

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 20982	APPLICANT'S RESPONSE
Date January 9, 2020	
Applicant	Franklin Mountain Energy, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, LLC (373910)
Applicant's Counsel:	Deana M. Bennett/Modrall Spering
Case Title:	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	Tap Rock Resources, LLC
Well Family	Carnival: Parade State 603H & Beauty Queen Fed Com 604H
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:	WC-025 G-09 S253502B, Lower Bone Spring, Pool Code 98185
Well Location Setback Rules:	Statewide rules
Spacing Unit Size:	640 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640 acres
Building Blocks:	40 acres
Orientation:	North-South
Description: TRS/County	E/2 of Sections 2 and 11, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Y
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	The completed interval for the Beauty Queen Fed Com 604H well is less than 330' from the adjoining tracts and the Division's rules allow for the inclusion of proximity tracts within the proposed spacing unit for the wells.
Proximity Defining Well: if yes, description	Beauty Queen Fed Com 604H
Applicant's Ownership in Each Tract	Exhibit A (Landman's affidavit page 2); Exhibit A-3 (page 16)
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add as needed

Well #1	Parade State 603H, API Pending SHL: 675 feet from the North line and 2624 feet from the East line (Lot 2), Section 2, Township 25 South, Range 35 East, NMPM. BHL: 150 feet from the South line and 2580 feet from the East line (Unit O), Section 11, Township 25 South, Range 35 East, NMPM. Completion Target: Third Bone Spring Sand at approximate 11,790' TVD. Well Orientation: South to North Completion location: Expected to be non-standard. Non-standard location approval application submitted. See also C-102: Exhibit A-2 page 12.
Well #2	Beauty Queen Fed Com 604H, API Pending SHL: 321 feet from the North line and 1320 feet from the East line (Lot 1), Section 2, Township 25 South, Range 35 East, NMPM. BHL: 150 feet from the South line and 1080 feet from the East line (Unit P), Section 11, Township 25 South, Range 35 East, NMPM. Completion Target: Third Bone Spring Sand at approximate 11,730' TVD. Well Orientation: South to North Completion location: Expected to be standard. See also C-102: Exhibit A-2 page 13.
Horizontal Well First and Last Take Points	Parade State 603H: Proposed first take point 793' FNL and 2566' FEL and the proposed last take point is 150' FSL and 2580' FEL. Beauty Queen Fed Com 604: Proposed first take point is 689' FNL and 1076' FEL and the proposed last take point is 150' FSL and 1080' FEL. See also Exhibit A-2 page 14.
Completion Target (Formation, TVD and MD)	See Proposal Letters Exhibit A-4, Pages 19-24.
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7000: See also Proposal Letters Exhibit A-4, Pages 19-24.
Production Supervision/Month \$	\$700: See also Proposal Letters Exhibit A-4, Pages 19-24.
Justification for Supervision Costs	See AFEs Exhibits A-5, pages 25-26.
Requested Risk Charge	200%: See also Proposal Letters Exhibit A-4, Pages 19-24.
Notice of Hearing	
Proposed Notice of Hearing	A-6, specifically pages 28-33.
Proof of Mailed Notice of Hearing (20 days before hearing)	A-6, specifically pages 34-37.
Proof of Published Notice of Hearing (10 days before hearing)	A-6, specifically page 38.
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	A-3 (page 15)

Tract List (including lease numbers and owners)	A-3 (page 16-17)
Pooled Parties (including ownership type)	A-3 (page 16-17)
Unlocatable Parties to be Pooled	A-3 (page 17)
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	A-4 (pages 19-24)
List of Interest Owners (ie Exhibit A of JOA)	A-3 (page 16-17)
Chronology of Contact with Non-Joined Working Interests	N/A: no unjoined working interest owners but see page p. 18 for summary of contacts with unleased mineral interest owners.
Overhead Rates In Proposal Letter	A-4 (specifically pages 19 & 22)
Cost Estimate to Drill and Complete	A-4 (specifically pages 19 & 22 for total costs); A-5 (pages 25-26:AFEs)
Cost Estimate to Equip Well	A-4 (specifically pages 19 & 22 for total costs); A-5 (pages 25-26:AFEs)
Cost Estimate for Production Facilities	A-4 (specifically pages 19 & 22 for total costs); A-5 (pages 25-26:AFEs)
Geology	
Summary (including special considerations)	Exhibit B, pages 39-42
Spacing Unit Schematic	A-1-B (page 11)
Gunbarrel/Lateral Trajectory Schematic	B-8 (page 44)
Well Orientation (with rationale)	B-10 (Page 50)
Target Formation	B-9-C (page 48)
HSU Cross Section	B-9-C (page 48)
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	A-2 (pages 12 & 13)
Tracts	A-3 (page 15-17)
Summary of Interests, Unit Recapitulation (Tracts)	A-3 (page 16-17)
General Location Map (including basin)	B-7 (page 43)
Well Bore Location Map	A-1-B (page 11)
Structure Contour Map - Subsea Depth	B-9-A (page 46)
Cross Section Location Map (including wells)	B-9-B (page 47)
Cross Section (including Landing Zone)	B-9-C (page 48)
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	<i>Deana M. Bennett</i>
Date:	1/7/2020