

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

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

CASE NO. \_\_\_\_\_

**APPLICATION**

Franklin Mountain Energy, LLC (“FME”), OGRID Number 373910, through its undersigned attorneys, hereby makes an application to the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA (1978), Section 70-2-17, for an order pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 E/2 and the E/2 W/2 of Sections 1 and 12, and the NW/4 NE/4 and the NE/4 NW/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico

In support of this application, FME states as follows:

1. FME has an interest in the subject lands and has a right to drill and operate a well thereon.
2. FME seeks to dedicate the W/2 E/2 and the E/2 W/2 of Sections 1 and 12, and the NW/4 NE/4 and the NE/4 NW/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico to form a 720-acre, more or less, spacing unit.
3. FME plans to drill the **Kaston Fed Com 703H** and **Bus Driver Fed Com 702H** wells to a depth sufficient to test the Wolfcamp formation. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division’s rules.

4. The completed interval for Kaston Fed Com 703H 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.

5. Part of FME's 720-acre horizontal spacing unit will overlap an existing 240-acre spacing unit for the Wolfcamp formation that covers the W/2 E/2 of Section 1 and the W/2 NE/4 of Section 12, which is approved under Division Order R-14547 for the Ushanka Federal Com. Well No. 23H.

6. FME's 720-acre horizontal spacing unit will cover the W/2 E/2 of Sections 1 and 12 and is necessary to efficiently and effectively develop the Wolfcamp formation underlying the W/2 E/2 of Sections 1 and 12 and the balance of the lands in FME's proposed unit.

7. Because FME's proposed spacing unit will partially overlap an existing spacing unit, notice of this application will be provided as required by Rule 19.15.16.9 NMAC.

8. FME 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.

9. 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.

10. FME further requests that it be allowed one (1) year between the time the first well is drilled and completion of the wells under the order issued by the Division.

WHEREFORE, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 8, 2020, and after notice and hearing as required by law, the Division enter its order:

- A. Pooling all mineral interests in the Wolfcamp formation underlying a horizontal spacing unit within the W/2 E/2 and the E/2 W/2 of Sections 1 and 12, and the NW/4 NE/4 and the NE/4 NW/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;
- B. Designating FME as operator of this unit and the wells to be drilled thereon;
- C. Authorizing FME 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;
- 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;
- F. Allowing a time period of one (1) year between when the first well is drilled and when the wells are completed under the order.

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

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**CASE NO. \_\_\_\_\_: Application of Franklin Mountain Energy, LLC for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the W/2 E/2 and the E/2 W/2 of Sections 1 and 12, and the NW/4 NE/4 and the NE/4 NW/4 of Section 13, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. Part of FME's 720-acre horizontal spacing unit will overlap an existing 240-acre spacing unit for the Wolfcamp formation, which is approved under Division Order R-14547 for the Ushanka Federal Com. Well No. 23H. FME's spacing unit will be dedicated to the **Kaston Fed Com 703H and the Bus Driver Fed Com 702H** wells, to be horizontally drilled. The completed interval for Kaston Fed Com 703H well will be within 330' from the adjoining tracts to allow inclusion of proximity tracts within the proposed standard horizontal spacing unit. The producing area for the wells will 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, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells, and allowing a one year period between when the first well is drilled and when the wells are completed. Said area is located approximately 8 miles Southwest from Jal, New Mexico.