

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

**APPLICATION OF FRANKLIN MOUNTAIN
ENERGY 3, LLC FOR APPROVAL OF NON-STANDARD
SPACING UNIT, AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NO. 23436

NOTICE OF FILING REVISED EXHIBIT

Pursuant to the Oil Conservation Division's direction provided at the April 20, 2023,
Examiner hearing, please find the following revised exhibit:

- 1) Exhibit A (Compulsory Pooling Checklist): Revised to change "\$9000" to
"900" in the row "Production Supervision/Month \$".

Respectfully submitted,

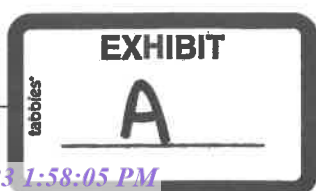
MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: 


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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 23436	APPLICANT'S RESPONSE
Date: April 20, 2023	
Applicant	Franklin Mountain Energy 3, LLC
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy 3, LLC OGRID 331595
Applicant's Counsel:	Modrall Sperling
Case Title:	APPLICATION OF FRANKLIN MOUNTAIN ENERGY 3, LLC FOR APPROVAL OF NON-STANDARD SPACING UNIT, AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	None
Well Family	Eagle State
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:	Scharb; Bone Spring Pool Code 55610
Well Location Setback Rules:	State-Wide Rules Apply
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	279.67
Building Blocks:	40
Orientation:	North-South
Description: TRS/County	W/2W/2 of Section 3 and W/2NW/4 and the NW/4SW/4 of Section 10, Township 19 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?	No--the unit is non-standard. The spacing unit is non-standard because it excludes the SW/4 SW/4 (Unit M) of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico. Approval of the non-standard unit is requested in this application.
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	See Exhibit B-4.
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: Eagle State Com 301 (API Pending)	SHL: 325' FNL & 645' FWL, Section 3, T-19-S R-35-E FTP: 150' FNL & 360' FWL, Section 3, T-19-S R-35-E LTP: 1427' FSL & 360' FWL, Section 10, T-19-S R-35-E Orientation: North/South Completion Status: Standard
	Completion Target: Bone Spring TVD: 9,161' MVD: 19,602'



Well #1: Eagle State Com 501 (API Pending)	SHL: 325' FNL & 670' FWL, Section 3, T-19-S R-35-E FTP: 150' FNL & 800' FWL, Section 3, T-19-S R-35-E LTP: 1427' FSL & 800' FWL, Section 10, T-19-S R-35-E Orientation: North/South Completion Target: Bone Spring Completion Status: Standard TVD: 9,602', MVD: 19,602'
Horizontal Well First and Last Take Points	See above cells and Exhibit B, paragraphs 20-21, and Exhibit B-3 (C-102s)
Completion Target (Formation, TVD and MD)	See above cells and Exhibit B-5 (proposal letter)
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$9,000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	See Exhibit B Paragraph 33
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B-8
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B-8
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit B-8
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit B-4
Tract List (including lease numbers and owners)	Exhibit B-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	Exhibit B-4
Pooled Parties (including ownership type)	Exhibit B-4
Unlocatable Parties to be Pooled	Exhibit B-4
Ownership Depth Severance (including percentage above & below)	NA
Joinder	
Sample Copy of Proposal Letter	Exhibit B-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit B-4
Chronology of Contact with Non-Joined Working Interests	Exhibit B-5
Overhead Rates In Proposal Letter	Exhibit B-6
Cost Estimate to Drill and Complete	Exhibit B-7
Cost Estimate to Equip Well	Exhibit B-7
Cost Estimate for Production Facilities	Exhibit B-7
Geology	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit C-2
Well Orientation (with rationale)	Exhibit C-11

Target Formation	Exhibits C-2 to C-10
HSU Cross Section	Exhibit C-5/C-9
Depth Severance Discussion	NA
Forms, Figures and Tables	
C-102	Exhibit B-3
Tracts	Exhibit B-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B-4
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-3/C-6
Structure Contour Map - Subsea Depth	Exhibit C-3/C-6
Cross Section Location Map (including wells)	Exhibit C-4/C-8
Cross Section (including Landing Zone)	Exhibit C-5/C-9
Additional Information	
Special Provisions/Stipulations	NA
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):	
Date:	20-Apr-23