

**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 No. 373910, 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 and leasehold interests within a Wolfcamp horizontal spacing unit underlying Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. In support of this application, FME states:

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 Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico to form a 640-acre, more or less, spacing unit.
3. FME plans to drill the **Clincher Fed Com 702H and Merit Federal 703H** wells to a depth sufficient to test the Wolfcamp formation.
4. The completed interval for the Clincher Fed Com 702H 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 well.

5. The wells will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

6. 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.

7. 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, FME requests this application be set for hearing before an Examiner of the Oil Conservation Division on April 8, 2021, 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 Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 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, completing, and equipping the wells;

D. Approving actual operating charges and costs charged for supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedure;

E. Imposing a 200% charge for the risk involved in drilling, completing, and equipping the wells in the event a working interest owner elects not to participate in the wells.

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 interests within a Wolfcamp horizontal spacing unit underlying Lots 3 and 4, the S/2NW/4 and the SW/4 of Section 1, and the W/2 of Section 12, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Clincher Fed Com 702H and Merit Federal 703H** wells to be horizontally drilled. The completed interval for the Clincher Fed Com 702H 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 Clincher Fed Com 702H and Merit Federal 703H wells will be orthodox. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Franklin Mountain Energy, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 8 miles Northwest of Jal, New Mexico.