$1 \$ \$11 \$54 \$57 \$5 \$5
4 0 0 5 0 0 5 0 0 5 0 0 4 5 0 0 5 0 0 1 1 1 5 5 0 5 5 0 0 1 1 1 5 5 0 5 5 0 0 1 1 1 5 5 0 5 5 0 0 1 1 1 5 5 0 5 5 0 0 1 1 1 5 5 0 5 5 0 0 1 1 1 5 5 0 5 5 0 0 1 1 1 1	CONSTRUCTION-LOCATION & ROAD CONTRACT LABOR DAMAGES DAMAGES DAMAGES DAMAGES DAMAGES DAMAGES DEBLING - DIRECTIONAL DEBLING - DIRECTIONAL DEBLING BITS ELECTRICAL POWER GENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL DOWNHOLE IEBLITI & SAFETY HOUSING AND SUPPORT SERVICES INSULANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANGUS MISCELLANGUS MISCELLANGUS MISCELLANGUS MISCELLANGUS MISCELLANGUS MISCELLANGUS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$15,000 \$10,000 \$15,000 \$120,000 \$120,000 \$120,000 \$120,000 \$20,000 \$20,000 \$50,000 \$50,000 \$1,700 \$15,000 \$5,000 \$5,000 \$1,200	240 240 240 240 240 240 240 240 240 240	45 50 55 60 62 65 70 71 72 75 80 85 90 95 160 110	CONTRACT LABORROUSTABOUTS DANAGESIRECLAMATION DISPOSAL SOLIDS ELECTRIC AL POWERGENERATION ENGINEERING ENVIRONMENTALCLEARUP FISHING TOOLS / SERVICES FLUIDSHAULING/DISPOSAL FIRAC WATER/COMPLETION FLUID FIER, POWER/DISSEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANFOUS MUD & CHEMIC ALS	\$1 \$1 \$1 \$34 \$57 \$57 \$5
0 5 0 0 5 0 0 5 0 0 5 0 0 1 1 1 5 0 1 5 1 0 1 1 1 1	CONTRACT LABOR DAYWORK CONTRACT DAYWORK CONTRACT DORLLING - FOOTAGE DORLLING - FOOTAGE DORLLING - FOOTAGE ELECTRICAL POWERGENERATION ENGINERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL ENVIRONMENTAL EISHING TOOLSSERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MINOLSFRATHOLECONDUCT PIPE MIDD & CHEMICAL OPENHICAL OPENHICAL OPENHICALS OPENHICAL OPENHICALS OPENHICALS OPENHICALS OPENHICAL OPENHICALS O	\$50,000 \$15,500 \$762,300 \$120,000 \$140,000 \$20,000 \$50,000 \$60,000 \$60,000 \$7,000 \$1,700 \$1,500 \$5,500 \$1,700 \$5,500 \$1,700 \$5,000 \$1,200 \$5,000 \$1,200 \$5,000 \$1,2	240 240 240 240 240 240 240 240	50 55 60 62 65 70 71 72 75 80 85 90 95 160 110	DANAGESRECLAMATION DISPOSAL SOLIDS ELECTRICAL POWER-GENERATION ENGINEERING ENVIRONMENTALCLEANUP FISHING TOOLS / SERVICES FLUIDSHAULING DISPOSAL FRAC WATERCOMPLETION FLUID FITEL, POWER-BUSSEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLAMFOUS MUD & CHEMIC ALS	\$1 \$11 \$34 \$57 \$5 \$5
5 0 0 5 0 0 5 0 0 5 0 0 6 0 0 5 0 0 1 1 5 0 0 5 5 1 0 1 1 5 5 5 5	DAMAGES DAMAGES DAMAGES DAVWORK CONTRACT DBILLING - DIRECTIONAL DBILLING - DORECTIONAL DBILLING - DORECTIONAL DBILLING - DORECTIONAL DBILLING - DORECTIONAL DBILLING - DORECTION - DORECTI	\$15,000 \$762,300 \$120,000 \$120,000 \$140,000 \$20,000 \$20,000 \$20,000 \$50,000 \$50,000 \$17,000 \$1,700 \$15,000 \$5,000	240 240 240 240 240 240 240 240 240 240	55 60 62 65 70 71 72 75 80 85 96 95 160 110	DISPOSAL SOLIDS ELECTRICA I- POWER GENERATION ENGINEERING ENVIRONMENTALCLEANUP FISHING TOOLS / SERVICES FLUIDSHAULINGDISPOSAL FIER, POWER DOOLS FIER, POWER DISSEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANFOUS MUD & CHEMIC ALS	\$11 \$54 \$57 \$
0 5 5 0 0 5 5 0 0 4 5 5 0 0 5 5 5 0 0 11 5 5 5 5 5 5 5 5 5	DAYWORK CONTRACT DAYWORK CONTRACT DRILLING - POOTAGE DRILLING - POOTAGE DRILLING - POOTAGE DRILLING BITS ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL PISHING TOOLSSERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MINOUSFARATIOLECONDUCT PIPE MIDD & CHEMICALS OPENHICALS OPENHICAL	\$762,500 \$120,000 \$120,000 \$140,000 \$0 \$20,000 \$50,000 \$60,000 \$7,000 \$1,700 \$1,700 \$6,000 \$5,000 \$1,700 \$1	240 240 240 240 240 240 240 240 240 240	60 62 65 70 71 72 75 80 83 90 95 Hito 110	ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTALUCLEANUP FISHING TOOLS / SERVICES FRACWATER/COMPLETION FLUID FILE, POWERDIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANFOUS MUD & CHEMIC ALS	\$11 \$34 \$37 \$37
55 00 50 00 50 00 50 00 50 00 50 00 0	DRILLING - DIRECTIONAL DRILLING - POOTAGE  DRILLING BITS  LECTRICAL POWERGENERATION ENGINFERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL PUBLING TO SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MODERATIONS M	\$720,000 \$120,000 \$140,000 \$20,000 \$20,000 \$20,000 \$50,000 \$7,000 \$1,700 \$1,700 \$5,000 \$5,000 \$3,000 \$4,000	240 240 240 240 240 240 240 240 240 240	62 65 70 71 72 75 80 83 90 95 Hito 110	ENGINEERING ENVIRONMENTALCLEANUP FISHING TOOLS / SERVICES FILIUDSHAULINGDISPOSAL FRAC WATER/COMPLETION FLUID FILET, POWER/DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANFOUS MUD & CHEMIC ALS	\$11 \$5- \$5- \$5- \$5- \$5- \$5- \$5- \$5- \$5- \$5-
00 55 50 50 50 60 60 60 60 60 60 60 60 60 6	DRILLING - FOOTAGE  DRILLING BITS  ELECTRICAL POWERGENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE EQUIPMENT RENTAL PISHING TOOLSSTERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MISCEL	\$120,000 \$140,000 \$0 \$20,000 \$20,000 \$60,000 \$0 \$7,000 \$45,000 \$1,700 \$6,000 \$5,000 \$5,000 \$5,000 \$1,000 \$1,000 \$1,000 \$1,000 \$1,000 \$1,000 \$1,000 \$1,000	240 240 240 240 240 240 240 240 240 240	70 71 72 75 80 83 96 95 160	ENVIRONMENTALCILEANUP FISHING TOOLS / SERVICES PLUIDSHAULING/DISPOSAL FRAC WATER/COMPLETION PLUID FIEL, POWER/DISSEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANFOUS MUD & CHEMIC ALS	\$5- \$5- 1
5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	DRILLING BITS ELECTRICAL POWER-GENERATION ENGINEERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWN-HOLE EQUIPMENT RENTAL PISHING TOOL SSERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MOSSERATIOLECONDUCT PIPE MIDD & CHEMICALS OPENHICALS	\$00 \$25,000 \$250,000 \$60,000 \$0,000 \$0,000 \$1,7000 \$1,7000 \$6,000 \$5,000 \$5,000 \$1,000 \$1,000 \$1,000 \$1,000	240 240 240 240 240 240 240 240 240 240	71 72 75 80 83 90 95 160 110	FLUIDSHAULLINGDISFOSAL FRAC WATER/COMPLETION FLUID FUEL, POWERDIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANFOUS MUD & CHEMIC ALS	\$5- \$5- 1
00 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	ELECTRICAL POWERGENERATION ENGINFERING ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE FOURMENT RENTAL PISHING TOOL SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSURANCE INSURANCE INTILE SERVICES MISCELLANEOUS MISCELLAN	\$20,000 \$250,000 \$60,000 \$50,000 \$50,000 \$15,000 \$15,000 \$6,000 \$5,000 \$5,000 \$3,000 \$3,000 \$320,000	240 240 240 240 240 240 240 240 240 240	72 75 80 85 96 95 160 110	FRAC WATER/COMPLETION FLUID FIFE, POWERDIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANFOUS MUD & CHEMIC ALS	\$5- \$5- 1
60 44 55 66 66 66 66 66 66 66 66 66 67 68 68 68 68 68 68 68 68 68 68 68 68 68	ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE FOURMENT RENTAL PISHIND TOOL SSERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSURANCE INSURANCE INTILE SERVICES MISCELLANEOUS MISCE	\$250,000 \$60,000 \$50,000 \$0,000 \$1,7000 \$15,000 \$1,900 \$6,000 \$1,000 \$1,000 \$1,000 \$1,000	240 240 240 240 240 240 240 240 240 240	75 80 85 96 95 160 110	FUEL, POWER-DIESEL HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MUD & CHEMICALS	\$57 1
4 5 5 6 6 6 6 6 6 6 6 6 6 6 7 7 8 8 8 8 8 8 8	EQUIPMENT BENTAL DOWNHOLE FOURMENT BENTAL PISHING TOOLS.SERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MISCEL	\$60,000 \$50,000 \$0,57,000 \$45,000 \$17,000 \$15,000 \$6,000 \$5,000 \$5,000 \$3,000 \$3,000 \$3,000	240 240 240 240 240 240 240 240 240 240	80 85 90 95 160 110	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MUCD & CHEMICALS	
55 60 60 60 60 60 60 60 60 60 60 60 60 60	EQUIPMENT RENTAL PSHING TOOL SSERVICES HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLES MICCELLANGUIS MOUSERATHOLECONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$50,000 \$0 \$7,000 \$45,000 \$1,700 \$15,000 \$6,000 \$5,000 \$1,000 \$31,000 \$320,000	240 240 240 240 240 240 240 240 240	96 95 160 110	HOUSING AND SUPPORT SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MLD & CHEMICALS	
0 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	PISHING TOOL SCREVICES IEBALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANEOUS MOOLSFRATHOLECONDUCT PIPE MIDD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$0 \$7,000 \$45,000 \$1,700 \$15,000 \$6,000 \$5,000 \$1,000 \$3,000 \$320,000	240 240 240 240 240 240 240 240	96 95 160 110	MATERIALS & SUPPLIES MISCELLANEOUS MUD & CHEMICALS	,
55 50 50 50 50 60 60 60 60 60 60 60 60 60 60 60 60 60	HEALTH & SAFETY HOUSING AND SUPPORT SERVICES INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLANGOUS SIOUSERATHOLECONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$7,000 \$48,000 \$1,700 \$15,000 \$6,000 \$5,000 \$1,000 \$1,000 \$320,000	240 240 240 240 240 240 240	95 160 110	MISCELLANEOUS MUD & CHEMICALS	
50 50 50 60 60 60 60 60 60 60 60 60 60 60 60 60	HOUSING AND SUPPORT SERVICES INSPECTIONS LEGAL, TITLE SERVICES MISCELLANEOUS MISCELLANEOUS MODSFEARTHOLE CONDUCT PIPE MUD & CHEMICALS OPENIOLE LOGGING CASED HOLE LOGGING CASED HOLE LOGGING	\$45,000 \$1,700 \$15,000 \$6,000 \$5,000 \$1,000 \$320,000	240 240 240 240 240 240	110	MUD & CHEMICALS	
05 06 10 15 15 10 11 11 15 15 15 15 15 15 15 15 15 15 15	INSURANCE INSPECTIONS LEGAL, TITLE SERVICES MATERIALS & SUPPLIES MISCELLARIOUS SIGUSFRATHOLECONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$1,700 \$15,000 \$6,000 \$5,000 \$3,000 \$31,000 \$320,000	240 240 240 240			
10 15 10 25 10 11 15 15 15 15 15 15 15 15 15 15 15 15	LEGAL, TITLE SERVICES MATERIALS & SUPPLES MISCELLANEOUS MIOUSFRATHOLECONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$15,000 \$6,000 \$5,000 \$4,000 \$31,000 \$320,000	240 240	115	P&ATA COSTS	\$20
15 10 15 10 11 15 15 16 15 16 16 17	MATERIALS & SUPPLES MISCELLANEOUS MOUSE/RATHOLE/CONDUCT PIPE MID & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$5,000 \$5,000 \$31,000 \$320,000	240	10.55	PERFORATING/WIRELINE SERVICE	
10 10 10 11 15 50 55 50 53 53	MISCELLANEOUS MOUSERATHOLECONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$1,000 \$31,000 \$320,000	240	120	PIPE INSPECTION	
25 80 80 81 85 85 85 85 85 85	MOUSE/RATHOLE/CONDUCT PIPE MUD & CHEMICALS OPENHOLE LOGGING CASED HOLF LOGGING	\$31,000 \$320,000		125	ROAD, LOCATIONS REPAIRS	5
10 10 11 15 50 55 50 53 53	MUD & CHEMICALS OPENHOLE LOGGING CASED HOLE LOGGING	\$320,000	240	130	STIMULATION	\$3,85
10 11 15 50 55 50 53 53	OPENHOLE LOGGING CASED HOLE LOGGING		240	175	SUBSURFACE EQUIPMENTAL RENTAL	\$.
11 15 50 55 50 53 53	CASED HOLE LOGGING		240	140	SUPERVISION  FAIREACE FOLDS BENTAL	\$1
15 50 55 50 53 53 53		\$0	240	145	SURFACE EQUIP RENTAL TRANSPORTATION/TRUCKING	\$1
50 55 50 53 55 70	PERMITS, LR. ENSES, ETC	\$0 \$20,000	240	155	WATER TRANSFER	\$10
55 50 53 53 70		\$20,000	240	160	WELDING SERVICES	310
50 53 55 70	POWER FUEL & WATER HAULING RIG MOVE & RACKING COSTS	\$91,500	240	165	WELL TESTING FLOWBACK	5
53 55 70	RIG UP TEAR OUT & STANDBY	\$0	240	148	TAXES	15
55 70	SITE RESTORATION	000,012	240	40	CONTINGENCY COSTS 5%	\$3
70	STAKING & SUKVEYING	\$6,000	0.000		Total Intangible Completion Costs:	\$3,5
75	SUPERVISION	\$85,000	7		African approved to the second contract of	
	SUPERVISION - GEOLOGICAL	\$39,000	-		Tangible Completion Costs	
30	TRANSPORTATION/TRUCKING	\$39,000	Major		Description	Amo
	TAXES	5164,874	245	5	ARTIFICIAL LIFT	\$29
	CONTINGENCY COSTS 5%	\$149,885	245	15	FLOWLINES	
	Total Intangible Drilling Costs:	\$3,453,259	245	25	FRAC STRING	
	W		245 245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS PRODUCTION LINER	S
	Tangible Drilling Costs	Amount	245	50	PRODUCTION PROCESSING FACILITY	
O	Description INTERMEDIATE CASING & ATTACHMENTS	Amount \$173,758	245	55	PRODUCTION TUBING	5
	PACKERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS	3
	PRODUCTION CASING & ATTACHMENTS	5790,399	245	6.5	SUBSURFACE EQUIPMENT	S
	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$1
5	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	5
0	TAXES	\$69,844			Total Tangible Completion Costs:	55
_	Total Tangible Drilling Costs:	\$1,339,741			Intervallely Esseller Contr	
	Tangible Facility Costs		Major	Minor	Intangible Facility Costs  Description	Ama
mor		Amount		- 5		
			265	12	COMPANY DIRECT LABOR	
		50	265	20	DAMAGES/ROW/PERMITS, ETC	S
		50	265	22	PAD/ROAD CONSTRUCTION	S
0	PRIMARY POWER MATERIALS	\$14,400	265	35	ENGINEERING / SCIENCE	5
		\$76,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	
		02	265	45	CONTRACT LABOR & SERVICES	
		\$94,800	265	60	OVERHEAD	
		50	265	80		
		90	265	85		
MD	H2S SAFETY SYSTEM		265	10		5
			<u></u>		rom mangane romay cour	
					Office Use Only	
			-		Orace Use Only:	-
33	FLOWLINE INSTALLATION					
		\$600				
	TAXES	\$40,854				
	Total Tangible Facility Costs:	\$783,654				
_		\$4,702 400 84				
etion		\$6,138,128.50	10			
1		\$866,418.50				
ingil	le.	\$9,029,388.50				
		\$1,901,739.84				
		274	8			
SAL	THORITY FOR EXPENDITURE IS BASED ON COST I	STIMATES, BILLING	WILL REF	LECT	OUR PROPORTINATE SHARE OF THE ACTUAL IN	VOICE COSTS.
	Franklin Monntain Energy J. LLD					
	Cakta	>	Date			1/2/2024
y	Com Waltace		2.400			
( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( )	or o	DESCRIPTION  PACH TY PEPEVALAYES TITINES  CONTAINMENT  DEHYDRATION  PRIMARY FOWER MATERIALS  FLOWLINES / PIPFILINE / HOOKLP  HES TREATHON EQUIPMENT  SEPARATION EQUIPMENT  FROAD LOCATION FENCING REPAIRS  PRE-FABRICATED SKIDS  FACH TY SURFACE EQUIPMENT  HES SAFETY SYSTEM  CONTROL INSTRUMENT / METERS / SCADA  TANKS & WALKWAYS  MECHANICAL BATTERY BUILD  EIKC BATTERY BUILD  EIKC BATTERY BUILD  FLOWLINE INSTAILATION  SIGNAGE  TAMES  TOMES TAKES  TOMES TAMES  TOMES TAKES  TOM	International Content   Inte	Description	Description	Second   S

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

Tole

Approved By: Printed Name:



Franklin Mountain Energy 3, LLC 44 Cook Street, Suite 1000 Derver, CO 80206 Plane, 720-414-7868 tranklinnountainenergy, com

County/State: Lex Ca\_NM Date Prepared: 1/2/2024 DCE240111 AFE#:

Major	Sliner	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	54,000
225	10	CASING CREW & EQPT	\$80,000
325	15	CEMENTING INTERMEDIATE CASING	\$50,000
225	16	CEMENTING PRODUCTION CASING	\$450,000
225	20	CEMENTING SUFACE CASING	\$50,000
225	25	COMMUNICATIONS	\$40,000
125	30	COMPLETION FLUIDS	\$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000
325	40	CONTRACT LABOR	\$50,000
225	45	DAMAGES	\$15,000
225	50)	DAYWORK CONTRACT	\$907,500
225	55	DRILLING - DIRECTIONAL	\$320,000
225	60	DRILLING - FOOTAGE	\$120,000
225	65	DRILLING DITS	\$140,000
225	70	FLECTRICAL POWER/GENERATION	SI
225	75	ENGINEERING	\$20,000
225	80	ENVIRONMENTAL SERVICES	\$250,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000
225	85	FOURMENT RENTAL	\$50,000
225	90	FISHING TOOLS/SERVICES	St
225	95	HEALTH & SAFETY	\$7,000
225	100	HOUSING AND SUPPORT SERVICES	\$45,000
225	105	INSUKANCE	\$1,700
225	105	INSPECTIONS	\$15,000
224	110	LEGAL, TITLE SERVICES	\$6,000
225	115	MATERIALS & SUPPLIES	35,000
225	120	MISCELLANEOUS	\$5,000
224	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000
225	130	MUD & CHEMICALS	\$320,000
225	140	OPENHOLE LOGGING	SI
225	141	CASED HOLE LOGGING	51
225	145	PERMITS, LICENSES, ETC	\$20,000
225	150	POWER FUEL & WATER HAULING	\$200,000
225	155	RIG MOVE & RACKING COSTS	\$91,50
225	160	RIG UP TEAR OUT & STANDBY	Si
225	163	SITE RESTORATION	\$10,000
225	165	STAKING & SURVEYING	\$6,000
225	170	SUPERVISION	\$85,00
225		SUPERVISION - GEOLOGICAL	\$39,00
225		TRANSPORTATION/TRUCKING	\$39,000
225	178		\$164,87
225	35	CONTINGENCY COSTS 5%	\$149,88
		Total Intangible Drilling Costs:	\$3,598,459

Major	Minor	Description	Amount
240	3	ADMINISTRATIVE OVERHEAD	\$10,300
240	10	CASED HOLE LOGS & SURVEYS	\$7,500
240	15	CASING CREW & EOPT	\$0
240	20	COILED TUBING/SNUBBING UNIT	\$276,500
240	25	COMMUNICATIONS	\$2,500
240	30	COMPANY DIRECT LABOR	50
240	15	COMPLETION/WORKOVER RIG	\$32,500
240	45	CONTRACT LABOR/ROUSTABOUTS	\$25,000
240	30	DAMAGES/RECLAMATION	\$500
240	55	DISPOSAL SOLIDS	\$10,000
240	60	ELECTRICAL POWER GENERATION	50
240	62	ENGINEERING	\$3,600
240	65	ENVIRONMENTAL/CLEANUP	90
240	70	FISHING TOOLS / SERVICES	80
240	71	FLUIDS/HAULING/DISPOSAL	\$110,000
240	72	FRAC WATER/COMPLETION FLUID	\$544,000
240	75	FUEL, POWER/DIESEL	\$595,500
240	80	HEALTH & SAFETY	\$6,100
240	85	HOUSING AND SUPPORT SERVICES	59,500
240	90	MATERIALS & SUPPLIES	\$500
240	95	MISCELLANEOUS	50
240	100	MUD & CHEMICALS	51,400
240	110	P&A/TA COSTS	50
240	115	PERFORATING/WIRFLINE SERVICE	\$262,000
240	120	PIPE INSPECTION	SC
240	125	ROAD, LOCATIONS REPAIRS	\$11,000
240	130	STIMULATION	\$3,022,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$31,000
240	140	SUPERVISION	\$96,500
240	145	SURFACE EQUIP RENTAL	\$186,500
240	150	TRANSPORTATION/TRUCKING	\$1,000
240	155	WATER TRANSFER	000,6012
240	160	WELDING SERVICES	\$0
240	165	WELL TESTING/FLOWBACK	\$93,640
240	145	TAXES	50
240	40	CONTINGENCY COSTS 5%	\$326,700
		Total Intangible Completion Costs:	\$5,771,700

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,548
230	20	PACKERS/SLEEVES/PLUGS	\$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$811,202
230	3.5	SURFACE CASING & ATTACHMENTS	\$173,758
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000
230	40	TAXES	\$71,198
		Total Tanailla Deilling Corte	\$1.365.706

Major	Minur	Description	Amount
245	4	ARTIFICIAL LIFT	\$200,000
245	15	FLOWLINES	50
245	25	FRAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$40,000
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$0
245	55	PRODUCTION TUBING	\$90,000
245	60	RODS/PUMPS	\$0
245	65	SUBSURFACE EQUIPMENT	\$60,000
245	75	WELLHEAD EQUIPMENT	\$142,700
245	70	TAXES	\$29,299
		Total Tangible Completion Costs:	\$361,999

Taugible Completion Costs

Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$147,000
270	15	CONTAINMENT	\$0
270	25	DEHYDRATION	\$0.
270	10	PRIMARY POWER MATERIALS	\$14,400
270	50	FLOWLINES / PIPELINE / HOOKUP	\$76,000
270	60	H2S TREATING EQUIPMENT	\$
270	65	SEPARATION EQUIPMENT	594,800
270	dd	ROAD/LOCATION/FENCING/REPAIRS	50
270	75	PRE-FABRICATED SKIDS	50
270	86	FACILITY SURFACE EQUIPMENT	\$75,40
270	96	H2S SAFETY SYSTEM	\$4,000
270	100	CONTROL/INSTRUMENT/METERS/SCADA	\$57,000
270	110	TANKS & WALKWAYS	\$47,60
270	130	MECHANICAL BATTERY BUILD	\$117,800
270	132	FI&C BATTERY BUILD	\$47,00
270	134	CONTROLS AND SCADA BATTERY BUILD	\$2,60
270	136	PRIMARY POWER BUILD	\$15,10
270	138	FLOWLINE INSTALLATION	\$41,50
270	1.10	SIGNAGE	\$60
270	125	TAXES	540,85
		Total Tangible Facility Costs:	\$783,63

Major	Minor	Description	Amount
265	5	CONSULTING	\$9,500
265	12	COMPANY DIRECT LABOR	\$0
265	20	DAMAGES/ROW/PERMITS, ETC	\$12,700
265	22	PAD/ROAD CONSTRUCTION	\$30,000
265	25	ENGINEERING / SCIENCE	\$13,900
265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$5,000
265	45	CONTRACT LABOR & SERVICES	\$0
265	60	OVERHEAD	\$3,000
205	80	SURVEY / PLATS / STAKINGS	2800
265	85	TRANSPORTATION / TRUCKING	50
265	83	TAXES	\$4,120
265	10	CONTINGENCY COSTS 5%	\$1,745
		Total Intangible Facility Costs:	\$82,765

Office Use Only:

Total Drill	\$4,964,164.44
Total Completion:	\$6,333,698,50
Total Facility	\$866,418.50
Total DC Intangible	\$9,370,158,50
Total DC Tangible:	\$1,927,704,44

perator Fr	ranklin Modulin Engrad. LLC	Date:	1/2/2024
c	ring Walters heef Executive Officer		
Owner:		_	
roved By		Date:	
ted Name		Title	

## **Ball W2W2 Pooled Party List**

COG Operating, LLC	WI
Marathon Oil Permian, LLC	WI/ORRI
Hanley Petroleum, LLC	WI
Hanley Petroleum, Inc.	WI
LHAH Properties, LLC	WI
H6 Holdings, LLC	WI
TBO Oil & Gas, LLC	WI
Mavros Oil Company	WI
Zunis Energy, LLC	ORRI
Blue Ox Partners LLC	ORRI
Luckaloy Limited Company	ORRI
Oak Valley Mineral and Land, LP	ORRI
Good News Minerals, LLC	ORRI
William J. McCaw	ORRI
Crown Oil Partners, LP	ORRI
Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts	ORRI
Post Oak Crown IV-B, LLC	ORRI
Post Oak Crown IV, LLC	ORRI
Collins & Jones Investments, LLC	ORRI
Post Oak Mavros II, LLC	ORRI
LMC Energy LLC	ORRI
H. Jason Wacker	ORRI
David W. Cromwell	ORRI
Sortida Resources, LLC	ORRI
Mike Moylett	ORRI
Kaleb Smith	ORRI
Deane Durham	ORRI



# 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. 24199

## APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. In support of this application, Franklin states as follows:

- Franklin has an interest in the subject lands and has a right to drill and operate a
  well thereon.
- 2. Franklin seeks to dedicate the spacing unit to the **Ball State Com 302H** and **Ball State Com 602H** wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20.
  - 3. The producing area for the wells is expected to be orthodox.
- 4. This proposed horizontal spacing unit will overlap with a 160-acre horizontal spacing unit comprised of the E/2 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #002H well (API 30-025-41025).



 Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate

in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Bone Spring formation underlying the proposed

unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling

of unnecessary wells, prevent waste and protect correlative rights.

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

the Oil Conservation Division on March 7, 2024, and after notice and hearing as required by law,

the Division enter its order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a

horizontal spacing unit within E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 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;

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.

Received by OCD: 2/6/2024 10:00:36 AM

By:/s/ Deana M. Bennett

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

Telephone: 505.848.1800

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

Received by OCD: 2/6/2024 10:00:36 AM

CASE NO. 24199 : 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 320-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Ball State Com 302H and Ball State Com 602H wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with a 160-acre horizontal spacing unit comprised of the E/2 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #002H well (API 30-025-41025). 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 17 miles West of Hobbs, New Mexico.

<u>District I</u> 1625 N. French Dr., Hobbs, NM 38240 Phone: (\$75) 393-6161 Fax: (\$75) 393-0720 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

#### 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	3 Pool Code 97930	<sup>3</sup> Pool Nar WC-025 G 06 S183518A; BONE SPRI	
Property Code		Property Name L STATE COM	Well Number 302H
*OGRID No. 331595	FRANKLIN MO	"Elevation 3926.2"	

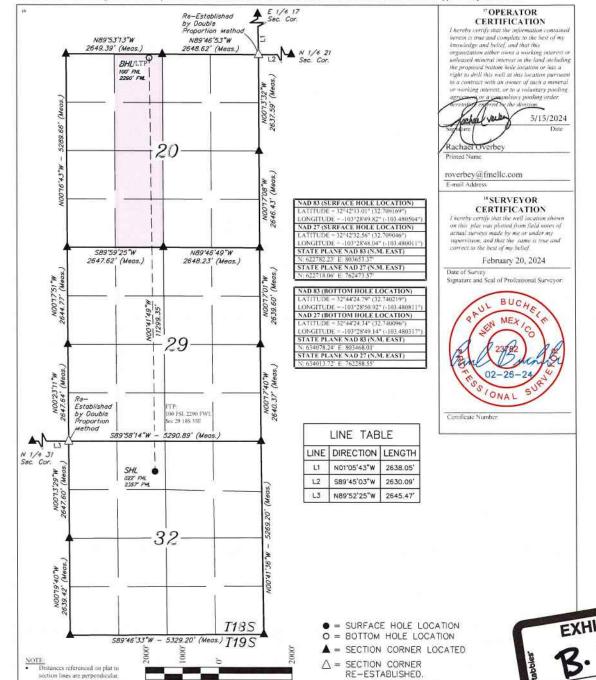
"Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	32	188	35E	1111/11/1/11/11	822	NORTH	2367	WEST	LEA

"Bottom Hole Location If Different From Surface

UL or lat no.	Section	Township	Range	Lat Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	18S	35E		100	NORTH	2290	WEST	LEA
12 Dedicated Acr	es DJ	oint or InGil	14 Cons	olidation Code	15 Order No.			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.



SCALE

Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

△ = SECTION CORNER RE-ESTABLISHED.

(Not Set on Ground.)

DRAWN BY: OCD: Examiner Hearing 8-271249 Specing Unit

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone; 4575; 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone; (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Roso, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (595) 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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AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	<sup>1</sup> Pool Code 960	3 Pool Name	AIRSTRIP; BONE SPRING
4 Property Code	<sup>5</sup> Property Name BALL STATE CO	М	+ Well Number 302H
<sup>2</sup> OGRID No. 331595	*Operator Name FRANKLIN MOUNTAIN EN	ERGY 3, LLC	* Elevation 3926.2*

"Surface Location UL or lot no. Section Township Range Lot Idn North/South line

Feet from the

East/West line

UL or lot no. C	Section 20	Township 18S	Range 35E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 2290	East/West line WEST	County LEA
Dedicated Acr	res 13 J	oint or Infill	14 Cons	olidation Code	15 Order No.				111-271-1-1-1

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 E 1/4 17 Sec. Cor. OPERATOR Re-Established by Double Proportion Metho CERTIFICATION I hereby certify that the information contained inerein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the prosposed bottom note location or instantial english to drell this well at this location persunnt. NR9'53'13"W N89'46'53"W 2649.39' (Meas. 2648.62' (Meas. SHLLTP 100' FHL 2250' FHL 32"W (Meas.) to a contract with an owner of such a mineral or working interest, or to a voluntary pooling pooling order 2637.59 5/15/2024 5289.66 20 (Meos.) roverbey@fmellc.com NO017' NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°42'33.01° (32.709169°) LONGITUDE = -103°28'49.82° (-103.480504°) CERTIFICATION I hereby certify that the well location show on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°42'32.56" (32.700046") LONGITUDE = -103°28'48.04" (-103.480011") correct to the best of my belief 589'59'25"W 2647.62' (Meas.) N89'46'49"W 2648.23' (Meas.) STATE PLANE NAD 83 (N.M. EAST) February 20, 2024 STATE PLANE NAD 27 (N.M. EAST) Signature and Scal of Professional Surveyor NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°44′24.79° (32.740219°) LONGITUDE = -103°28′50.92° (-103.480811°) BUCHE 7000N 2639.607 PAUL NOO'41'49"W LONGITUDE = -103-28-30-92 (-103-880811')
NAD 27 (BOTTOM HOLE LOCATION)
LATITUDE = 32°-44°24,34" (31,740996")
LONGITUDE = -103°28'49,14" (-103-480317°)
STATE PLANE NAD 83 (N.M. EAST) MEX / CC 29 STATE PLANE NAD 27 (N.M. EAST) NOO17'40"W 2640,37" (Meas.) NO0'23'11"W 2647.64" (Meas. 02-25 ONAL Re-Established by Double Proportion Method 00 FSL 2290 FW1 ec 29 18S 35E Certificate Number LINE TABLE S89'58'14"W 5290.89' (Meas.) N 1/4 31 Sec. Cor. LINE DIRECTION LENGTH SHL 022' FML 2357' FML N01'05'43"W 2638.05 NO013'29"W 2647.60" (Meas S89"45'03"W 2630.09 L3 N89'52'25"W 2645.47 32 NO019'40"W 2639.42' (Meas. = SURFACE HOLE LOCATION T185 O = BOTTOM HOLE LOCATION 589'46'33"W - 5329.20' (Meas.) T19 S ▲ = SECTION CORNER LOCATED NOTE:

Distances referenced on plat to = SECTION CORNER RE-ESTABLISHED. section lines are perpendicular. Basis of Bearings is a Transverse S C A C D Examiner Hearing 8-27 24 Spacing Unit Mercator Projection with a Centra

Meridian of W103°53'00" (NAD 83)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (373) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesin, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazzos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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☐ AMENDED REPORT

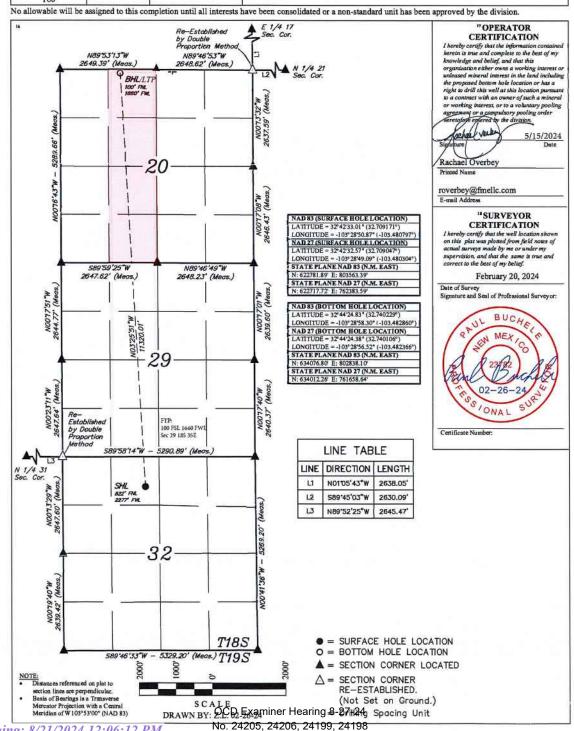
County

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	<sup>2</sup> Pool Code 97930	<sup>3</sup> Pool Name WC-025 G 06 S183518A; BONE SPRIN	Value and the second se	
4 Property Code		Property Name LL STATE COM	6 Well Number 602H	
OGRID No. 331595		Operator Name DUNTAIN ENERGY 3, LLC	* Elevation 3927.0'	

"Bottom Hole Location If Different From Surface

UL or lot no.	Section 20	Township 18S	Range 35E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 1660	East/West line WEST	County LEA
12 Dedicated Act	res 12 J	oint or Infill	14 Cons	olidation Code	13 Order No.				



District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. Firs St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 Priorie (373) 746-1205 Fax: (373) 746-3720 District III 1000 Rto Brazzos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

160

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

LEA

WEST

2277

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

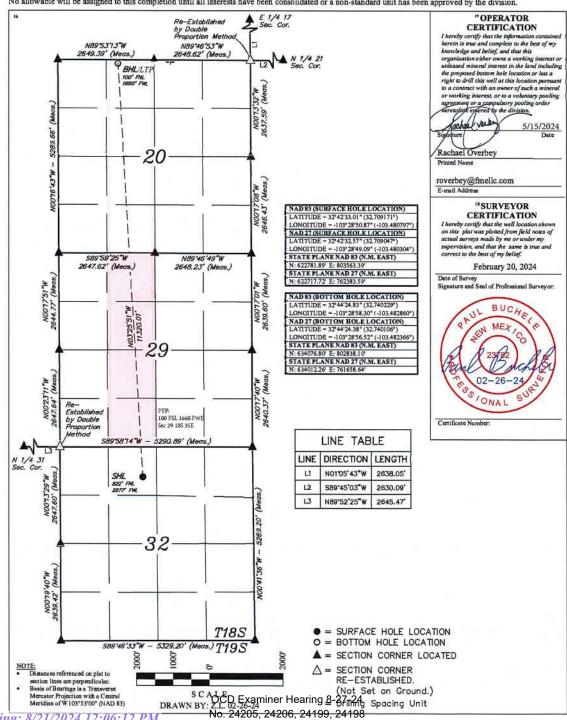
API Number	<sup>1</sup> Pool Code 960		
Property Code		Property Name LL STATE COM	6 Well Number 602H
OGRID No. 331595	FRANKLIN MO	* Elevation 3927.0*	

Surface Location

et from th 822 Range 35E NORTH

"Bottom Hole Location If Different From Surface									
UL or lot no. C	Section 20	Township 18S	Range 35E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 1660	East/West line WEST	County LEA
12 Dedicated Acr	es 13 J	oint or Infill	14 Cons	olidation Code	15 Order No.				

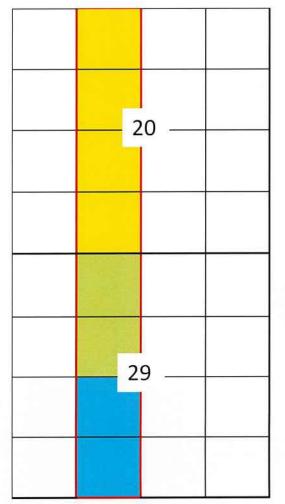
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



## Case No. 24199 Unit Summary



# Case No. 24199 E2W2 of Sec 20 & 29- T18S-R35E Ball State Com 302H Ball State Com 602H



Proposed Bone Spring Unit
Tract 1 (160.00 Acres)
Tract 2 (80.00 Acres)
Tract 3 (80.00 Acres)

Commited Working Into	erest
Franklin Mountain Energy 3, LLC	50.000000%
Uncommited Working In	terest
COG Operating LLC	25.000000%
Marathon Oil Permian LLC	18.750000%
Hanley Petroleum, Inc.	4.937500%
LHAH Properties LLC	0.625000%
H6 Holdings LLC	0.312500%
Hanley Petroleum LLC	0.312500%
TBO Oil & Gas, LLC	0.062500%
Total:	100.000000%

Tract	Lease	%
1	VB-1381	50.0000%
2	A0-4096	25.0000%
3	VB-1878	25.0000%





Sent via USPS: 9405536105536070211357

January 4, 2024

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

RE: Well Proposals

Township 18 South, Range 35 East

Section 20: E2W2 Section 29: E2W2

Lea County, New Mexico 320.00 acres, more or less

Dear Working Interest Owner:

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

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	Total AFE	Order
Ball State Com 302H	1BS	8,859'	17,859'	Sec 32- T18S- R35E 575 FNL 2370 FWL	Sec 20- T18S- R35E 100 FNL 2290 FWL	\$11,183,950.44	N/A
Ball State Com 602H	3BS	10,046'	20,046	Sec 32- T18S- R35E 575 FNL 2280 FWL	Sec 20- T18S- R35E 100 FNL 1660 FWL	\$11,797,546.84	N/A
Ball State Com 702H	WCA	10,524	20,524'	Sec 32- T18S- R35E 575 FNL 2400 FWL	Sec 20- T18S- R35E 100 FNL 2290 FWL	\$11,797,546.84	N/A
Ball State Com 802H	WCB	11,067	21,067'	Sec 32- T18S- R35E 575 FNL 2310 FWL	Sec 20- T18S- R35E 100 FNL 1660 FWL	\$12,164,281.44	N/A

B.17-C



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 Jon Rutledge at <u>jrutledge@fmellc.com</u> or to the address provided below at your earliest convenience.

FME3 looks forward to working with you or your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME3 will file an application for compulsory pooling to pool any uncommitted owners.

Should you have any questions, please do not hesitate to contact the undersigned at (303) 709-7007.

Respectfully,

Franklin Mountain Energy 3, LLC

Mulledge

Jon Rutledge

Released to Imaging: 8/21/2024 12:06:12 PM

Landman



Ball State Com 302H:	
I/We hereby elect to participate in the Ball State Com 30 I/We hereby elect NOT to participate in the Ball State Com	
Ball State Com 602H:	
I/We hereby elect to participate in the Ball State Com 60  I/We hereby elect NOT to participate in the Ball State Com 60	02H well. om 602H well.
Ball State Com 702H:	
I/We hereby elect to participate in the Ball State Com 70 I/We hereby elect NOT to participate in the Ball State Com	
Ball State Com 802H:	
I/We hereby elect to participate in the Ball State Com 80I/We hereby elect NOT to participate in the Ball State Com 80	
Owner: Marathon Oil Permian, LLC	
By:	21
Printed Name:	
Title:	
Date:	_



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

FRANKLIN MOUNTAIN
ENERGY
AUTHORITY FOR EXPENDITURE

Well Name:
Loration:
HIL Sec 12-T18S-R35E 101 FNL 2370 FWL
HIL Sec 12-T18S-R35E 100 FNL 2200 FWL
Franklin Mountain Energy 3, LLC

Purpose:
Drill and complete a 10,000° HIS well
TYD 8,859, AID 17,859.

County/State: Les Co., NM Date Prepared: 10/25/2023 DCE211027 AFE #1

Major	Minor	Description	Amotunt
225	5	ADMINISTRATIVE OVERHEAD	\$4,000
225	10	CASING CREW & EQPT	\$80,000
225	15	CEMENTING INTERMEDIATE CASING	\$50,000
225	16	CEMENTING PRODUCTION CASING	\$150,000
225	20	CEMENTING SUFACE CASING	\$50,000
225	25	COMMUNICATIONS	\$40,000
225	10	COMPLETION FLUIDS	\$6,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000
225	10	CONTRACT LABOR	\$50,000
225	45	DAMAGES	\$15,000
225	50	DAYWORK CONTRACT	\$653,000
225	55	DRILLING - DIRECTIONAL	\$300,000
225	60	DRILLING - FOOTAGE	\$120,000
225	65	DRILLING BITS	\$140,000
225	70	ELECTRICAL POWER\GENERATION	\$1
225	75	ENGINEERING	\$20,000
225	80	ENVIRONMENTAL SERVICES	\$250,000
325	8-1	EQUIPMENT RENTAL DOWNHOLE	\$60,000
225	85	EQUIPMENT RENTAL	\$50,000
225	90	FISHING TOOLS/SERVICES	51
225	95	HEALTH & SAFETY	\$7,000
225	100	HOUSING AND SUPPORT SERVICES	\$45,000
225	105	INSURANCE	\$1,700
225	106	INSPECTIONS	\$15,000
225	110	LEGAL, TITLE SERVICES	\$6,000
225	115	MATERIALS & SUPPLIES	\$5,000
225	120	MISCELLANEOUS	\$5,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000
225	130	MUD & CHEMICALS	\$320,000
225	140	OPENHOLE LOGGING	\$1
225	141	CASED HOLE LOGGING	2
234	145	PERMITS, LICENSES, ETC	\$20,000
225	150	POWER FUEL & WATER HAULING	\$200,000
225	155	RIG MOVE & RACKING COSTS	\$91,500
225	160	RIG UP TEAR OUT & STANDBY	\$
225	163	SITE RESTORATION	\$10,000
225	165	STAKING & SURVEYING	\$6,00
225	170	SUPERVISION	\$85,000
225	175	SUPERVISION - GEOLOGICAL	\$39,00
225	180	TRANSPORTATION/TRUCKING	\$39,000
225	178	TAXES	\$165,50
225	35	CONTINGENCY COSTS 5%	\$150,460
		Total Intangible Drilling Costs:	\$1,125,166

Major	Minur	Description	Amount
240	5	ADMINISTRATIVE OVERHEAD	\$10,300
240	14	CASED HOLE LOGS & SURVEYS	\$7,500
240	15	CASING CREW & EQPT	\$0
240	20	COILED TUBING/SNUBBING UNIT	\$276,500
240	25	COMMUNICATIONS	\$2,500
240	10.	COMPANY DIRECT LABOR	\$0
240	35	COMPLETION/WORKOVER RIG	\$32,500
240	43	CONTRACT LABOR/ROUSTABOUTS	\$25,000
240	50	DAMAGES/RECLAMATION	\$500
240	55	DISPOSAL SOLIDS	\$10,000
240	60	ELECTRICAL POWER GENERATION	\$1
240	52	ENGINEERING	\$3,600
240	65	ENVIRONMENTAL/CLEANUP	SC
340	70	FISHING TOOLS / SERVICES	\$1
240	71	FLUIDS/HAULING/DISPOSAL	\$110,000
240	72	FRAC WATER/COMPLETION FLUID	\$544,000
340	75	FUEL, POWER/DIESEL	\$495,500
240	RO	HEALTH & SAFETY	\$6,100
240	85	HOUSING AND SUPPORT SERVICES	\$9,500
240	90	MATERIALS & SUPPLIES	\$500
240	95	MISCELLANEOUS	\$0
240	100	MUD & CHEMICALS	\$1,400
240	110	P&A/TA COSTS	\$6
240	115	PERFORATING/WIRELINE SERVICE	\$262,000
240	120	PIPE INSPECTION	54
240	125	ROAD, LOCATIONS REPAIRS	\$11,000
240	130	STIMULATION	\$3,365,000
240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$31,000
240	140	SUPERVISION	\$96,500
240	145	SURFACE EQUIP-RENTAL	\$186,500
240	150	TRANSPORTATION/TRUCKING	\$1,000
240	155	WATER TRANSFER	\$106,000
240	160	WELDING SERVICES	St
240	165	WELL TESTING/FLOWBACK	\$93,600
240	1.48	TAXES	Si
240	40	CONTINGENCY COSTS 5%	\$281,280
		Total Intangible Completion Costs:	\$4,969,280

Intangible Completion Costs

Major	Minor	Description	Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$380,000
230	20	PACKERS/SLEEVES/PLUGS	\$66,000
230	25	PRODUCTION CASING & ATTACHMENTS	\$699,177
230	35	SURFACE CASING & ATTACHMENTS	\$169,740
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000
230	40	TAXES	\$76,170
		Total Taneible Deilling Costs:	\$1.461.087

Major	Minor	Description	Amount
245	5	ARTIFICIAL LIFT	\$200,000
245	8.5	FLOWLINES	\$0
245	25	FRAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$40,000
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$0
245	55	PRODUCTION TUBING	\$90,000
245	250	RODS/PUMPS	50
245	65	SUBSURFACE EQUIPMENT	\$60,000
245	75	WELLHEAD EQUIPMENT	\$142,700
345	70	TAXES	\$29,299
		Total Tangible Completion Costs:	\$561,999

Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$147,000
270	15	CONTAINMENT	\$6
270	25	DEHYDRATION	\$1
270	30	PRIMARY POWER MATERIALS	\$14,400
270	50	FLOWLINES / PIPELINE / HOOKUP	\$76,000
270	60	112S TREATING EQUIPMENT	\$0
270	6.5	SEPARATION EQUIPMENT	\$94,800
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$(
270	75	PRE-FABRICATED SKIDS	50
270	86	FACILITY SURFACE EQUIPMENT	\$75,400
270	90	H2S SAFETY SYSTEM	\$4,000
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$57,000
270	110	TANKS & WALKWAYS	\$47,600
270	130	MECHANICAL BATTERY BUILD	\$117,800
270	112	FIREC BATTERY BUILD	\$47,000
270	134	CONTROLS AND SCADA BATTERY BUILD	\$2,600
270	136	PRIMARY POWER BUILD	\$15,100
270	138	FLOWLINE INSTALLATION	\$43,500
270	140	SIGNAGE	\$600
270	125	TAXES	\$40,85
		Total Tangible Facility Costs:	\$783,65

Major	Minor	Description	Amount
265	5	CONSULTING	\$9,500
265	12	COMPANY DIRECT LABOR	\$0
265	20	DAMAGES/ROW/PERMITS, ETC	\$12,700
265	22	PAD/ROAD CONSTRUCTION	\$30,000
265	25	ENGINEERING / SCIENCE	\$13,900
265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$5,000
265	45	CONTRACT LABOR & SERVICES	\$0
265	60	OVERHEAD	\$3,000
265	80	SURVEY / PLATS / STAKINGS	\$800
265	85	TRANSPORTATION / TRUCKING	\$0
265	83	TAXES	\$4,120
265	10	CONTINGENCY COSTS 5%	\$3,745
5000	156	Total Intangilde Facility Costs:	\$82,765

Intangible Facility Costs

Total Drill:	\$4,786,253.44
Total Completion	\$5,531,278.50
Total Facility:	\$866,418.50
Total DC Intangible:	\$8,294,446.00
Total DC Tangible:	\$2,023,085.94

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Operator, Approved By	Frunklin Monthin Energy VILC  Craig Waters Chaf Essective Officer	Date	16/2N/2023	_
WI Owner	a second advantage over see.	425		-
Approved By: Printed Name		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



Franklin Monntain Energy 3, LLC 44 Cook Street, Suite 1000 Deriver, CO 80206 Phone: 720-414-7868 fronklinspongery com

| Purpose: | Purpose:

County/State: Lea Co., NM Date Prepared: 1/2/2024 DCE240104 AFE#:

Major	Miner	Description	Amount
225	5	ADMINISTRATIVE OVERHEAD	\$4.00
225	10	CASING CREW & FOPT	\$80,00
225	12	CEMENTING INTERMEDIATE CASING	\$50,00
225	16	CEMENTING PRODUCTION CASING	\$150,00
225	20	CEMENTING SUFACE CASING	\$50.00
225	25	COMMUNICATIONS	\$40,00
225	30	COMPLETION FLUIDS	\$6,00
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,00
125	40	CONTRACT LABOR	\$50,00
225	45	DAMAGES	\$15,00
225	50	DAYWORK CONTRACT	\$762,30
224	35	DRILLING - DIRECTIONAL	\$320,00
225	60	DRILLING - FOOTAGE	\$120,00
225	65	DRILLING BITS	\$140,00
225	70	ELECTRICAL POWER/GENERATION	essoun.
225	75	ENGINEERING	\$20,00
225	50	ENVIRONMENTAL SERVICES	\$250,00
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,00
325	85	EQUIPMENT RENTAL	\$50,00
225	90	FISHING TOOLS/SERVICES	400000
225	05	HEALTH & SAFETY	\$7,00
225	109	HOUSING AND SUPPORT SERVICES	\$45,00
225	105	INSURANCE	\$1,70
125	106	INSPECTIONS	\$15,00
225	110	LEGAL, TITLE SERVICES	\$6,00
225	115	MATERIALS & SUPPLIES	\$5,00
225	120	MISCELLANEOUS	\$5,00
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,0
225	130	MUD & CHEMICALS	\$320,0
225	140	OPENHOLE LOGGING	
225	141	CASED HOLE LOGGING	
225	145	PERMITS, LICENSES, ETC	\$20,0
225	150	POWER FUEL & WATER HAULING	\$200,0
225	155	RIG MOVE & RACKING COSTS	\$11.5
225	160	RIG UP TEAR OUT & STANDBY	
225	163	SITE RESTORATION	\$10,0
225	165	STAKING & SURVEYING	\$0.0
225	170	SUPERVISION	\$85,0
225	178	SUPERVISION - GEOLOGICAL	\$39,0
225	180	TRANSPORTATION/TRUCKING	\$19,0
225	178	TAXES	2164'8
225	35	CONTINGENCY COSTS 5%	\$149,8
_		Total Intangible Drilling Costs:	\$3,453,2
		Tangible Drilling Costs	
Major			Amount
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,7
230	20	PACKERS/SLEEVES/PLUGS	\$100,0
230	25	PRODUCTION CASING & ATTACHMENTS	\$790,3
230	35	SURFACE CASING & ATTACHMENTS	\$169,7
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,0
230	40	TAXES	\$69,8
		Total Tangible Dellling Costs:	\$1,539,7

Amount	Description	Minor	Major
510.3	ADMINISTRATIVE OVERHEAD	5	240
\$7,5	CASED HOLE LOGS & SURVEYS	10	240
	CASING CREW & FOPT	15	340
\$276.5	COILED TUBING/SNUBBING UNIT	20	240
\$2.5	COMMUNICATIONS	25	240
	COMPANY DIRECT LABOR	30	240
532,5	COMPLETION/WORKOVER RIG	35	240
\$25,0	CONTRACT LABOR/ROUSTABOUTS	45	240
55	DAMAGES/RECLAMATION	50	240
\$10.0	DISPOSAL SOLIDS	55	240
	ELECTRICAL POWER GENERATION	60	240
53,6	ENGINEERING	62	240
	ENVIRONMENTAL/CLEANUP	65	340
	FISHING TOOLS / SERVICES	70	740
\$110,0	FLUIDS/HAULING/DISPOSAL	71	240
\$544.0	FRAC WATER/COMPLETION FLUID	72	240
\$574.0	FUEL POWER/DIESEL	75	2-10
50,	HEALTH & SAFETY	80	240
\$9,5	HOUSING AND SUPPORT SERVICES	8.5	2.50
\$3	MATERIALS & SUPPLIES	90	240
	MISCELLANEOUS	05	240
51,4	MDD & CHEMICALS	100	240
	P&A/TA COSTS	110	240
\$262,0	PERFORATING/WIRELINE SERVICE	115	240
	PIPE INSPECTION	120	240
\$11,0	ROAD, LOCATIONS REPAIRS	125	240
\$2,859,0	STIMULATION	130	240
\$31,0	SUBSURFACE EQUIPMENTAL RENTAL	135	240
\$96,	SUPERVISION	140	240
\$186,	SURFACE EQUIP RENTAL	145	240
\$1,6	TRANSPORTATION/TRUCKING	150	240
\$106,0	WATER TRANSFER	155	240
	WELDING SERVICES	160	240
\$93,6	WELL TESTINGFLOWBACK	165	240
	TAXES	148	240
\$315,	CONTINGENCY COSTS 5%	40	240
\$5,576,	Total Intangible Completion Costs:		

\$3,453,259	345	25	FR
	245	40	PA
	245	45	PR
Amount	245	50	PRO
\$173,758	245	35	PRO
\$66,000	245	60	RO
\$790,399	245	65	SUI
\$169,740	245	75	WE
\$70,000	245	70	TA.
\$69,844			Tot
\$1,339,741			

Major	Minne	Description	Amount
245	9	ARTIFICIAL LIFT	\$200,000
245	15	FLOWLINES	\$1)
345	25	FRAC STRING	\$0
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$40,000
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$0
245	55	PRODUCTION TUBING	000,002
245	60	RODS/PUMPS	\$0
245	65	SUBSURFACE EQUIPMENT	\$60,000
245	75	WELLHEAD EQUIPMENT	\$142,700
245	70	TAXES	\$29,299
		Total Tangible Completion Costs:	\$561,999

Tangible Completion Costs

Major	Minor	Description	Amount
270	10	FACILITY PIPE/VALVES/FITTINGS	\$147,000
270	15	CONTAINMENT	\$0
270	25	DEHYDRATION	20
270	30	PRIMARY POWER MATERIALS	\$14,400
270	50	FLOWLINES / PIPELINE / HOOKUP	\$76,000
270	60	H2S TREATING EQUIPMENT	50
270	65	SEPARATION EQUIPMENT	\$94,800
270	bō.	ROAD/LOCATION/FENCING/REPAIRS	50
270	75	PRE-FADRICATED SKIDS	\$0
270	86	FACILITY SURFACE EQUIPMENT	\$75,400
270	90	H2S SAFETY SYSTEM	\$4,000
270	100	CONTROL / INSTRUMENT / METERS / SCADA	\$\$7,000
270	110	TANKS & WALKWAYS	\$47,600
270	130	MECHANICAL BATTERY BUILD	\$117,800
270	132	EI&C BATTERY BUILD	\$47,000
270	134	CONTROLS AND SCADA BATTERY BUILD	\$2,600
270	136	PRIMARY POWER BUILD	\$15,100
270	138	FLOWLINE INSTALLATION	\$43,500
270	140	SIGNAGE	\$600
270	125	TAXES	\$40,854
		Total Tangible Facility Costs:	\$783,654

Total Drill:	\$4,792,999,84
Total Completion:	\$6,138,128.50
Total Facility	\$866,418.50
Total DC intangible	\$9,029,388.50
Total DC Tampide	\$1,901,739.84

Major	Minor	Description	Amount
365	.5	CONSULTING	\$9,500
265	12	COMPANY DIRECT LABOR	\$0
265	20	DAMAGES/ROW/PERMITS, ETC	\$12,700
265	27	PAD/ROAD CONSTRUCTION	\$30,000
265	25	ENGINEERING / SCIENCE	\$13,900
263	40	HEALTH'S AFETY/ENVIRONMENTAL	\$5,000
265	45	CONTRACT LABOR & SERVICES	\$0
265	60	OVERHEAD	\$3,000
265	80	SURVEY / PLATS / STAKINGS	5800
265	85	TRANSPORTATION / TRUCKING	50
265	83	TAXES	\$4,120
265	10	CONTINGENCY COSTS 5%	\$3,745
		Total Intangible Facility Coxts:	\$82,765
		Total Intangible Facility Coxts:	2


THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST ESTIMATES	

sperator	Franklin Nanigrain Engray S. L.C.	_
Approved By:	( Ras	
	Craig Watters Chief Executive Officer	

Date:	1/2/2024
	1117700

WI Owner 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

Total AFE

#### **Ball E2W2 Pooled Party List**

COG Operating, LLC	WI
Marathon Oil Permian, LLC	WI/ORRI
Hanley Petroleum, LLC	WI
Hanley Petroleum, Inc.	WI
LHAH Properties, LLC	WI
H6 Holdings, LLC	WI
TBO Oil & Gas, LLC	WI
Mavros Oil Company	WI
Zunis Energy, LLC	ORRI
Blue Ox Partners LLC	ORRI
Luckaloy Limited Company	ORRI
Oak Valley Mineral and Land, LP	ORRI
Good News Minerals, LLC	ORRI
William J. McCaw	ORRI
Crown Oil Partners, LP	ORRI
Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts	ORRI
Post Oak Crown IV-B, LLC	ORRI
Post Oak Crown IV, LLC	ORRI
Collins & Jones Investments, LLC	ORRI
Post Oak Mavros II, LLC	ORRI
LMC Energy LLC	ORRI
H. Jason Wacker	ORRI
David W. Cromwell	ORRI
Sortida Resources, LLC	ORRI
Mike Moylett	ORRI
Kaleb Smith	ORRI
Deane Durham	ORRI



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

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

CASE NO. 24198

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

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, Franklin states as follows:

- Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- Franklin seeks to dedicate the spacing unit to the Ball State Com 702H and Ball State Com 802H wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20.
  - 3. The producing area for the wells is expected to be orthodox.
- 4. 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.
- 5. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.



WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2024, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico:
  - B. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells:
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.

Deana M. Bennett

Yarithza Peña

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

edebrine@modrall.com

deana.bennett@modrall.com

yarithza.pena@modrall.com

Attorneys for Franklin Mountain Energy 3, LLC

Page 3 of 3

CASE NO. 24198: Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Ball State Com 702H and Ball State Com 802H wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 Prioric (3/3) 772 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio 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

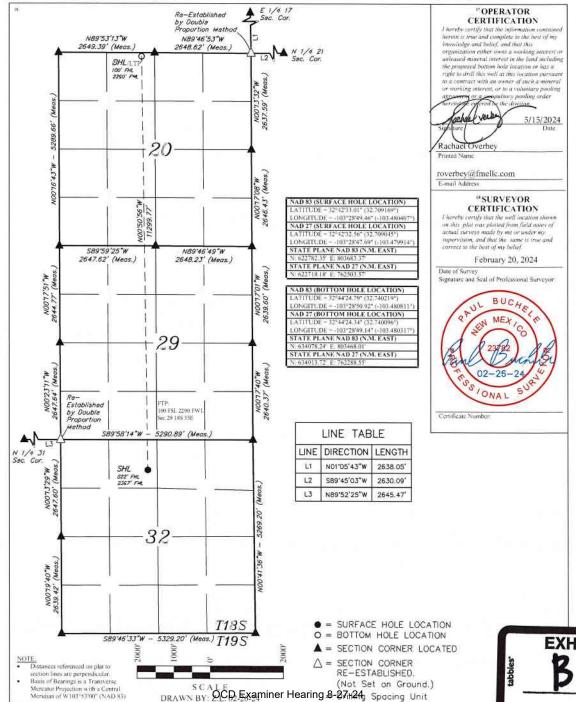
API Number	* Pool Code 55640	CAMP	
* Property Code	Property Nar BALL STATE		* Well Number 70211
OGRID No. 331595	*Operator Nat FRANKLIN MOUNTAIN		"Elevation 3925.9"

"Surface Location

C 52 103 552 622 NORTH 239 MEST LEA	UL or lot no.	Section 32	Township 18S	Range 35E	Lot Idn	Feet from the 822	North/South line NORTH	Feet from the 2397	East/West line WEST	County LEA
-------------------------------------	---------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	-----------------------	------------------------	---------------

"Bottom Hole Location If Different From Surface UL or lot no st/West li WEST County LEA 20 NORTH r Infill 320

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: OCD Examiner Hearing 8-27H24 Spacing Unit

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesis, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Roud, Aziec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Samta 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

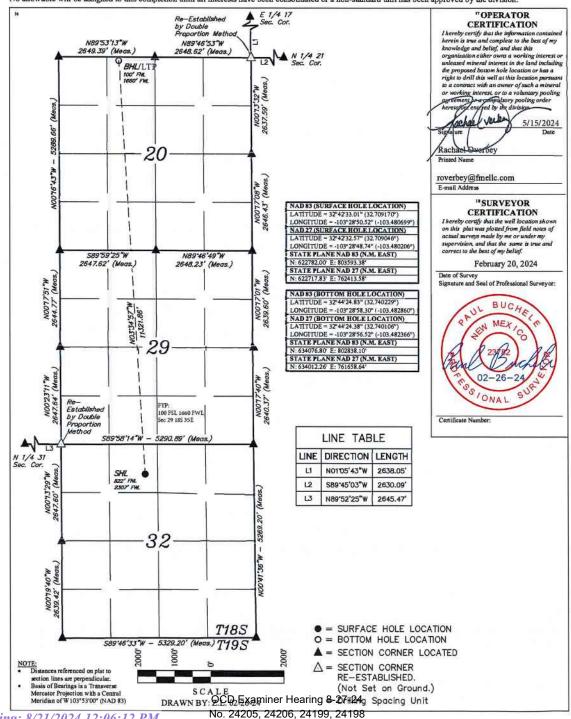
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	API Number         3 Pool Code         3 Pool Name           55640         SCHARB; WOLF			
Property Code	<sup>5</sup> Property Name BALL STATE C		ll Number 802H	
OGRID No. 331595	Operator Name FRANKLIN MOUNTAIN E		levation 926.7'	

"Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	18S	35E		100	NORTH	1660	WEST	LEA
Dedicated Acre	s 15 J	oint or Infill	14 Cons	olidation Code	15 Order No.				

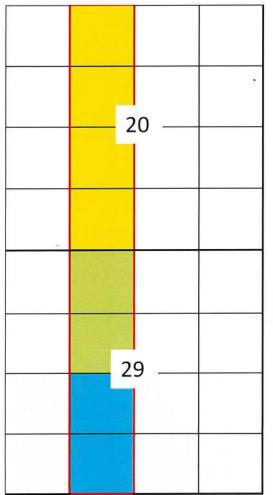
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



# Case No. 24198 Unit Summary



# Case No. 24198 E2W2 of Sec 20 & 29- T18S-R35E Ball State Com 702H Ball State Com 802H



Proposed Wolfcamp Unit
Tract 1 (160.00 Acres)
Tract 2 (80.00 Acres)
Tract 3 (80.00 Acres)

Commited Working Into	erest
Franklin Mountain Energy 3, LLC	50.000000%
Uncommited Working In	terest
COG Operating LLC	25.000000%
Marathon Oil Permian LLC	18.750000%
Hanley Petroleum, Inc.	4.937500%
LHAH Properties LLC	0.625000%
H6 Holdings LLC	0.312500%
Hanley Petroleum LLC	0.312500%
TBO Oil & Gas, LLC	0.062500%
Total:	100.000000%

Tract	Lease	%
1	VB-1381	50.0000%
2	A0-4096	25.0000%
3	VB-1878	25.0000%





Sent via USPS: 9405536105536070211357

January 4, 2024

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

RE: Well Proposals

Township 18 South, Range 35 East

Section 20: E2W2 Section 29: E2W2 Lea County, New Mexico

320.00 acres, more or less

Dear Working Interest Owner:

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

Well Name	Name Formation Vertical Depth SHL		BHL	Total AFE	Order		
Ball State Com 302H	1BS	8,859	17,859'	Sec 32- T18S- R35E 575 FNL 2370 FWL	Sec 20- T18S- R35E 100 FNL 2290 FWL	\$11,183,950.44	N/A
Ball State Com 602H	Sec 32- T18S- R35E F75 FNL 2280		Sec 20- T18S- R35E 100 FNL 1660 FWL	\$11,797,546.84	N/A		
Ball State Com 702H	Com WCA 10,524' 20,524' R35E 575 FNI		Sec 20- T18S- R35E 100 FNL 2290 FWL	\$11,797,546.84	N/A		
Ball State Com 802H	WCB	11,067'	21,067	Sec 32- T18S- R35E 575 FNL 2310 FWL	Sec 20- T18S- R35E 100 FNL 1660 FWL	\$12,164,281.44	N/A XHIBIT



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 Jon Rutledge at <u>jrutledge@fmellc.com</u> or to the address provided below at your earliest convenience.

FME3 looks forward to working with you or your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME3 will file an application for compulsory pooling to pool any uncommitted owners.

Should you have any questions, please do not hesitate to contact the undersigned at (303) 709-7007.

Respectfully,

Franklin Mountain Energy 3, LLC

Jon Rutledge

Landman



Ball State Com 302H:
I/We hereby elect to participate in the Ball State Com 302H wellI/We hereby elect NOT to participate in the Ball State Com 302H well.
Ball State Com 602H:
I/We hereby elect to participate in the <b>Ball State Com 602H</b> well.  I/We hereby elect <b>NOT</b> to participate in the <b>Ball State Com 602H</b> well.
Ball State Com 702H:
I/We hereby elect to participate in the <b>Ball State Com 702H</b> well.  I/We hereby elect <b>NOT</b> to participate in the <b>Ball State Com 702H</b> well.
Ball State Com 802H:
I/We hereby elect to participate in the Ball State Com 802H wellI/We hereby elect NOT to participate in the Ball State Com 802H well.
Owner: Marathon Oil Permian, LLC
P.
By:
Printed Name:
Title:
Date:



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

County/State: Lea Co., NM

Operator: 'urpose: Major_A		Franklin Mountain Energy 3, LLC Drill and complete a 10,000 WCA well. TVD 10,524, MD 20,524		AFE#:		DCE240108	
dajor N							
Major N		Intangible Drilling Costs				Intangible Completion Costs	
	Minor	Description	Amount	Major	Minor	Description	Amo
225 225	5	ADMINISTRATIVE OVERHEAD CASING CREW & EQPT	\$4,000 \$80,000	240	5	ADMINISTRATIVE OVERHEAD CASED HOLE LOGS & SURVEYS	\$1 \$
225	15	CEMENTING INTERMEDIATE CASING	\$50,000	240	15	CASING CREW & EQPT	108
225	16	CEMENTING PRODUCTION CASING	\$150,000	240	20	COILED TUBING/SNUBBING UNIT	\$27
224	20	CEMENTING SUFACE CASING	\$50,000	240	25	COMMUNICATIONS	S
225	25	COMPLETION FLUIDS	\$40,000 \$6,000	240	36	COMPANY DIRECT LABOR COMPLETION/WORKOVER RIG	\$3.
225	34	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	\$2
225	10	CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	
225 225	45	DAMAGES DAYWORK CONTRACT	\$15,000	240	55	DISPOSAL SOLIDS ELECTRICAL POWER/GENERATION	51
225	55	DRILLING- DIRECTIONAL	\$320,000	240	62	ENGINEERING	Ś
225	60	DRILLING - FOOTAGE	\$120,000	240	65	ENVIRONMENTAL/CLEANUP	4.8
225	65	DRILLING BITS	\$140,000	240	70	FISHING TOOLS / SERVICES	722
225	70	FLECTRICAL POWER/GENERATION ENGINEERING	\$0 \$20,000	240	71	FRAC WATER-COMPLETION FLAID	\$110 \$54
225	80	ENVIRONMENTAL SERVICES	\$250,000	240	75	FUEL, POWER/DIESEL	557
225	84	EQUIPMENT RENTAL DOWNHOLE	\$60,000	240	30	HEALTH & SAFETY	Si
225	85	EQUIPMENT RENTAL	\$50,000	240 240	90	HOUSING AND SUPPORT SERVICES	s
225	90	FISHING TOOLS/SERVICES HEALTH & SAFETY	\$7,000	240	95	MATERIALS & SUPPLIES MISCELLANEOUS	
225	100		\$45,000	240	100	MUD & CHEMICALS	\$
225	105	INSURANCE	\$1,700	240	110	P&A/TA COSTS	
225	106		\$15,000	240	115	PERFORATING-WIRELINE SERVICE	\$260
225 225	110	LEGAL, TITLE SERVICES MATERIALS & SUPPLIES	\$6,000	240 240	120	PIPE INSPECTION ROAD, LOCATIONS REPAIRS	51
225	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$2,85
225	125	MOUSE/RATHOLIZCONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$3
225	130	MUD & CHEMICALS	\$320,000	240	1.10	SUPERVISION	\$9
225	140	OPENHOLE LOGGING	50	240 240	145	SURFACE EQUIP RENTAL. TRANSPORTATION/TRUCKING	\$18
225	145	CASED HOLE LOGGING PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$10
225	150	POWER FUEL & WATER HAULING	\$200,000	240	160	WELDING SERVICES	0.500
225	155	RIG MOVE & RACKING COSTS	\$91,500	240	165	WELL TESTING/FLOWBACK	\$9
225	160	RIGUP TEAR OUT & STANDBY	50	240 240	148	TAXES CONTINGENCY COSTS 5%	\$31
225	165	SITE RESTORATION STAKING & SURVEYING	\$10,000	240	49	Total Intangible Completion Casts:	\$5,57
225	170	SUPERVISION	\$85,000	-			7720
225	175	SUPERVISION - GEOLOGICAL	\$39,000	_		Tangible Completion Costs	
225	178	TRANSPORTATION/TRUCKING TAXES	\$39,000 \$164,874	Major 245	Minor	ARTIFICIAL LIFT	Amou \$20
225	35	CONTINGENCY COSTS 5%	\$149,885	245	15	FLOWLINES	5.20
		Total Intangible Drilling Costs:	\$3,453,250	245	25	FRAC STRING	
		- The state of the		245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$4
	_	Tangible Drilling Costs		245	45 50	PRODUCTION LINER	
Major A	Minor	Description INTERMEDIATE CASING & ATTACHMENTS	Amount \$173,758	245 245	55	PRODUCTION PROCESSING FACILITY PRODUCTION TURING	500
230	20	PACKERS/SLEEVES/PLUGS	\$66,000	245	60	RODS/PUMPS	354
230	25	PRODUCTION CASING & ATTACHMENTS	\$790,399	245	65	SUBSURFACE EQUIPMENT	\$66
210	35	SURFACE CASING & ATTACHMENTS	\$169,740	245	75	WELLHEAD EQUIPMENT	\$14
230	45	WELL HEAD EQUIPMENT/CASING BOWL TAXES	\$70,000 \$69,844	245	70	TAXES Total Tangible Completion Casts:	\$36
-30	350	Total Tangible Drilling Costs:	\$1,339,741				
					-	Intangible Facility Costs	
	*******	Tangible Facility Costs		Major 265	Minor	Description CONSULTING	Amon
Major 2	inor	Description FACILITY PIPE/VALVES/FITTINGS	Amount \$147,000	265	12	COMPANY DIRECT LABOR	,
270	15	CONTAINMENT	50	265	20	DAMAGES/ROW/PERMITS, ETC	\$1
270	25	DEHYDRATION	50	265	22	PAD/ROAD CONSTRUCTION	53
270	30	PRIMARY POWER MATERIALS	\$14,400	265	25	ENGINEERING / SCIENCE	SI
270 270	50 60	FLOWLINES / PIPELINE / HOOKUP H2S TREATING EQUIPMENT	\$76,000	265 265	40 45	HEALTH/SAFETY/ENVIRONMENTAL CONTRACT LABOR & SERVICES	\$
270	65	SEPARATION EQUIPMENT	\$94,800	265	60	OVERHEAD	\$
270	60	ROAD/LOCATION/FENCING/REPAIRS	50	265	80	SURVEY / PLATS / STAKINGS	- 7
270	75	PRE-FABRICATED SKIDS	so	26.5	85	TRANSPORTATION/TRUCKING	
270 270	90	FACILITY SURFACE EQUIPMENT HAS SAFETY SYSTEM	\$75,400	265 265	83 10	TAXES CONTINGENCY COSTS 5%	5
270	100	H2S SAFFTY SYSTEM CONTROL/INSTRUMENT / METERS / SCADA	\$4,000 \$57,000	70.5	10	Total Intangible Facility Coxts:	38
270		TANKS & WALKWAYS	\$47,600	_			
270	130	MECHANICAL BATTERY BUILD	\$117,800			Office Use Only:	
270	112		\$47,000				
270	134	CONTROLS AND SCADA BATTERY BUILD	\$2,600	1			
270 270	136	FLOWLINE INSTALLATION	\$15,100 \$43,500				
270	140	SIGNAGE	\$600	1			
270	125	TAXES	\$40,854	1			
		Total Tangible Facility Costs:	\$783,654	1			
				1			
otal Dnil			\$4,792,999.84				
otal Com	pletiu	K.	\$6,138,128,50	1			
otal Facil		ble	\$866,418.50 \$9.029,388.50				
otal DC 1			\$9,029,388,50	1			
- APR - 1			**************************************				
-				1			
otal AFE			\$11,797,546,84				
77	IIS A	ITHORITY FOR EXPENDITURE IS BASED ON COST I	ESTIMATES BILLINGS	VILL REE	LECTY	OUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS
	may est	OTHER LANGUAGE IS BRANCH (VS)	ES CLAPATES BILLING	O HELL PALE	LECT	OCK PROPORTES AT ESTABLE OF THE ACTUAL	HAVOICE CUSTS.
: 77.		Franklin Moultain Enggy 1, LLC					
perator.	2.11	(1/1)		725			
perator.	Ву	SKA )	_	Date			1/2/2024
perator:	Ву	Craig Waltery Chief Touristics Officer	_	Date			1/2/2624
perator:	Ву	Craig Waltery Chief Executive Officer	_	Date			1/2/2024

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

Tele:



Franklin Mountain Energy 3, LLC 44 Cook Street, Suite 1000 Denver, CO 80206 Phone: 739-414-7868 franklinmountamenergy.com

County/State: Lea Co., NM Date Prepared: 1/2/2024 DCE240112 AFE#:

-		Intangible Drilling Costs				Intangible Completion Costs	
tajor 135	Minn	Description ADMINISTRATIVE OVERHEAD	Amount 54,900	Major 240	Minor	Description ADMINISTRATIVE OVERHEAD	Antoni S10
125	10	CASING CREW & EQPT	24,000	240	10	CASED HOLF LOGS & SURVEYS	\$70
225	15	CEMENTING INTERMEDIATE CASING	550,000	340	15	CASING CREW & EQPT	
25	16	CEMENTING PRODUCTION CASING	\$150,000	240	20	COILED TUBING SNUBBING UNIT	\$276
25	20	CEMENTING SUFACE CASING COMMUNICATIONS	\$50,000 \$40,000	240 240	10	COMMUNICATIONS COMPANY DIRECT LABOR	\$2
25	30	COMPLETION FLUIDS	540,000 76,000	240	35	COMPLETION WORKOVER RIG	\$32
175	3-1	CONSTRUCTION/LOCATION & ROAD	\$45,000	240	45	CONTRACT LABOR/ROUSTABOUTS	525
25	40	CONTRACT LABOR	\$50,000	240	50	DAMAGES/RECLAMATION	
125	45	DAMAGES	\$15,000	240	55	DISPOSAL SOLIDS	\$10
25	55	DAYWORK CONTRACT	\$907,500	240	62	ELECTRICAL POWER:GENERATION	
125	60	DRILLING - DIRECTIONAL DRILLING - FOOTAGE	\$320,000 \$120,000	240	65	ENGINEERING ENVIRONMENTAL/CLEANUP	53
123	65	DRILLING BITS	\$140,000	240	76	FISHING TOOLS / SERVICES	
25	70	FLECTRICAL POWER/GENERATION	SO	240	71	PLUIDS/HAULING/DISPOSAL	5110
2.5	75	ENGINEERING	\$20,000	340	73	FRAC WATER/COMPLETION FLUID	\$544
25	80	ENVIRONMENTAL SERVICES EQUIPMENT RENTAL DOWNHOLE	\$250,000	240 240	75	FUEL, POWER/DIESEL HEALTH & SAFETY	\$595
25	85	EQUIPMENT RENTAL	\$50,000	240	85	HOUSING AND SUPPORT SERVICES	S6 51
25	90	FISHING TOOLS/SERVICES	SO	240	90	MATERIALS & SUPPLIES	
25	95	HEALTH & SAFETY	\$7,000	240	95	MISCELLANEOUS	
25	100	HOUSING AND SUPPORT SERVICES	\$45,000	240	100	MUD & CHEMICALS	\$1
25	105	INSURANCE INSPECTIONS	\$1,700	240	110	PERFORATING/WIRELINE SERVICE	****
25	110	LEGAL, TITLE SERVICES	\$6,000	340	120	PIPE INSPECTION	5202
25	115	MATERIALS & SUPPLIES	\$5,000	240	125	ROAD, LOCATIONS REPAIRS	SII
25	120	MISCELLANEOUS	\$5,000	240	130	STIMULATION	\$3,023
25	125	MOUSE/RATHOLE/CONDUCT PIPE	\$31,000	240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$31
25	130	MUD & CHEMICALS ORESHOLE LOCCING	\$320,000	240	140	SUPERVISION	\$96
25	140	OPENHOLE LOGGING CASED HOLE LOGGING	\$0 \$0	240 240	145	SURFACE EQUIP RENTAL TRANSPORTATION/TRUCKING	\$186 \$1
25	145	PERMITS, LICENSES, ETC	\$20,000	240	155	WATER TRANSFER	\$806
25	150	POWER FUEL & WATER HAULING	\$200,000	240	160	WELDING SERVICES	\$100
25	155	RIG MOVE & RACKING COSTS	\$91,500	340	165	WELL TESTING/FLOWBACK	\$93
25	160	RIGUP TEAR OUT & STANDRY	\$6	240	148	TAXES	0.00
26	165	SITE RESTORATION STAKING & SURVEYING	\$6,000	240	40	CONTINGENCY COSTS 5%  Total Intengible Completion Costs:	\$326
25	170	SUPERVISION	\$85,900		-		33,771
25	175	SUPERVISION - GEOLOGICAL	\$39,000			Tangible Completion Costs	
25	130	TRANSPORTATION/TRUCKING	\$19,000	Major		Description	Amou
25	178	TAXES	\$164,874	245	5	ARTIFICIAL LIFT	\$200
25	15	CONTINGENCY COSTS 5% Total Intangible Drilling Costs:	\$149,885 \$3,598,439	245 245	15 25	FRAC STRING	
_	_	and an analysis of the second	45,020,132	243	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	540
		Tangible Drilling Costs		245	45	PRODUCTION LINER	391/
jor		Description	Amount	245	50	PRODUCTION PROCESSING FACILITY	
30	10	INTERMEDIATE CASING & ATTACHMENTS	\$173,548	245	55	PRODUCTION TUBING	\$90
10 10	20 25	PACKERS/SLEEVES/PLUGS PRODUCTION CASING & ATTACHMENTS	\$66,000	245	60 65	RODSPUMPS SUBSURFACE FOURMENT	general control of the control of th
10	35	SURFACE CASING & ATTACHMENTS	\$811,202 \$173,758	245	75	SUBSURFACE EQUIPMENT WELLHEAD EQUIPMENT	\$60 \$142
30	45	WELLHEAD EQUIPMENT/CASING BOWL	\$70,000	245	70	TAXES	\$29
30	40	TAXES	\$71,198			Total Tangible Completion Costs:	\$561
		Total Tangible Drilling Costs;	\$1,365,706			Intangible Facility Costs	
		Tangible Facility Costs		Major	Minor	Description	Amou
ajor		Description	Amount	265		CONSULTING	\$9
70	15	FACILITY PIPE/VALVES/FITTINGS CONTAINMENT	\$147,000	265	12 20	COMPANY DIRECT LABOR DAMAGES/ROW/PERMITS, ETC	900
70	25	DEHYDRATION	50	265	22	PAD/ROAD CONSTRUCTION	\$12 \$30
70	30	PRIMARY POWER MATERIALS	\$14,400	265	25	ENGINEERING / SCIENCE	\$13
70	50	FLOWLINES / PIPELINE / HOOKUP	\$76,000	265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$5
70	60	H2S TREATING EQUIPMENT	50	265	45	CONTRACT LABOR & SERVICES	
70	6.5	SEPARATION EQUIPMENT	\$94,800	265	60	OVERHEAD	53
70	66	ROAD/LOCATION/FENCING/REPAIRS	50	265	80	SURVEY / PLATS / STAKINGS	
76 76	75	PRE-FABRICATED SKIDS FACILITY SURFACE EQUIPMENT	50	265 265	85	TRANSPORTATION/TRUCKING	544
70	90	H2S SAFETY SYSTEM	\$75,480	265	83	TAXES CONTINGENCY COSTS 5%	\$4 \$1
70	100	CONTROL / INSTRUMENT / METERS / SCADA	\$57,000	200	110000	Total Intungible Facility Costs:	\$82
70	110	TANKS & WALKWAYS	\$47,600				
70	130	MECHANICAL BATTERY BUILD	\$117,800			Office Use Only:	
70	132	EI&C BATTERY BUILD	\$47,000		-		
70 70	134	CONTROLS AND SCADA BATTERY BUILD PRIMARY POWER DUILD	\$2,600	1			
70 70	138	PRIMARY POWER BUILD FLOWLINE INSTALLATION	\$15,100				
70	140	SIGNAGE	\$600	1			
70	125	TAXES	\$40,854	1			
_		Total Tangible Facility Costs:	5783,654	1			
T ##							
al Dri	il. opletus	r.	\$4,964,164.44	1			
al Fac	dity		\$866,418,50	I			
	Intangi		\$9,379,158.50	1			
ad DC	Tangoti	W.	\$1,927,704.44				
al AF	Ē.		512,164,281,44				
-							
	HIS AL	THORITY FOR EXPENDITURE IS BASED ON COST I	STIMATES BILLING W	ILL REFL	ECTY	OUR PROPORTINATE SHARE OF THE ACTUAL	INVOICE COSTS
erator:		Franklin Mountain Energy					
	i n.	(=12-HA		0.00			
move	Hy	Crang Walters		Date			1/2/2024
		Chief Executive Officer					
				-	_		
Owne	r.		_				
				Date			
Owno	i By			Date			

#### **Ball E2W2 Pooled Party List**

COG Operating, LLC	WI
Marathon Oil Permian, LLC	WI/ORRI
Hanley Petroleum, LLC	WI
Hanley Petroleum, Inc.	WI
LHAH Properties, LLC	WI
H6 Holdings, LLC	WI
TBO Oil & Gas, LLC	WI
Mavros Oil Company	WI
Zunis Energy, LLC	ORRI
Blue Ox Partners LLC	ORRI
Luckaloy Limited Company	ORRI
Oak Valley Mineral and Land, LP	ORRI
Good News Minerals, LLC	ORRI
William J. McCaw	ORRI
Crown Oil Partners, LP	ORRI
Susannah D. Adelson, Trustee of the James Adelson & Family 2015 Trusts	ORRI
Post Oak Crown IV-B, LLC	ORRI
Post Oak Crown IV, LLC	ORRI
Collins & Jones Investments, LLC	ORRI
Post Oak Mavros II, LLC	ORRI
LMC Energy LLC	ORRI
H. Jason Wacker	ORRI
David W. Cromwell	ORRI
Sortida Resources, LLC	ORRI
Mike Moylett	ORRI
Kaleb Smith	ORRI
Deane Durham	ORRI



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

CASE NOS. 24198, 24206

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. 24199, 24205

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

CASE NOS. 24367-24368

APPLICATIONS OF MRC PERMIAN COMPANY FOR APPROVAL COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 24369-24370

#### SELF-AFFIRMED STATEMENT OF BEN KESSEL

Ben Kessel hereby states and declares as follows:

- I am over the age of 18, I am the Director of Geology for Franklin Mountain Energy
   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.24198, 24199, 24205, and 24206.



- 5. I conducted a geological study of the Bone Spring and Wolfcamp formations underlying FME3's Ball State Com Development Area ("Ball West Development Area").
- 6. **Exhibit C-1** is a locator map, which identifies the general location of the Ball West 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 24199 & 24205**

- 8. The exhibits behind **Tab C-3** are the geology study I prepared for the Bone Spring formation. In case numbers 24199 and 24205, FME3 proposes to drill a total of four wells—two First Bone wells and two Third 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 Structure map. The Ball West 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 of the First Bone Spring. In my opinion, the well logs on the cross-section give a representative sample of the First Bone Spring formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified approximately where the Ball West 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 Ball West 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 Third Bone Spring structure map. The Ball West Development Area is identified by the pink box and the approximate location of the Third 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 of the Third Bone Spring. In my opinion, the well logs on the cross-section give a representative sample of the Third 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 Ball West Third Bone Spring wells falls within the wells I used for the cross-section. Based on the cross section, I conclude that the Third Bone Spring Sand is present and porous in the Ball West Development Area.
- 14. **Exhibit C-3-f** is a Third Bone Spring Sand Isopach, which shows that the reservoir thickens to the southwest.
  - 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 24198 & 24206

- 16. The exhibits behind **Tab C-4** are the geology study I prepared for the Wolfcamp formation. In case numbers 24998 and 24206, FME 3 is proposing a total of four wells—two Wolfcamp A wells and two Wolfcamp B wells. I have prepared two separate sets of slides for each target formation.
- Area is identified by the blue box and the approximate location of the Wolfcamp A wells are each identified by a black-dashed line. The contour interval used in this exhibit is 25 feet. The structure map shows that the reservoir dips slightly to the southwest. 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 of the Wolfcamp A. 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 Ball West 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 Ball West Development Area.
- 19. **Exhibit C-4-c** is a Wolfcamp A Isopach, which shows that the reservoir thickens slightly to the south.
- 20. **Exhibit C-4-d** is the Wolfcamp B Structure map. The Ball West Development Area is identified by the blue 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'.

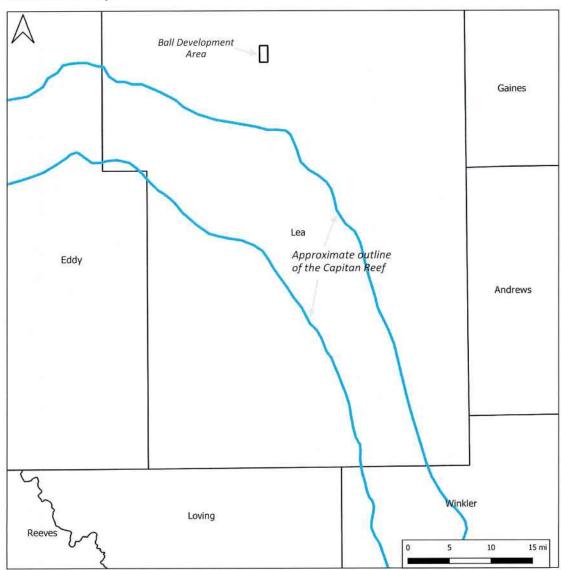
- 21. **Exhibit C-4-e** is a stratigraphic cross section of the Wolfcamp B. In my opinion, the well logs on the cross-section give a representative sample of the Wolfcamp B formation in the area. The target zone is identified by a bracket and the words "Producing Interval." I have also identified where the proposed Ball West 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 Ball West Development Area.
- 22. **Exhibit C-4-f** is a Wolfcamp B Isopach, which shows that the reservoir thickens 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 Ball West State development plan prevents waste and protects correlative rights.
- 25. The attachments to my declaration were prepared by me or compiled under my direction or supervision.
- 26. I attest under penalty of perjury 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 and I will adopt this testimony at the hearing in this matter.

[Signature page follows]

Dated: Angust 19th, 2024

## **Ball Development**

#### Locator Map

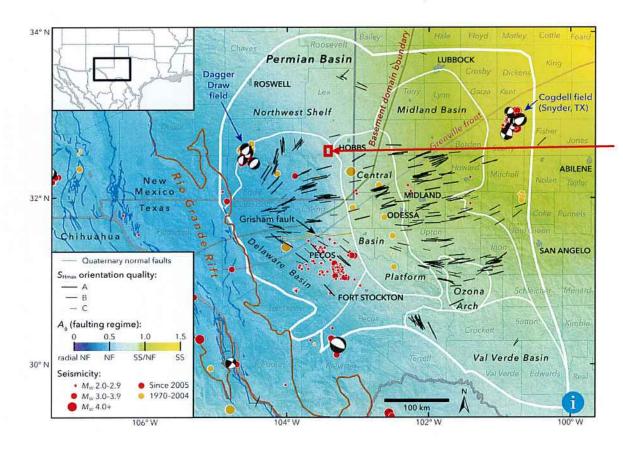


 $https://www.twdb.texas.gov/publications/reports/contracted\_reports/doc/0804830794 Capitan Reef/Final \%20 Revised \%20 Appendix and the properties of the pr$ Capitan%20PDF%20w\_Seals.pdf

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

### **Regional Stress**



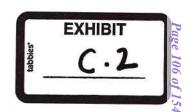


 Red box shows the approximate location of the Ball development

- Reported local S<sub>Hmax</sub> (Snee and Zoback, 2018) direction is ENE, around 255°
- The Ball State West wells 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

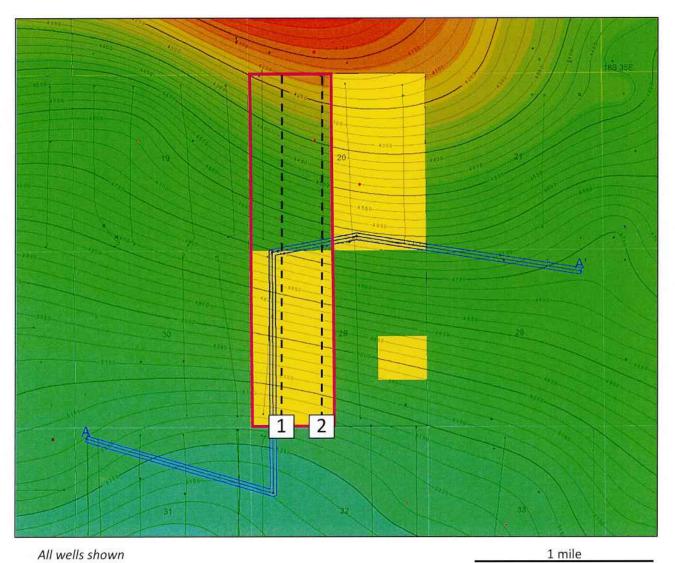
http://www.tleonline.org/theleadingedge/february 2018/MobilePagedArtic le.action?articleId=1331603#articleId1331603



# Page 107 of 154

# First Bone Spring Structure







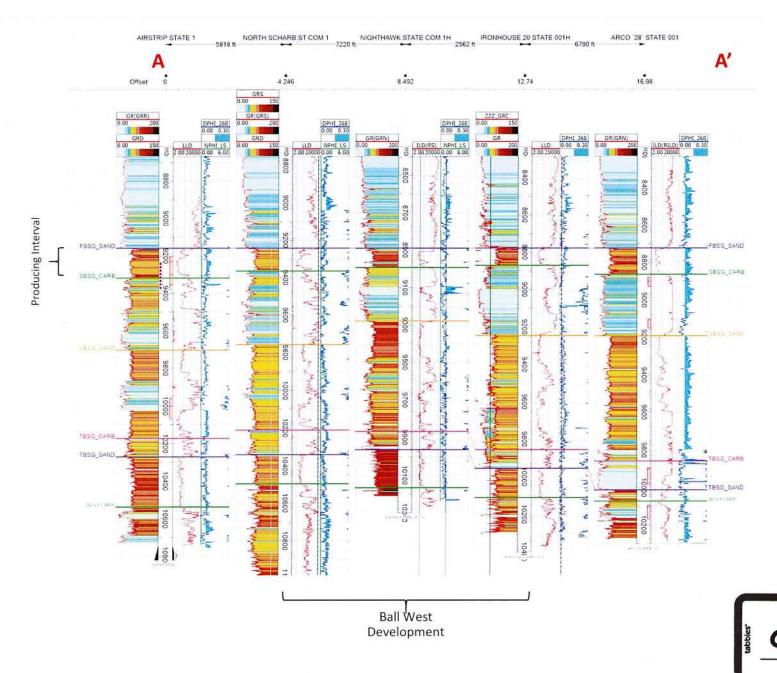
2 Ball State Com 302H



# First Bone Spring Cross Section



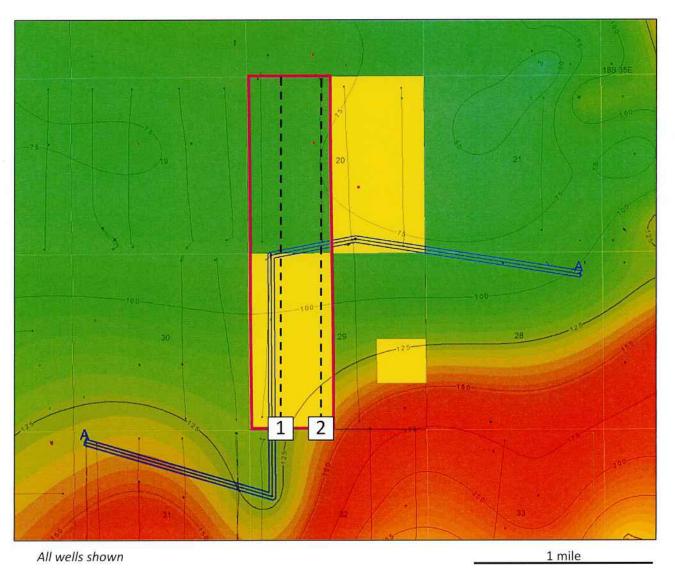
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# First Bone Spring Sand Isopach





Franklin Mountain
Acreage

Ball West
Development

Proposed Horizontal Location

Ball State Com 301H

2 Ball State Com 302H

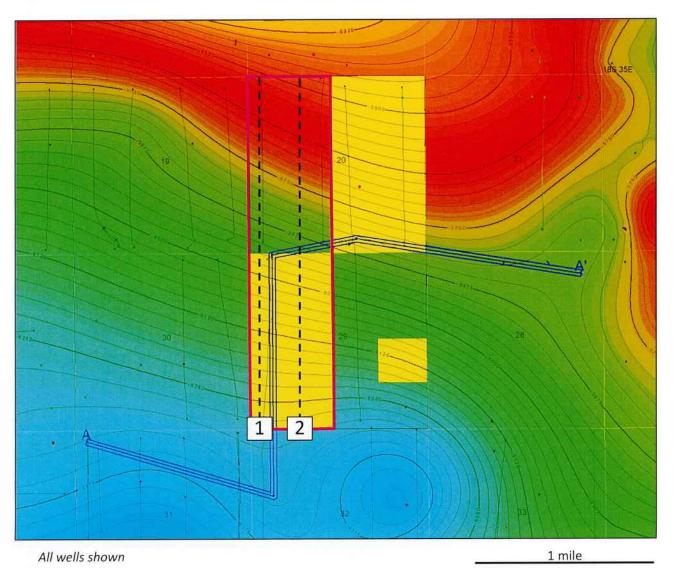
EXHIBIT C.3.C

OCD Examiner Hearing 8-27-24 No. 24205, 24206, 24199, 24198

# Page 110 of 154

# Third Bone Spring Structure





Franklin Mountain Acreage

Ball West

Development

Proposed Horizontal Location

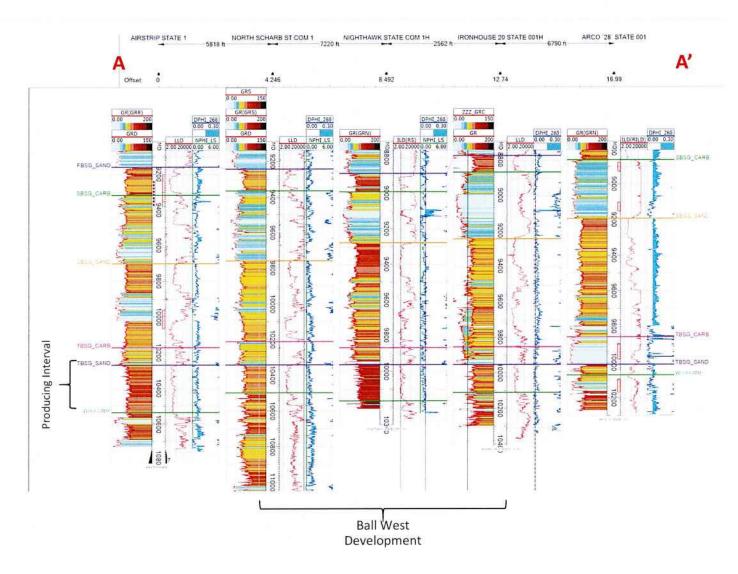
- 1 Ball State Com 601H
- 2 Ball State Com 602H

EXHIBIT C·3·d

# Third Bone Spring Cross Section



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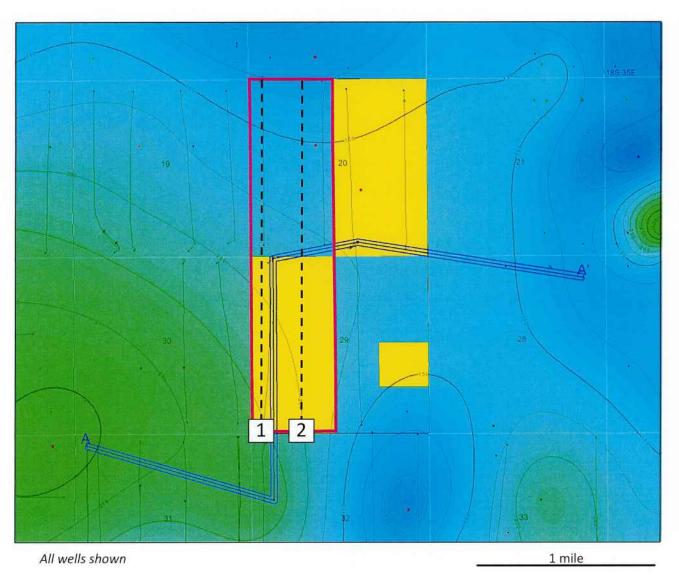




# Page 112 of 154

# Third Bone Spring Sand Isopach





Franklin Mountain Acreage

Ball West Development

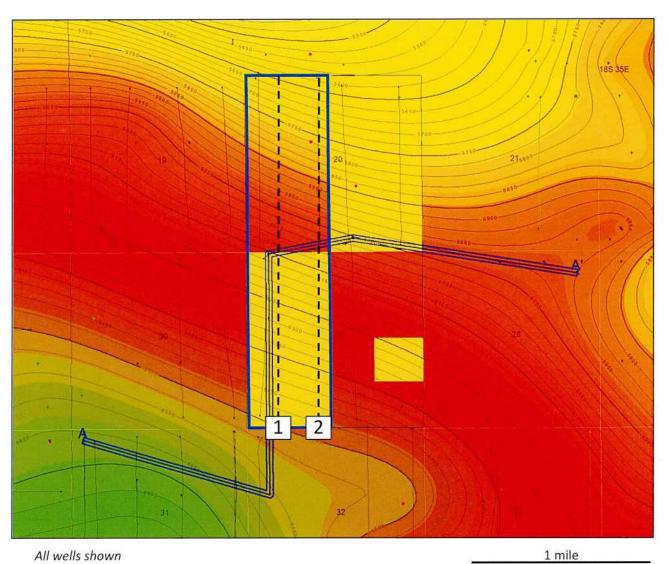
Proposed Horizontal Location

- 1 Ball State Com 601H
- 2 Ball State Com 602H

EXHIBIT C·3·F

# Wolfcamp Structure





Franklin Mountain Acreage

Ball West Development

Proposed Horizontal Location

Ball State Com 701H

2 Ball State Com 702H



# **Wolfcamp Cross Section**



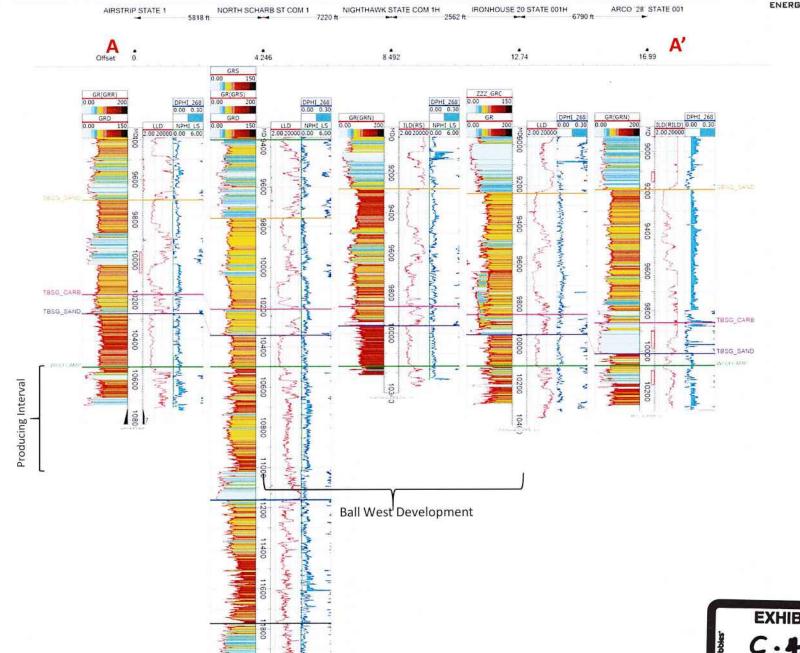
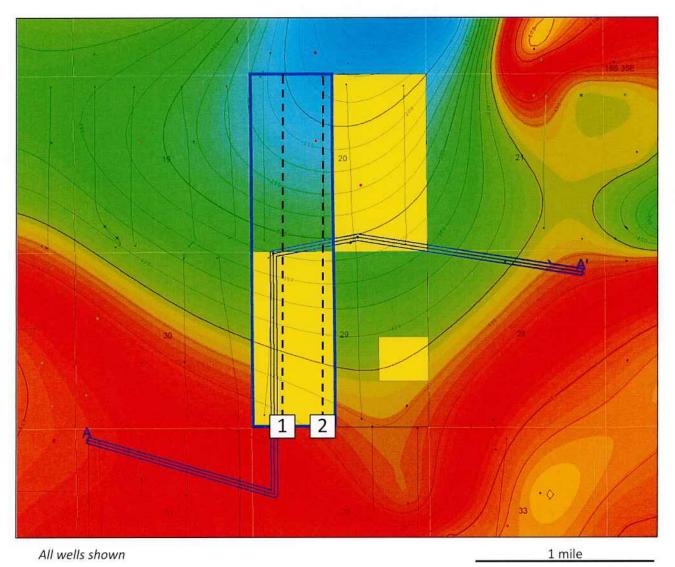


EXHIBIT C·4.b

OCD Examiner Hearing 8-27-24 No. 24205, 24206, 24199, 24198

# Wolfcamp Isopach





Franklin Mountain
Acreage

Ball West
Development

Proposed Horizontal Location

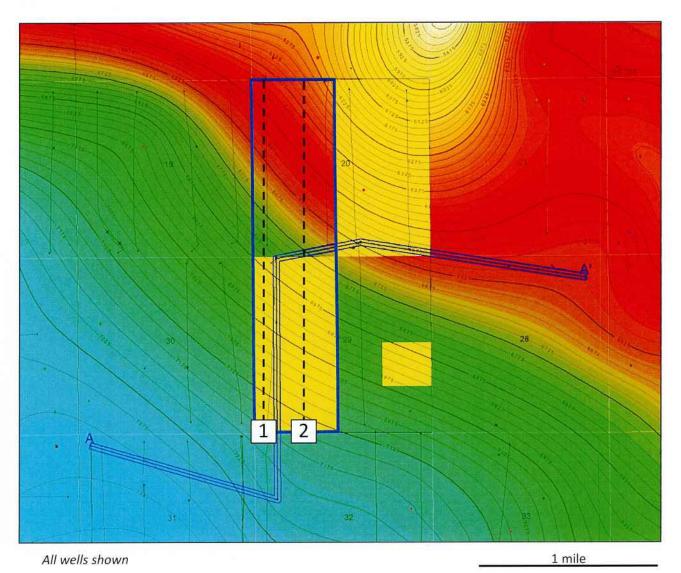
- 1 Ball State Com 701H
- 2 Ball State Com 702H



C.4.C

# Wolfcamp B Structure





Franklin Mountain Acreage

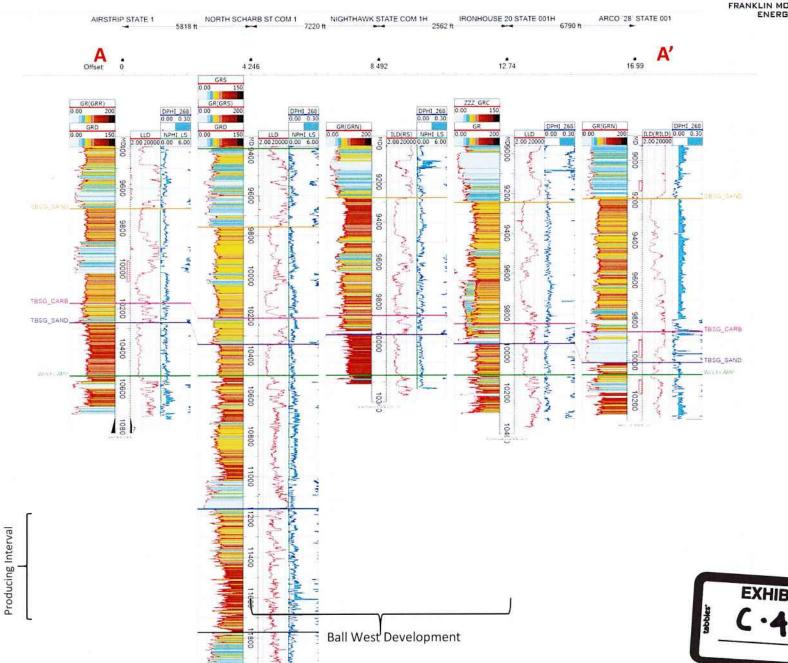
**Ball West** Development

Proposed Horizontal Location

- 1 Ball State Com 801H
- 2 Ball State Com 802H

## Wolfcamp B Cross Section



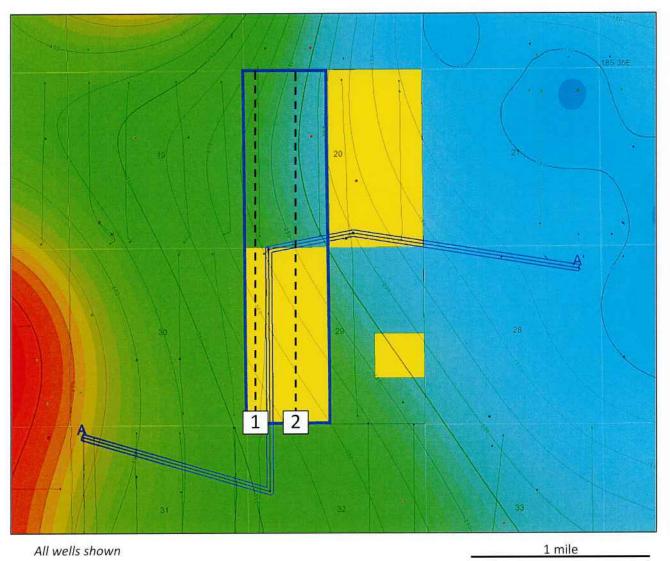


OCD Examiner Hearing 8-27-24 No. 24205, 24206, 24199, 24198

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# Wolfcamp B Isopach









Proposed Horizontal Location

- 1 Ball State Com 801H
- 2 Ball State Com 802H

EXHIBIT

C·4·f

OCD Examiner Hearing 8-27-24 No. 24205, 24206, 24199, 24198

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

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

CASE NOS. 24198, 24206

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. 24199, 24205

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

CASE NOS. 24367-24368

APPLICATIONS OF MRC PERMIAN COMPANY FOR APPROVAL COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

**CASE NOS. 24369-24370** 

#### SELF-AFFIRMED STATEMENT OF CORY MCCOY

Cory McCoy hereby states and declares as follows:

- 1. I am over the age of 18, I am a Reservoir Engineer for Franklin Mountain Energy, LLC ("FME"), and have personal knowledge of the matters stated herein.
- 2. I have previously testified before the Oil Conservation Division ("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.24198, 24199, 24205, and 24206. I am also familiar with the applications filed by MRC Permian ("MRC") in Case Numbers 24367-24370.
- 5. In my opinion, FME3's proposed development plan is more efficient and effective than MRC's plan, has less risk than MRC's plan, and will result in the protection of correlative rights and the prevention of waste.
- 6. Exhibit D-1 compares FME3's plans with MRC's plans and identifies the benches that FME3 is targeting that MRC is not.
- 7. FME3 is targeting reserves that MRC is overlooking, two Wolfcamp A and two Third Bone Springs. Based on offset well data, FME3 estimates there are 750,000 barrels of recoverable oil from the Third Bone Spring formation and there are 580,000 barrels of recoverable oil from the Wolfcamp A formation. This is a total of 2.6 million barrels of additional oil FME3 intends to recover. FME3's wine rack development plan, proven well density and additional landing zones will allow more access to proven reserves. FME3's proposal protects correlative rights and prevents waste because FME3 is targeting additional benches with a superior development plan.
- 8. The Wolfcamp A is a proven target based on offsets, which is demonstrated by **Exhibit D-2**.
- 9. FME3 recently drilled and completed the Norte 702H, a Wolfcamp A well located one mile to the east of FME3's Ball development. The Norte 702H has an estimated ultimate recovery of 530,000 barrels. Additionally, the Beefalo development is directly west of the Ball development has given confidence that FME3's well spacing of four wells per section is correct.

Furthermore, the well performance of these developments have proven the Wolfcamp A is drillable inventory and should be developed.

- 10. FME3's Ball development plan will target the Wolfcamp A, whereas MRC is not targeting the Wolfcamp A.
- 11. The Third Bone Spring is a proven target based on offsets, which is demonstrated by **Exhibit D-3**.
- 12. The Airstrip development located directly west of the Ball development was drilled on four wells per section. This development gives FME3 confidence that four wells per section as proposed is the correct spacing as the Airstrip wells have an average estimated ultimate recovery of 860,000 barrels. FME3 drilled a Third Bone Spring in the Gold development located 3 miles to the west of the Ball development. This well has an estimated ultimate recovery of 770,000 barrels of oil. The Gold Third Bone Spring development coupled with Lario's Sky Dweller Third Bone Spring well directly north of the Gold development gives FME3 confidence that the Third Bone Spring formation is drillable inventory and should be developed.
- 13. FME3's Ball development plan will target the Third Bone Spring, whereas MRC is not targeting the Third Bone Spring.
- 14. Attached as **Exhibit D-4** is a cost comparison between MRC's Condor AFE vs FME3's Ball AFE.
- 15. The two AFE's were compared by formation and by MRC's proposed well count-two First Bone Springs and two Wolfcamp B wells. Taking an aggerate of the two projects, MRC's total AFE cost is \$49 MM whereas FME3's total AFE cost is \$42 MM. FME3's cost is lower by \$7 MM. In my opinion, FME3's AFE costs are both lower and more accurate to the area due to FME3's activity level in the basin. FME3 continues to push performance with drilling and

completions. This has allowed FME3 to continue to refine AFE proposals. FME3 is a prudent operator that is disciplined and efficient with capital expenditures.

- 16. Attached as **Exhibit D-5** is the backup data supporting Exhibits D-1 to D-4.
- 17. To conclude, in my opinion, FME3 is able to prudently operate the property, and FME3's plan will prevent waste because FME3 will be targeting reserves that MRC is not.
- 18. The exhibits to my declaration were prepared by me or under my direction or supervision.
- 19. I attest under penalty of perjury 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 and I will adopt this testimony at the hearing in this matter.

[Signature page follows]

Dated: 3/20, 2024

Cory McCoy

# Page 124 of 154

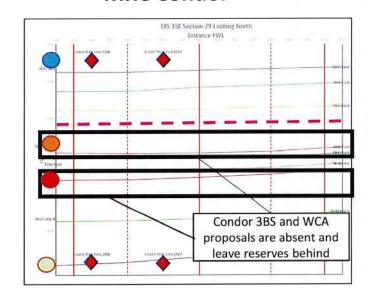
### FME3 Full Field Ball Development vs MRC's Development



	Planned Well Count					
Formation	Ball W2	Condor				
LBS	2	2				
BBS	2	0				
WCA	2	0				
WCB*	2	2				
Total	8	4				

- ■The difference between the Ball and Condor development plans are (2) WCA wells and (2) 3BS wells which FME3 has proposed, and MRC has not.
- Based of offset data, both the 3BS and WCA formations are proven inventory. FME3 estimates 750,000 recoverable BO from the 3BS and 580,000 recoverable BO from the WCA per 10,000' lateral. This is an additional 2.6 MM BO that MRC overlooked and did not propose.
- FME3's wine rack development plan, well landing zone and well density with the additional (2) WCAs (2) 3BS wells are proven and will allow more access to reserves.

#### **MRC Condor**



OCD Examiner Hearing 8-27 No. 24205, 24206, 24199, 24

**EXHIBIT** 

<sup>\*</sup>FME3's WCB and MRC's WCD are targeting the same formation

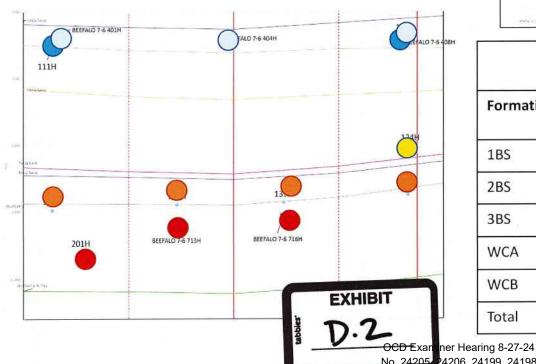
## Airstrip & Beefalo & Norte Supports WCA Development in Ball

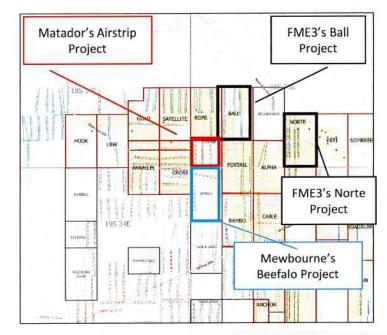


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- MRC's Airstrip and Mewbourne's Beefalo developments are west offset of FME3's Ball development
- Airstrip and Beefalo well performance gives confidence in Wolfcamp A (WCA). Beefalo's development (4) wells/section supports FME3's well density
- MRC's WCA proposals are absent and therefore will leave proven reserves behind

#### Gun Barrel Looking North from Beefalo to Airstrip





		EUR BO/ft	Planned Well Count		
Formation	Airstrip	Beefalo	Norte	Ball W2	Condor
1BS	<b>6</b> 9	77		2	2
2BS	O 53			0	0
3BS	<b>8</b> 6			2	0
WCA	<b>4</b> 7	<b>7</b> 0	53	2	0
WCB	2			2	2
Total		1		8	4

## Airstrip & Gold & Sky Dweller Supports 3BS Development in Ball

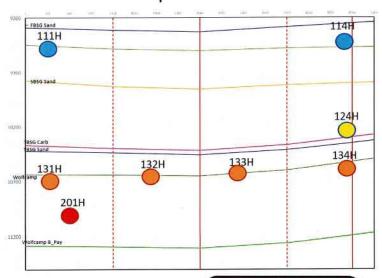


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- MRC's Airstrip development is directly west offset of FME3's Ball development
- MRC's Airstrip's Third Bone Spring (3BS) well performance and developmental spacing of (4) wells/section supports FME3's well density and give confidence the 3BS is drillable inventory.
- FME3's Gold 3BS and Lario's Sky Dweller (3BS) are single well developments and are located west of Ball Development. Both projects have a 77 EUR BO/ft
- MRC's 3BS proposals are absent and therefore will leave proven reserves behind

# Lario's Sky Dweller 3BS Project FME3's Ball Project FONTAL FONTAL

#### Airstrip Gun Barrel



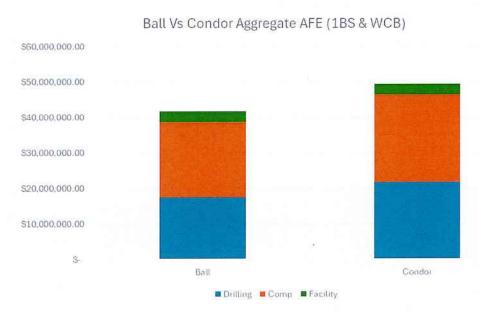
			EUR BO/ft		Planne Count	d Well
Formatio	n	Airstrip	Sky Dweller	Gold	Ball W2	Condor
1BS		69			2	2
2BS	0	53			0	0
3BS		86	77	77	2	0
WCA		47			2	0
WCB	0	X.E.			2	2
Total			L.		8	4

OCD Examiner Hearing 8-27-24 No. 24205, 24206, 24199, 24198

## FME3's Budget is Lower and FME3's Excellence in Execution



- Aggregate AFE between FME3 and MRC on a 4 well project (2 -1BS & 2 -WCB) as proposed by MRC's Condor
  - Matador's AFE Budget = \$49 MM
  - FME3's AFE Budget = \$42 MM
  - FME3 is \$ 7MM less than MRC





#### Supplemental Documents -

Well	API	Current Operator	Formation	LL	#/ft	Fluid/ft	ТОР
AIRSTRIP 31 18 35 RN STATE COM 111H	3002545025	MRC	1BSS	4,663	2,744	43	Oct-18
AIRSTRIP 31 18 35 RN STATE COM 114H	3002545436	MRC	1BSS	4,643	2,593	52	Apr-19
AIRSTRIP 31 18 35 RN STATE COM 124H	3002545437	MRC	Lower 2BS	5,051	2,600	52	Apr-19
AIRSTRIP 31 18 35 RN STATE COM 134H	3002545438	MRC	3BSS	4,662	2,573	51	Apr-19
AIRSTRIP 31 18 35 RN STATE COM 133H	3002544323	MRC	3BSS	4,388	2,384	35	Mar-18
AIRSTRIP 31 18 35 RN STATE COM 132H	3002543816	MRC	3BSS	4,360	2,838	39	Aug-17
AIRSTRIP 31 18 35 RN STATE COM 131H	3002544509	MRC	3BSS	4,955	2,377	35	Oct-18
AIRSTRIP 31 18 35 RN STATE COM 201H	3002543395	MRC	WCA	4,110	3,357	81	Jan-17
BEEFALO 7 6 STATE COM 716H	3002551348	MEWBOURNE OIL	WCA	10,459	2373	58	Jan-24
BEEFALO 7 6 STATE COM 713H	3002551347	MEWBOURNE OIL	WCA	10,460	2380	58	Jan-24
GOLD STATE COM 601H	3002551667	FME3	3BS	8,549	2500	50	Mar-24
Sky Dweller 14 State Com 607H	3002551528	LARIO OIL & GAS COMPANY	3BS	7,620	2,454	67	Jan-24
Norte 702H	3002551165	FME3	WCA	9649	2500	50	Oct-23



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

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

CASE NO. 24198, 24206

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. 24199, 24205

#### SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy 3, LLC, the Applicant herein, declares as follows:

- 1) The above-referenced Applications were provided under notice letter, dated February 15, 2024, and attached hereto, as Exhibit E.1.
- 2) Exhibit E.2 is the mailing list, which show the notice letters were delivered to the USPS for mailing on February 15, 2024.
- 3) Exhibit E.3 is the certified mailing tracking information, which is automatically complied by CertifiedPro, the software Modrall uses to track the mailings. This shows the names and addresses of the parties to whom notice was sent and proof of delivery.
- 4) Exhibit E.4 is the Affidavit of Publication from the Hobbs News-Sun, confirming that notice of the March 7, 2024 hearing was published on February 21, 2024.
- 5) I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: August 20, 2024

William W. 3 most

Deana M. Bennett



LAWYERS

February 15, 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, LEA COUNTY, NEW MEXICO

**CASE NO. 24198** 

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. 24199** 

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. 24205** 

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

**CASE NO. 24206** 

#### TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy 3, LLC ("Franklin Mountain Energy") has filed the enclosed applications.

In Case No. 24198, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Ball State Com 702H** and **Ball State Com 802H** wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in

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#### Page 2

the NE/4 NW/4 (Unit C) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.

In Case No. 24199, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Ball State Com 302H and Ball State Com 602H wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with a 160-acre horizontal spacing unit comprised of the E/2 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #002H well (API 30-025-41025). 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 17 miles West of Hobbs, New Mexico.

In Case No. 24205, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the **Ball State Com 301H** and **Ball State Com 601H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing units:

- A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #001H well (API 30-025-40814);
- A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #001H well (API 30-025-41519).

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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 17 miles West of Hobbs, New Mexico.

In Case No. 24206, Franklin Mountain Energy 3 seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Ball State Com 701H** and **Ball State Com 801H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.

The hearing is set for March 7, 2024 beginning at 8:15 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <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,

Page 4

Wellina H. Bennett Deana M. Bennett

Attorney for Applicant

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

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

CASE NO. \_ 24198

#### APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the spacing unit to the **Ball State Com 702H** and **Ball State Com 802H** wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20.
  - 3. The producing area for the wells is expected to be orthodox.
- 4. 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.
- 5. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

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WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2024, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico;
  - B. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.
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Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24198: Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Ball State Com 702H and Ball State Com 802H wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 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. 24199

#### **APPLICATION**

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 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 spacing unit to the **Ball State Com 302H** and **Ball State Com 602H** wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20.
  - 3. The producing area for the wells is expected to be orthodox.
- 4. This proposed horizontal spacing unit will overlap with a 160-acre horizontal spacing unit comprised of the E/2 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #002H well (API 30-025-41025).

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5. Franklin sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate

in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Bone Spring formation underlying the proposed

unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling

of unnecessary wells, prevent waste and protect correlative rights.

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

the Oil Conservation Division on March 7, 2024, and after notice and hearing as required by law,

the Division enter its order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a

horizontal spacing unit within E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 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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yarithza.pena@modrall.com
Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24199 : 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 320-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Ball State Com 302H and Ball State Com 602H wells to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 32 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with a 160-acre horizontal spacing unit comprised of the E/2 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #002H well (API 30-025-41025). 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 17 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. 24205

#### APPLICATION

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Bone Spring horizontal spacing unit comprised of the W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 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 spacing unit to the **Ball State Com 301H** and **Ball State Com 601H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20.
  - 3. The producing area for the wells is expected to be orthodox.
- 4. This proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing units:

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a. A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #001H well (API 30-025-

40814);

b. A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 29

dedicated to Marathon Oil Permian LLC's Nighthawk State Com #001H well

(API 30-025-41519).

5. Franklin sought, but has been unable to obtain, a voluntary agreement from all

interest owners in the Bone Spring formation underlying the proposed spacing unit to participate

in the drilling of the wells or to otherwise commit their interests to the wells.

6. The pooling of all interests in the Bone Spring formation underlying the proposed

unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling

of unnecessary wells, prevent waste and protect correlative rights.

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

the Oil Conservation Division on March 7, 2024, and after notice and hearing as required by law,

the Division enter its order:

A. Pooling all uncommitted interests in the Bone Spring formation underlying a

horizontal spacing unit within W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 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;

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- 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 Franklin Mountain Energy 3, LLC

CASE NO. 24205: 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 320-acre, more or less, Bone Spring horizontal spacing unit comprising the W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Franklin also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the Ball State Com 301H and Ball State Com 601H wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20. The producing area for the wells is expected to be orthodox. The proposed horizontal spacing unit will overlap with the following existing Bone Spring spacing units:

- A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 20 dedicated to COG Operating LLC's Condor State #001H well (API 30-025-40814);
- A 160-acre horizontal spacing unit comprised of the W/2 W/2 of Section 29 dedicated to Marathon Oil Permian LLC's Nighthawk State Com #001H well (API 30-025-41519).

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 17 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, LEA COUNTY, NEW MEXICO.

CASE NO. 24206

#### **APPLICATION**

Franklin Mountain Energy 3, LLC ("Franklin"), OGRID Number 331595, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprised of the W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this application, Franklin states as follows:

- 1. Franklin has an interest in the subject lands and has a right to drill and operate a well thereon.
- 2. Franklin seeks to dedicate the spacing unit to the **Ball State Com 701H** and **Ball State Com 801H** wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20.
  - 3. The producing area for the wells is expected to be orthodox.
- 4. 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.
- 5. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Franklin requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2024, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all uncommitted interests in the Wolfcamp formation underlying a horizontal spacing unit within W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico;
  - B. Designating Franklin as operator of this unit and the wells to be drilled thereon;
- C. Authorizing Franklin to recover its costs of drilling, equipping and completing the wells;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

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

By:/s/ Deana M. Bennett

Earl E. DeBrine, Jr.

Deana M. Bennett

Yarithza Peña

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Attorneys for Franklin Mountain Energy 3, LLC

CASE NO. 24206: Application of Franklin Mountain Energy 3, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 W/2 of Sections 20 and 29, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Ball State Com 701H and Ball State Com 801H wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 32 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 20. The producing area for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Franklin Mountain Energy 3, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 17 miles west of Hobbs, New Mexico.

#### PS Form 3877

# Type of Mailing: CERTIFIED MAIL 02/15/2024

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Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0117 4871 32	COG Operating, LLC 600 W. Illinois Avenue Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
2	9314 8699 0430 0117 4871 49	Marathon Oil Permian, LLC 990 Town and Country Blvd Houston TX 77024	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
3	9314 8699 0430 0117 4871 56	Hanley Petroleum, Inc. 415 W. Wall Street, Suite 1500 Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
4	9314 8699 0430 0117 4871 63	LHAH Properties, LLC 415 W. Wall Street, Suite 1500 Midland TX 79701	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
5	9314 8699 0430 0117 4871 70	H6 Holdings, LLC P.O. Box 1212 Midland TX 79702	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
6	9314 8699 0430 0117 4871 87	TBO Oil & Gas, LLC P.O. Box 10502 Midland TX 79702	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
7	9314 8699 0430 0117 4871 94	Mavros Oil Company P.O. Box 50820 Midland TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
8	9314 8699 0430 0117 4872 00	Zunis Energy, LLC 15 EAST 5TH STREET, SUITE 3300 TULSA OK 74103	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
9	9314 8699 0430 0117 4872 17	Blue Ox Partners LLC 1123 SOUTH HURON STREET, UNIT V DENVER CO 80223	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
10	9314 8699 0430 0117 4872 24	Luckaloy Limited Company 88 WEST COMPRESS ROAD ARTESIA NM 88210	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
11	9314 8699 0430 0117 4872 31	Oak Valley Mineral and Land, LP PO BOX 50820 MIDLAND TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
12	9314 8699 0430 0117 4872 48	Good News Minerals, LLC 4000 NORTH BIG SPRING, SUITE 310 MIDLAND TX 79705	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
13	9314 8699 0430 0117 4872 55	William J. McCaw PO BOX 376 ARTESIA NM 88211	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
14	9314 8699 0430 0117 4872 62	Crown Oil Partners, LP PO BOX 50820 MIDLAND TX 79710	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
15	9314 8699 0430 0117 4872 79	Susannah D. Adelson, Trustee of James Adelson & Family 2015 Trusts 15 EAST 5TH STREET, SUITE 3300 TULSA OK 74103	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice

OCD Examiner Hearing 8-27-24 No. 24205, 24206, 24199, 24198

#### PS Form 3877

# Type of Mailing: CERTIFIED MAIL 02/15/2024

Recommendation of the comment of the		ling Roehl Harris & Sisk P.A.		PS Form 38 iling: CERT 02/15/2024	TIFIED MAIL			Firm M	(OL54-000   Received by OCD: 8/20/2024 5:13:54 P)  (OL54-000   Received by OCD: 8/20/2024 5:13:54 P)  Reference Contents  No24198,99,05,06. Notice  No24198,99,05,06. Notice  No24198,99,05,06. Notice
8:8/	Line	USPS Article Number	Name, Street, City, State, Zip		Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference SS Contents
21/202	16	9314 8699 0430 0117 4872 86	Post Oak Crown IV-B, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056		\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
4 12:06	17	9314 8699 0430 0117 4872 93	Post Oak Crown IV, LLC 34 SOUTH WYNDEN DRIVE, SUTIE 210 HOUSTON TX 77056		\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
5:12 PA	18	9314 8699 0430 0117 4873 09	Collins & Jones Investments, LLC 508 WEST WALL STREET, SUITE 1200 MIDLAND TX 79701		\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
×	19	9314 8699 0430 0117 4873 16			\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
	20	9314 8699 0430 0117 4873 23	LMC Energy LLC 550 WEST TEXAS AVENUE, SUITE 945 MIDLAND TX 79701		\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
	21	9314 8699 0430 0117 4873 30			\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
	22	9314 8699 0430 0117 4873 47	David W. Cromwell 2008 COUNTRY CLUB DRIVE MIDLAND TX 79701	HE.	\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
	23	9314 8699 0430 0117 4873 54	Sortida Resources, LLC PO BOX 50820 MIDLAND TX 79710		\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
	24	9314 8699 0430 0117 4873 61	Mike Moylett PO BOX 50820 MIDLAND TX 79710		\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
	25	9314 8699 0430 0117 4873 78	Kaleb Smith PO BOX 50620 MIDLAND TX 79710		\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
	26	9314 8699 0430 0117 4873 85	Deane Durham PO BOX 50820 MIDLAND TX 79710		\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
	27	9314 8699 0430 0117 4873 92	State of New Mexico 310 Old Santa Fe Trail Santa Fe NM Santa Fe NM 87501		\$1.87	\$4.40	\$2.32	\$0.00	No24198,99,05,06. Notice
				Totals:	\$50.49	\$118.80	\$62.64	\$0.00	
			QUE	NM 83		Grand	Total:	\$231.93	

List Number of Pieces Listed by Sender

27

**Total Number of Pieces** Received at Post Office

Postmaster: Name of receiving employee

Dated:

OCD Examiner Hearing 8-27-24 No. 24205, 24206, 24199, 24198

Received by OCD: 8/20/2024 5:13:54 PM

#### Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 260676 Generated: 3/4/2024 1:19:23 PM

USPS Article Number	Date Created	Reference Number	Name 1	Name 2	City	State	Zip	Mailing Status	Service Options	Mail Delivery Date
314869904300117487392	2024-02-15 1:55 PM	No24198,99,05,06.	State of New Mexico		Santa Fe	NM	87501	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 6:29 AM
314869904300117487385	2024-02-15 1:55 PM	No24198,99,05,06.	Deane Durham		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-22 10:04 AM
314869904300117487378	2024-02-15 1:55 PM	No24198,99,05,06.	Kaleb Smith		MIDLAND	TX	79710	Undelivered	Return Receipt - Electronic, Certified Mail	
314869904300117487361	2024-02-15 1:55 PM	No24198,99,05,06.	Mike Moylett		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-22 10:04 AM
314869904300117487354	2024-02-15 1:55 PM	No24198,99,05,06.	Sortida Resources, LLC		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-22 10:04 AN
314869904300117487347	2024-02-15 1:55 PM	No24198,99,05,06.	David W. Cromwell		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 10:52 AN
314869904300117487330	2024-02-15 1:55 PM	No24198,99,05,06.	H. Jason Wacker		MIDLAND	TX	79707	Undelivered - Forwarded	Return Receipt - Electronic, Certified Mail	
314869904300117487323	2024-02-15 1:55 PM	No24198,99,05,06.	LMC Energy LLC		MIDLAND	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
314869904300117487316	2024-02-15 1:55 PM	No24198,99,05,06.	Post Oak Mavros II, LLC		HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 3:39 PN
314869904300117487309	2024-02-15 1:55 PM	No24198,99,05,06.	Collins & Jones Investments, LLC		MIDLAND	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 3:41 PN
314869904300117487293	2024-02-15 1:55 PM	No24198,99,05,06.	Post Oak Crown IV, LLC		HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 3:39 PM
314869904300117487286	2024-02-15 1:55 PM	No24198,99,05,06.	Post Oak Crown IV-B, LLC		HOUSTON	TX	77056	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 3:39 PN
314869904300117487279	2024-02-15 1:55 PM	No24198,99,05,06.	Susannah D. Adelson, Trustee of	James Adelson & Family 2015 Trusts	TULSA	OK	74103	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 12:36 PM
314869904300117487262	2024-02-15 1:55 PM	No24198,99,05,06.	Crown Oil Partners, LP		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-22 10:04 AN
314869904300117487255	2024-02-15 1:55 PM	No24198,99,05,06.	William J. McCaw		ARTESIA	NM	88211	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 9:55 AN
314869904300117487248	2024-02-15 1:55 PM	No24198,99,05,06.	Good News Minerals, LLC		MIDLAND	TX	79705	Undelivered	Return Receipt - Electronic, Certified Mail	
314869904300117487231	2024-02-15 1:55 PM	No24198,99,05,06.	Oak Valley Mineral and Land, LP		MIDLAND	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-22 10:04 AN
314869904300117487224	2024-02-15 1:55 PM	No24198,99,05,06.	Luckaloy Limited Company		ARTESIA	NM	88210	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
314869904300117487217	2024-02-15 1:55 PM	No24198,99,05,06.	Blue Ox Partners LLC		DENVER	CO	80223	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-26 3:57 PN
314869904300117487200	2024-02-15 1:55 PM	No24198,99,05,06.	Zunis Energy, LLC		TULSA	OK	74103	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 12:36 PN
314869904300117487194	2024-02-15 1:55 PM	No24198,99,05,06.	Mavros Oil Company		Midland	TX	79710	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-22 10:04 AN
314869904300117487187	2024-02-15 1:55 PM	No24198,99,05,06.	TBO Oil & Gas, LLC		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 12:34 PN
314869904300117487170	2024-02-15 1:55 PM	No24198,99,05,06.	H6 Holdings, LLC		Midland	TX	79702	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 11:13 AN
314869904300117487163	2024-02-15 1:55 PM	No24198,99,05,06.	LHAH Properties, LLC		Midland	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
314869904300117487156	2024-02-15 1:55 PM	No24198,99,05,06.	Hanley Petroleum, Inc.		Midland	TX	79701	Undelivered - To Be Returned	Return Receipt - Electronic, Certified Mail	
314869904300117487149	2024-02-15 1:55 PM	No24198,99,05,06.	Marathon Oil Permian, LLC		Houston	TX	77024	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-20 1:34 PN
314869904300117487132	2024-02-15 1:55 PM	No24198,99,05,06.	COG Operating, LLC		Midland	TX	79701	Delivered	Return Receipt - Electronic, Certified Mail	2024-02-21 7:56 AN

Sworn and subscribed to before me this 21st day of February 2024.

Bussielluth Black

My commission expires January 29, 2027

STATE OF NEW MEXICO **NOTARY PUBLIC** 

GUSSIE RUTH BLACK COMMISSION # 1087526 COMMISSION EXPIRES 01/29/2027

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

Affidavit of Publicatic

CASE NO. 2419: Notice to all affected perhaps as well as hear and devisees of: COG Operating: LLC and articles of the company control of the cont

wells. Said area is located approximately 17, miles West of Hobbs. New Mexico.

CASE NO. 24205. Notice to all affected parties, as well as heirs and devigees of: COG Operating. LLC. Marathon Oil Permian. LLC: Hanley Petroleum, LLC: LHAH Properties. LLC: His Holdings, LLC: TBO Oil & Gas, LLC: Mayros Oil Company; Zunis Energy. LLC: Blue Ox Pertners, LLC: Lluckaloy, Limited Company; Oak Valley Mineral and Land, LP: Good News Minrersis. LLC: William, J. McCaw. Crown! Oil Partners, L.P: Susainan D. Adelson, Trustee of the James Adelson & Family 2015 Fruits: Post Oak Crown! N.B. LLC; Post Oak Crown! N.L.C: Collins & Jones Investments! LLC: Pust Cake News Minrersis. LLC: Milliam, J. McCaw. Crown! Oil Partners, L.P: Susainan D. Adelson, Trustee of the James Adelson & Family 2015 Fruits: Post Oak Crown! N.B. LLC; Post Oak Crown! N.L.C: Collins & Jones Investments! LLC: Milliam J. McCaw. Crown! Oil Partners, L.P: Susainan D. Adelson, Trustee of the James Adelson & Family 2015 Fruits: Post Oak Crown! N.B. LLC; Post Oak Crown! N.B. LLC: Post Oak Mayros III. LLC: Post Oak Crown! N.B. LLC: Post Oak Crown! N.B. LLC: Post Oak Mayros III. LLC: Post Oak Mayros III. LLC: Post Oak Crown! N.B. LLC: Post Oak Mayros III. LLC: Llow Crown oak Mayros III. LLC: Post Oak Ma

approximately 17 miles West of Hobbs, New Mexico.

CASE NO, 24208: Notice to all affected parties, as well as heirs and devises of, COG Operating, LLC; Marathon Oil-Permian, LLC; Hanley Petroleum, LLC; LHAH Properties, LLC; He Holdings, LLC; TBO Oil & Gas; LLC; Mevros Oil Company; Zunis Energy, LLC; Blue Ox Pertiners LLC; Lucksloy, Limited Company; Oak Valley Mineral and Land, LP; Good News Minerals, LLC; William J. McCs vs. Crows Oil Partners, LP; Susannah Di Adelson, Trustee of the James Adelson & Family 2015 Trusts, Post Oak Crown IV; LLC; Collins & Jones Investments, LLC; Post Oak Mevros III; LC; LMC Energy LLC; H. Jason Wacker: David W. Cromwell; Sortida Resources, LLC; Mike Moylett; Kaleb Smikir, Dean Durham; State of New Mexico. Of the Application of Franklin Mountain Energy 3; LLC for compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 3:15 a.m. on March 7, 2024 to consider this application. The hearing will be conducted in a pythol dashion; both in person at the Energy, Minerals; Natural Resources Department, Wendell Chino Building, Record Hall; 220 South St. Francis Drive, 1st Floor, Santa Fe, NM 3750s and via the Webb; virtual meeting, platform, to participate in https://www.emnrd.nm.gov/ocd/hearing-info/. Applicant seeks an order from the Division pooling all uncommitted mineral Interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 W/2 of Sections 20 and 29. Township 18 South; Range 35-ast; N.M.P. M., Lea County, New Mexico. This spacing unit will be dedicated to the Ball State Com 701H and Ball State Com 801H wells to be horizontally drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 20. The producing area, for the wells is expected to be orthodox. Also to be considered will be the cost of drilling and completing said wells; the allocation of these costs as well as the actual operating costs and charges for super

#### **Ball E2W2 Overlapping Notice List**

COG Operating, LLC	
Hanley Petroleum, LLC	
Hanley Petroleum, Inc.	
LHAH Properties, LLC	
H6 Holdings, LLC	
TBO Oil & Gas, LLC	
Mavros Oil Company	

#### **Ball W2W2 Overlapping Notice Party List**

COG Operating, LLC	
Marathon Oil Permian, LLC	
Hanley Petroleum, LLC	
Hanley Petroleum, Inc.	
LHAH Properties, LLC	
H6 Holdings, LLC	
TBO Oil & Gas, LLC	
Mavros Oil Company	