

**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. 23439**

**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 update information regarding proximity tract well (rows 26 and 27) and to change "\$9000" to "900" in the row 36 "Production Supervision/Month \$".

Respectfully submitted,

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

By: 

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*Attorneys for Applicant*

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS****Case: 23439****APPLICANT'S RESPONSE****Date: April 20, 2023**

Applicant

Franklin Mountain Energy 3, LLC

Designated Operator &amp; 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, COMPULSORY POOLING, AND NOTICE OF OVERLAPPING SPACING UNITS, LEA COUNTY, NEW MEXICO

Entries of Appearance/Intervenors:

None

Well Family

Eagle State

**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 Code 55640

Well Location Setback Rules:

State-Wide Rules Apply

**Spacing Unit**

Type (Horizontal/Vertical)

Horizontal

Size (Acres)

559.31

Building Blocks:

40

Orientation:

North-South

Description: TRS/County

W/2 of Section 3 and the NW/4 and the N/2SW/4 of Section 10, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mex

Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?

No. The proposed spacing unit is non-standard because it excludes the S/2SW/4 (Unit M and N) 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

Y

Proximity Defining Well: if yes, description

The completed interval of the Eagle State Com 701H well is expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC. See also Exhibit B, paragraph 20 identifying first and last take points.

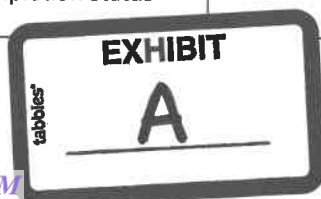
Applicant's Ownership in Each Tract

See Exhibit B-4.


**Well(s)**

Name &amp; 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 701H (API Pending)	SHL: 325' FNL & 695' FWL, Section 3, T-19-S R-35-E FTP: 150' FNL & 1000' FWL, Section 3, T-19-S R-35-E LTP: 1427' FSL & 1000' FWL, Section 10, T-19-S R-35-E Orientation: North/South Completion Target: Wolfcamp Completion Status: Standard TVD: 10,550', MVD: 20,550'
Horizontal Well First and Last Take Points	See above cells and Exhibit B, paragraph 20, and Exhibit B-3 (C-102)
Completion Target (Formation, TVD and MD)	See above cells and Exhibit B-5 (proposal letter)
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$9,000
Production Supervision/Month \$	\$900
Justification for Supervision Costs	See Exhibit B Paragraph 32
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
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
<b>Ownership Determination</b>	
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
<b>Joinder</b>	
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
<b>Geology</b>	
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-7
Target Formation	Exhibits C-3 to C-6
HSU Cross Section	Exhibit C-5
Depth Severance Discussion	NA

<b>Forms, Figures and Tables</b>	
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
Structure Contour Map - Subsea Depth	Exhibit C-3
Cross Section Location Map (including wells)	Exhibit C-4
Cross Section (including Landing Zone)	Exhibit C-5
<b>Additional Information</b>	
Special Provisions/Stipulations	NA
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Deana M. Bennett
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	20-Apr-23