

Before the Oil Conservation Division Examiner Hearing October 22, 2020

Compulsory Pooling

Case No. 21441: Judge Baylor Fed Com 601H

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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC FOR COMPUSLORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 21441

TABLE OF CONTENTS

Tab A: Compulsory Pooling Checklist

Tab B: Affidavit of Shelly Albrecht, Land Professional

- Exhibit B-1: Development Overview
- Exhibit B-2: Application
- Exhibit B-3: C-102
- Exhibit B-4: Lease Tract Map and Interests
- Exhibit B-5: Summary of Contacts
- Exhibit B-6: Sample Proposal Letters
- Exhibit B-7: AFE
- Exhibit B-8: Notice Affidavit

Tab C: Affidavit of Ben Kessel, Geologist

- Exhibit C-9: Locator Map
- Exhibit C-10: Wellbore Schematic
- Exhibit C-11: Geology Study
- Exhibit C-12: Orientation Justification

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21441	APPLICANT'S RESPONSE				
Date: 10/08/2020 (Hearing date)					
Applicant:	Franklin Mountain Energy, LLC				
Designated Operator & OGRID (affiliation if applicable)	Franklin Mountain Energy, LLC (373910)				
Applicant's Counsel:	Modrall Sperling				
Case Title:	Application of Franklin Mountain Energy, LLC for Compulsory Pooling, Lea County, New Mexico				
Entries of Appearance/Intervenors:	COG Operating LLC				
Well Family	Paul Foster				
Formation/Pool					
Formation Name(s) or Vertical Extent:	Third Bone Spring				
Primary Product (Oil or Gas):	Oil				
Pooling this vertical extent:	N/A				
Pool Name and Pool Code:	WC-025 G-09 S253502B; Pool Code 98185				
Well Location Setback Rules:	Statewide Rules				
Spacing Unit Size:	320 acres				
Spacing Unit					
Type (Horizontal/Vertical)	Horizontal				
Size (Acres)	320 acres				
Building Blocks:	40 acres				
Orientation:	N/S				
Description: TRS/County	W/2 W/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico				
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Υ				
Other Situations					
Depth Severance: Y/N. If yes, description	N				
Proximity Tracts: If yes, description	Υ				
Proximity Defining Well: if yes, description	N				
Applicant's Ownership in Each Tract	See Exhibit B-4, page 16 EXHIBIT A				

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: Judge Baylor Fed Com 601H (API Pending)	SHL: 250' FSL 488' FWL (Unit M) Section 36, T-25-S R-35-E FTP: 116' FNL 361' FWL Section 1, T-26-S R-35-E BHL: 150' FSL 350' FWL (Unit P) Section 12, T-26-S R-35-E Orientation: North to South Completion Target: Third Bone SPring Completion Status: Standard TVD: 11,920', MVD: 21,420'			
Horizontal Well First and Last Take Points	See above; see also Exhibit B-3, page 14			
Completion Target (Formation, TVD and MD)	See above; see also Exhibit B-3; B-6, page 20			
AFE Capex and Operating Costs				
Drilling Supervision/Month \$	\$7,000.00			
Production Supervision/Month \$	\$700.00			
Justification for Supervision Costs	See Exhibit B, ¶ 23			
Requested Risk Charge	See Exhibit B, ¶ 24			
Notice of Hearing				
Proposed Notice of Hearing	See Exhibit B-2, page 13			
Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit B-8, pages 24-32			
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit B-8, page 33			
Ownership Determination				
Land Ownership Schematic of the Spacing Unit	See Exhibit B-4, page 15			
Tract List (including lease numbers and owners)	See Exhibit B-4, page 16			
Pooled Parties (including ownership type)	See Exhibit B-4, pages 17-18			
Unlocatable Parties to be Pooled Ownership Depth Severance (including percentage above & below)	None N/A			
Joinder				
Sample Copy of Proposal Letter	See Exhibit B-6, pages 20-22			
List of Interest Owners (ie Exhibit A of JOA)	See Exhibit B-4, page 17			
Chronology of Contact with Non-Joined Working Interests	See Exhibit B-5, page 19			
Overhead Rates In Proposal Letter	N/A: See Exhibit B, ¶ 23			

Cost Estimate to Drill and Complete	See Exhibit B-7, page 23
Cost Estimate to Equip Well	See Exhibit B-7, page 23
Cost Estimate for Production Facilities	See Exhibit B-7, page 23
Geology	
Summary (including special considerations)	See Exhibit C, pages 34-37
Spacing Unit Schematic	See Exhibit C-9, page 38; Exhibit B-1, page 9
Gunbarrel/Lateral Trajectory Schematic	See Exhibit C-10, page 39
Well Orientation (with rationale)	See Exhibit C-12, page 45; Exhibit C, ¶ 14
Target Formation	See Exhibit C-11-C, page 43
HSU Cross Section	See Exhibit C-11-C, page 43
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	See Exhibit B-3, page 14
Tracts	See Exhibit B-4, pages 15-16
Summary of Interests, Unit Recapitulation (Tracts)	See Exhibit B-4, pages 16-17
General Location Map (including basin)	See Exhibit C-9, page 38
Well Bore Location Map	See Exhibit C-11-A, page 41
Structure Contour Map - Subsea Depth	See Exhibit C-11-A, page 41
Cross Section Location Map (including wells)	See Exhibit C-11-B, page 42
Cross Section (including Landing Zone)	See Exhibit C-11-C, page 43
Additional Information	
Special Provisions/Stipulations	None
CERTIFICATION: I hereby certify that the information prov	ided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Deana M. Bennett
Signed Name (Attorney or Party Representative):	Claw U Box AL
Date: 10/6/2020	101000

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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC FOR COMPUSLORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 21441 (W/2 W/2 Bone Spring)

AFFIDAVIT

STATE OF COLORADO)
) ss
COUNTY OF DENVER)

Shelly Albrecht, being duly sworn, deposes and states:

- 1. I am over the age of 18, I am the Director of Land for Franklin Mountain Energy, LLC ("Franklin"), and I have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and I have been qualified by the Division as an expert petroleum landman.
- 2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.
 - 3. I am familiar with the application filed by Franklin in this case.
 - 4. I am familiar with the status of the lands that are subject to the application.
- 5. I submit the following information pursuant to NMAC 19.15.4.12.A(1) in support of the above referenced compulsory pooling application.
- 6. The purpose of the application is to force pool all uncommitted interests into the horizontal spacing unit described below, and in the well to be drilled in the unit.



- 7. No opposition is expected because the interest owners being pooled have been contacted regarding the proposed well, but have failed or refused to voluntarily commit their interests in the well.
- 8. The spacing unit and well that Franklin is proposing in this case is part of a comprehensive development plan, covering the entirety 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. Franklin's development plan includes a total of seven units, including both Wolfcamp and Bone Spring units. The Development Overview is attached as **Exhibit 1.**
- 9. In this case, Franklin seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico.
- 10. This spacing unit will be dedicated to the **Judge Baylor Fed Com 601H** well, to be horizontally drilled. The Application is attached hereto as **Exhibit 2**.
 - 11. Attached as **Exhibit 3** is the proposed C-102 for the well.
- 12. The C-102 identifies the proposed surface hole location, the first take point, and the bottom hole location. The C-102 identifies the pool and pool code.
- 13. The well will develop the WC-025 G-09 S253502B, Lower Bone Spring, Pool Code 98185.
 - 14. This pool is an oil pool with 40-acre building blocks.
- 15. This pool is governed by the state-wide horizontal well rules. The producing interval for the well will be orthodox and will comply with the Division's set back requirements.
 - 16. There are no depth severances within the proposed spacing unit.

- 17. **Exhibit 4** includes a lease tract map outlining the unit being pooled. Exhibit 4 also includes the parties being pooled, the nature, and the percent of their interests.
- 18. I have conducted a diligent search of the public records in the county where the well is located, and conducted phone directory and computer searches to locate contact information for parties entitled to notification, and mailed the working interest owners well proposals, including an Authorization for Expenditure.
- 19. In my opinion, Franklin has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed well.
 - 20. **Exhibit 5** is a summary of my contacts with the working interest owners.
- 21. **Exhibit 6** is a sample of the well proposal letter that was sent to all working interest owners. The proposal letter identifies the proposed surface hole and bottom hole locations and approximate TVD/MD for the well.
- 22. **Exhibit 7** contains the Authorization for Expenditure for the proposed well. The estimated cost of the well set forth therein is fair and reasonable, and is comparable to the costs of other wells of similar depths and length drilled in this area of New Mexico.
- 23. Franklin requests overhead and administrative rates of \$7000.00/month for drilling a well and \$700.00/month for a producing well. These rates are fair, and comparable to the rates charged by other operators for wells of this type in this area of Southeastern, New Mexico. Franklin requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 24. Franklin requests the maximum cost plus 200% risk charge be assessed against non-consenting working interest owners.
 - 25. Franklin requests that it be designated operator of the well.
 - 26. The parties Franklin is seeking to pool were notified of this hearing.

- 27. Franklin seeks to pool overriding royalty interest owners, and they were provided notice of this hearing.
- 28. **Exhibit 8** is an affidavit of notice prepared by counsel for Franklin that shows the parties who were notified of this hearing, the status of whether they received notice, and an affidavit of publication from the Hobbs News-Sun newspaper, showing that notice of this hearing was published on September 15, 2020.
- 29. The attachments to this affidavit were prepared by me, or compiled from company business records, or were prepared at my direction.
- 30. I attest that the information provided herein is correct and complete to the best of my knowledge and belief.
- 31. In my opinion, the granting of this application is in the interests of conservation and the prevention of waste.

Shelly Albrecht

SUBSCRIBED AND SWORN to before me this that day of October, 2020 by Shelly Albrecht on behalf of Franklin Mountain Energy, LLC.

Notary Public

My commission expires: <u>62-27-21</u>

OFFICIAL SEAL

Karlene Schuman

NOTARY PUBLIC

STATE OF NEW MEXICO

My Commission Expires: Q2-27-21

Development Overview

Sections 1, 12 & 13 (partial)-26S-35E, Lea County, NM Case Nos. 21438, 21439, 21440, 21441, 21442, 21443 and 21444



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. 21441

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 Bone Spring horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, 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 W/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
- 3. FME plans to drill the **Judge Baylor Fed Com 601H** well to a depth sufficient to test the Bone Spring formation. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.



- 4. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.
- 5. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
- 6. FME further requests that it be allowed one (1) year between the time the well is drilled and completion of the well 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 Bone Spring formation underlying a horizontal spacing unit within the W/2 W/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;
 - B. Designating FME as operator of this unit and the well to be drilled thereon;
- C. Authorizing FME to recover its costs of drilling, equipping and completing the well;
- 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 well in the event a working interest owner elects not to participate in the well;
- F. Allowing a time period of one (1) year between when the well is drilled and completion of the well under the order issued by the Division.

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

Зу:____

Deana M. Bennett Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant

case No. 21441 : 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 Bone Spring horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Judge Baylor Fed Com 601H well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well. Said area is located approximately 8 miles Southwest from Jal, New Mexico.

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesis, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IIV 1220 S. St. Francis Dr., Samta Fe, NM 87505 Phone: (509) 476-3460 Fax: (305) 476-3465

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

MENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	TI DE LO CALLOTA AND AND DESTROATE LA CALLO LA C							
- [¹ API Number		² Pool Code					
			98185	WC-025 G-09 S253502B;LWR BONE SPRING				
	4 Property Code			operty Name AYLOR FED COM	6 Well Number 601H			
	⁷ OGRID No. 373910			perator Name UNTAIN ENERGY LLC	9 Elevation 3070.0'			

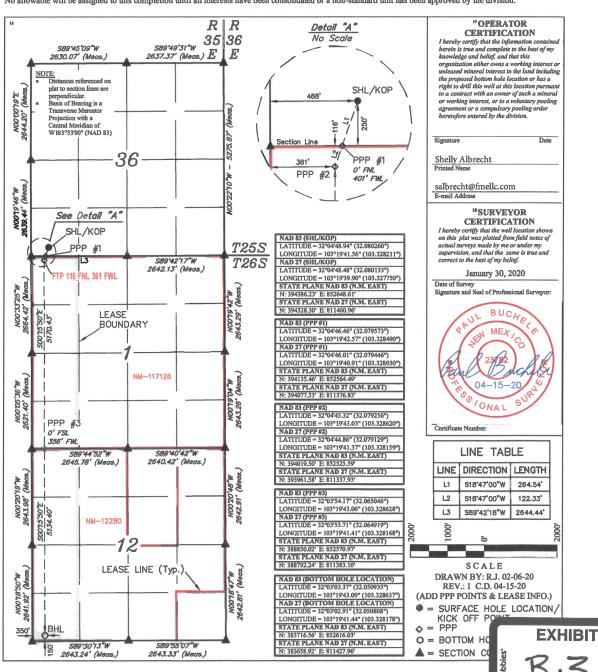
¹⁰ Surface Location

UL or lot no.	Section 36	Township 25S	Range 35E	Lot Idu	Feet from the 250	North/South line SOUTH	Feet from the 488	East/West line WEST	County LEA
---------------	---------------	-----------------	--------------	---------	-------------------	---------------------------	----------------------	------------------------	---------------

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. M	Section 12	Township 26S	Range 35E	Lot Idn	Feet from the 150	North/South line SOUTH	Feet from the 350	East/West line WEST	County LEA
¹² Dedicated Acre 320	es 13 J	oint or Infill	14 Conso	lidation Code	15 Order No.				

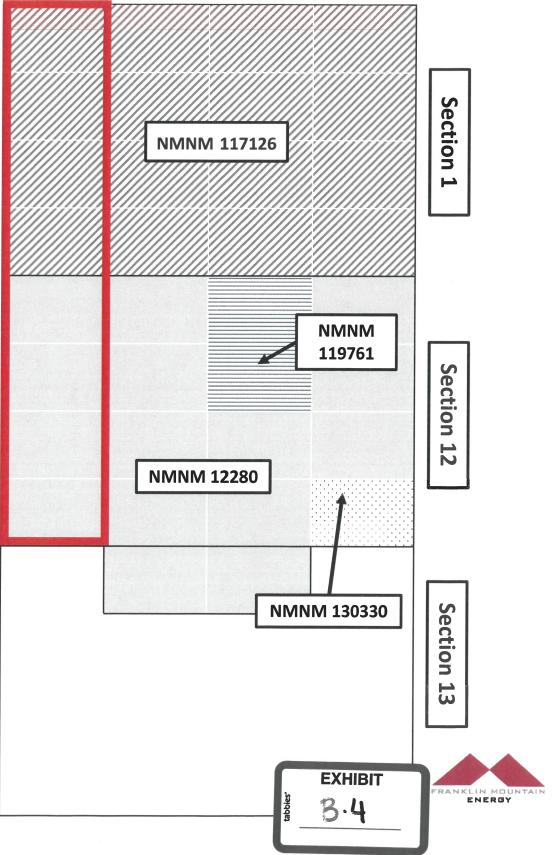
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



ALL FEDERAL LEASED MINERALS

Lease Tract Map

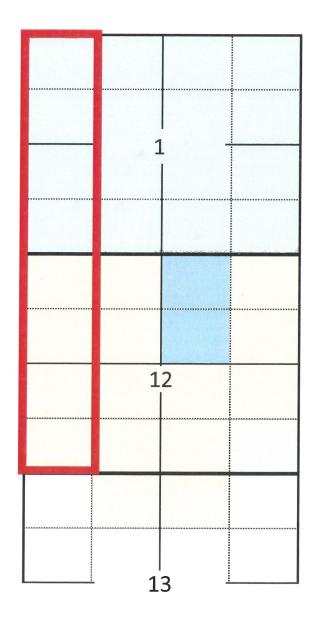
Case No. 21441 W2W2 of Sections 1 & 12-T26S-R35E – 320 Gross Acres Judge Baylor Fed Com 601H



Unit Recapitulation

Case No. 21441 W2W2 of Sections 1 & 12-T26S-R35E – 320 Gross Acres Judge Baylor Fed Com 601H

Working Interest Owner	Tract 1: 160 ac	Tract 2: 160 ac		
COG Operating LLC	70%	0%		
Franklin Mtn Energy LLC	15%	90%		
Chevron U.S.A. Inc.	15%	0%		
VPD New Mexico LLC	0%	10%		
TOTAL:	100%	100%		



Tract	Lease
	NMNM
1	117126
	NMNM
2	12280
	NMNM
3	119761
	NMNM
4	130330



Summary of Interests Case No. 21441

Case No. 21441 W2W2 of Sections 1 & 12-T26S-R35E – 320 Gross Acres Judge Baylor Fed Com 601H

Committed Working Interest							
Franklin Mountain Energy, LLC	52.500000%						
Uncommitted Working Interest							
COG Operating LLC	35.000000%						
Chevron U.S.A. Inc.	7.500000%						
VPD New Mexico LLC	5.000000%						
TOTAL:	100.000000%						



Parties to Be Pooled: Case No. 21441

Chevron U.S.A. Inc.	WI
COG Operating LLC	VVI
VPD New Mexico LLC	VVI
Devon Energy Production Co., L.P.	ORRI
Chevron U.S.A. Inc.	ORRI
Franklin Mountain Royalty Investments, LLC	ORRI
Green Ribbon, Inc.	ORRI
Bernard A. Winer and Grace S. Winer, as Trustees of the Bernard and Grace Winer Living Trust dated 10/3/2007	ORRI
David N. Grimes	ORRI
Sandia Minerals, LLC	ORRI
Elanor Jeane Hopper	ORRI
Lacy Dinsmoore Roop 1999 Revocable Management Trust	ORRI
Doris Earline Freeman	ORRI
Young Minerals Company	ORRI
VPD New Mexico Royalty LLC	ORRI

Summary of Attempted Contacts

- Franklin Mountain Energy conducted extensive title work to determine the working interest owners and other interest owners.
- Franklin searched public records, phone directory, and various different types of internet searches.
- Franklin sent well proposal letters to the working interest owners on or around January 28, 2020.
- Franklin sent Joint Operating Agreements to working interest owners on August 6, 2020 to see if they would participate in the wells and/or execute a joint operating agreement.
- Franklin continued to attempt to contact the parties who had not executed an agreement.
- Franklin filed an application to force pool parties who had not entered in to an agreement.
- Franklin's counsel sent notices of the force pooling application to the addresses of record for the uncommitted interest owners.
- Franklin also published notice in a newspaper of general circulation in the county where the wells will be located.





Sent via Certified Mailing Tracking No. 9414 7116 9900 0604 9253 39

January 28, 2020

COG Operating LLC
One Concho Center
600 W Illinois Avenue
Midland, TX 79701

Attn: Land Dept, Delaware Basin

RE:

Judge Baylor Federal 601H and Judge Baylor Federal 701H Well Proposals Township 26 South, Range 35 East, Sections 1 & 12: W/2W/2, 320 acres

Lea County, New Mexico

Dear Working Interest Owner:

Franklin Mountain Energy, LLC ("FME"), as Operator, hereby proposes the drilling and completion of the following wells located in the W/2W/2 of Sections 1 & 12, Township 26 South, Range 35 East:

Well Name	Target Formation	Total Vertical Depth	Measured Depth	SHL	BHL	AFE
Judge Baylor Federal 601H	Bone Spring	11,920'	21,420'	Sec. 1- T26S- R35E 700' FNL 488' FWL	Sec. 12- T26S- R35E 150' FSL 350' FWL	\$11,119,875
Judge Baylor Federal 701H	Wolfcamp	12,208'	21,708'	Sec. 1- T26S- R35E 700' FNL 523' FWL	Sec. 12- T26S- R35E 150' FSL 660' FWL	\$11,119,875

FME's proposed Operating Agreement ("OA") will be forthcoming.

FME reserves the right to modify the locations and drilling plans described above in order to comply with any requirements from a governing regulatory agency or to address any topography, environmental and/or cultural concerns. Should there be any modifications to the plans listed above, FME will notify you.



If you do NOT wish to participate, FME proposes to acquire your interest at the following terms, on a mutually agreeable conveyance form:

Please indicate your elections on the following page and return to Elliot Berard at eberard@fmellc.com or to the address provided below at your earliest convenience. Should you elect to participate, please also return executed versions of the AFE enclosed.

FME looks forward to working with your company on this proposed development and encourages you to call with any questions pertaining to these plans. However, please be advised that, in the near term, FME will file an application for compulsory pooling to pool any uncommitted working interest owners.

Should you have any questions, please contact the undersigned at (720) 414-7865 or by email at the address mentioned above.

Respectfully,

Franklin Mountain Energy, LLC

Elliot Berard Landman

Enclosures



Judge Baylor Federal 601H:
I/We hereby elect to participate in the Judge Baylor Federal 601H well I/We hereby elect NOT to participate in the Judge Baylor Federal 601H well.
Judge Baylor Federal 701H:
I/We hereby elect to participate in the Judge Baylor Federal 701H well I/We hereby elect NOT to participate in the Judge Baylor Federal 701H well.
I/We hereby elect to sell our interest.
Working Interest Owner:
By:
Printed Name:
Title:
Date:



Frauldin Mountain Energy, LLC 2401 E 2nd Avenue, Suite 300 Denver, CO 80206 Phone: 720-414-7868 franklinmountainenergy.com

601H County/State: Lea Co., NM Date Prepared: 1/23/2020 DCE200101 AFE#:

		Intangible Drilling Costs	
Major	Minor		Amount
225	5	ADMINISTRATIVE OVERHEAD	\$35,000
225	10	CASING CREW & EQPT	\$82,000
225	15	CEMENTING INTERMEDIATE CASING	\$88,000
225	16	CEMENTING PRODUCTION CASING	\$77,000
225	20	CEMENTING SUFACE CASING	\$37,000
225	25	COMMUNICATIONS	\$42,000
225	30	COMPLETION FLUIDS	\$25,000
225	34	CONSTRUCTION/LOCATION & ROAD	\$100,000
225	40	CONTRACT LABOR	\$50,000
225	45	DAMAGES	\$15,500
225	50	DAYWORK CONTRACT	\$720,000
225	55	DRILLING - DIRECTIONAL	\$295,000
225	60	DRILLING - FOOTAGE	\$90,000
225	65	DRILLING BITS	\$200,000
225	70	ELECTRICAL POWER\GENERATION	\$0
225	75	ENGINEERING	SC
225	80	ENVIRONMENTAL SERVICES	\$90,000
225	84	EQUIPMENT RENTAL DOWNHOLE	\$125,000
225	85	EQUIPMENT RENTAL	\$150,000
225	90	FISHING TOOLS/SERVICES	\$0
225	95	HEALTH & SAFETY	\$42,000
225	100	HOUSING AND SUPPORT SERVICES	\$50,000
225	105	INSURANCE	\$30,000
225	106	INSPECTIONS	\$32,000
225	11	LEGAL, TITLE SERVICES	\$8,000
225	115	MATERIALS & SUPPLIES	\$10,000
225	120	MISCELLANEOUS	\$25,000
225	125	MOUSE/RATHOLE/CONDUCT PIPE	\$22,000
225	130	MUD & CHEMICALS	\$295,000
225	140	OPENHOLE LOGGING	\$1
225	141	CASED HOLE LOGGING	\$12,00
225	145	PERMITS, LICENSES, ETC	\$30,000
225	150	POWER FUEL & WATER HAULING	\$190,000
225	155	RIG MOVE & RACKING COSTS	\$100,000
225	160	RIG UP TEAR OUT & STANDBY	\$48,00
225	163	SITE RESTORATION	\$20,000
225	165	STAKING & SURVEYING	\$6,00
225	170	SUPERVISION	\$115,50
225	175	SUPERVISION - GEOLOGICAL	\$96,00
225	180	TRANSPORTATION/TRUCKING	\$25,000
225	35	CONTINGENCY 5%	\$168,900
		Total Intangible Drilling Costs:	\$3,546,900

Intangible Completion Costs					
Major	Minor	Description	Amount		
240	- 5	ADMINISTRATIVE OVERHEAD	\$12,500		
240	10	CASED HOLE LOGS & SURVEYS	\$15,000		
240	15	CASING CREW & EOPT	\$0		
240	20	COILED TUBING/SNUBBING UNIT	\$375,000		
240	25	COMMUNICATIONS	\$15,000		
240	30	COMPANY DIRECT LABOR	\$15,000		
240	35	COMPLETION/WORKOVER RIG	\$50,000		
240	45	CONTRACT LABOR/ROUSTABOUTS	\$0		
240	50	DAMAGES/RECLAMATION	\$25,000		
240	55	DISPOSAL SOLIDS	\$0		
240	60	ELECTRICAL POWER\GENERATION	\$0		
240	65	ENVIRONMENTAL/CLEANUP	\$0		
240	70	FISHING TOOLS / SERVICES	\$0		
240	71	FLUIDS/HAULING/DISPOSAL	\$135,000		
240	72	FRAC WATER/COMPLETION FLUID	\$400,000		
240	75	FUEL, POWER/DIESEL	\$300,000		
240	80	HEALTH & SAFETY	\$10,000		
240	85	HOUSING AND SUPPORT SERVICES	\$0		
240	90	MATERIALS & SUPPLIES	\$0		
240	95	MISCELLANEOUS	\$50,000		
240	100	MUD & CHEMICALS	\$0		
240	110	P&A/TA COSTS	\$0		
240	115	PERFORATING/WIRELINE SERVICE	\$450,000		
240	120	PIPE INSPECTION	\$25,000		
240	125	ROAD, LOCATIONS REPAIRS	\$25,000		
240	130	STIMULATION	\$2,750,000		
240	135	SUBSURFACE EQUIPMENTAL RENTAL	\$0		
240	140	SUPERVISION	\$75,000		
240	145	SURFACE EQUIP RENTAL	\$100,000		
240	150	TRANSPORTATION/TRUCKING	\$20,000		
240	155	WATER TRANSFER	\$0		
240	160	WELDING SERVICES	\$0		
	165	WELL TESTING/FLOWBACK	\$100,000		
240	40	CONTINGENCY COSTS 5%	\$246,700		
		Total Intangible Completion Costs:	\$5,194,200		
240 240		CONTINGENCY COSTS 5%	\$246		

Intangible Completion Costs

Tangible Drilling Costs						
Major	Minor	Description	Amount			
230	10	INTERMEDIATE CASING & ATTACHMENTS	\$498,000			
230	20	PACKERS/SLEEVES/PLUGS	\$30,000			
230	25	PRODUCTION CASING & ATTACHMENTS	\$431,000			
230	35	SURFACE CASING & ATTACHMENTS	\$47,000			
230	45	WELLHEAD EQUIPMENT/CASING BOWL	\$75,000			
230	40	TAXES	\$54,050			
		Total Tangible Drilling Costs:	\$1,135,050			

		Tangible Completion Costs	
Major	Minor	Description	Amount
245	5	ARTIFICIAL LIFT	\$250,000
245	10	ENGINEERING	\$10,000
245	15	FLOWLINES	\$10,000
245	25	FRAC STRING	\$50,000
245	40	PACKERS/SLEEVES/PLUGS/GL MANDRELS	\$25,000
245	45	PRODUCTION LINER	\$0
245	50	PRODUCTION PROCESSING FACILITY	\$0
245	55	PRODUCTION TUBING	\$55,000
245	60	RODS/PUMPS	\$0
245	65	SUBSURFACE EQUIPMENT	\$0
245	75	WELLHEAD EQUIPMENT	\$40,000
245	70	TAXES	\$22,000
		Total Tangible Completion Costs:	\$462,000

		Tangible Facility Costs	
Major	Minor	Description	Amount
270	5	COMPRESSOR	\$0
270	10	CONNECTIONS/VALVES/FITTINGS	\$15,000
270	15	CONTAINMENT	\$0
270	25	DEHYDRATOR	\$0
270	30	ELECTRICITY	\$20,000
270	35	FILTERS / COOLERS	\$0
270	40	FLARE / COMBUSTORS	\$25,000
270	45	FLOW METERS	\$40,000
270	50	FLOWLINES / PIPELINE / HOOKUP	\$25,000
270	55	GENERATOR PURCHASE	\$0
270	60	H2S SCAVENGING EQUIPMENT	\$20,000
270	63	HEALTH/SAFETY/ENVIRONMENTAL	\$0
270	63	HEATERS/TREATERS/FREE-WATER KO	\$0
270	66	ROAD/LOCATION/FENCING/REPAIRS	\$10,000
270	75	PRE-FABRICATED HEATER TREATER	\$40,000
270	80	PRE-FABRICATED MEAS. SEPARATOR	\$40,000
270	85	PRE-FABRICATED PIPING MANIFOLD	\$20,000
270	86	PUMPS (SURFACE)	\$20,000
270	90	SAFETY SYSTEM	\$0
270	95	SAFETY SYSTEM EQUIPMENT	\$10,000
270	100	SCADA / CONTROL EQUIPMENT	\$50,000
270	105	SEPARATORS	\$0
270	110	TANKS	\$100,000
270	115	VAPOR RECOVERY	\$0
270	119	WELLHEAD EQUIPMENT	\$15,000
270	125	TAXES	\$22,500
I		Total Tangible Facility Costs:	\$472,500

270	110	TANKS	\$100,000
270	115	VAPOR RECOVERY	\$0
270	119	WELLHEAD EQUIPMENT	\$15,000
270	125	TAXES	\$22,500
		Total Tangible Facility Costs:	\$472,500
Total Di	ill:		\$4,681,950.00
Total Co		m:	\$5,656,200.00
Total Fa			\$781,725.00
Total Do		ible:	\$8,741,100.00
Total De			\$1,597,050.00
-	-		

Intangible Facility Costs					
Major	Minor	Description	Amount		
265	5	CONSULTING	\$25,000		
265	11	COMMUNICATIONS	\$5,000		
265	12	COMPANY DIRECT LABOR	\$0		
265	15	CRANE SERVICES	\$0		
265	20	DAMAGES/ROW	\$10,000		
265	21	DISPOSAL SOLIDS	\$0		
265	25	ENGINEERING / SCIENCE	\$15,000		
265	30	EQUIPMENT INSPECTION & TEST	\$0		
265	34	FLUIDS/HAULING/DISPOSAL	\$10,000		
265	35	FUEL / POWER	\$50,000		
265	40	HEALTH/SAFETY/ENVIRONMENTAL	\$27,000		
265	41	HOUSING AND SUPPORT SERVICES	\$1,500		
265	45	CONTRACT LABOR & SERVICES	\$10,000		
265	55	MISCELLANEOUS	\$0		
265	60	OVERHEAD	\$12,500		
265	70	SURFACE EQUIP INSTALL / LABOR	\$100,000		
265	75	SURFACE RENTAL EQUIPMENT	\$0		
265	80	SURVEY / PLATS / STAKINGS	\$0		
265	85	TRANSPORTATION / TRUCKING	\$25,000		
265	90	WELDING	\$3,500		
265	10	CONTINGENCY COST	\$14,725		
		Total Intangible Facility Costs:	\$309,225		
		Office Use Only:			

Total Tangible Facility Costs:	\$472,500	
Total Drill: Total Completion: Total Facility:	\$4,681,950.00 \$5,656,200.00 \$781,725.00	
Total DC Intangible: Total DC Tangible:	\$8,741,100.00 \$1,597,050.00	
Total AFE:	\$11,119,875.00	
THIS AUTHORITY FOR EXPENDITURE IS BASED ON COST	ESTIMATES, BILLING	WILL REFLECT YOUR PROPORTINATE SHARE OF THE ACTUAL INVOICE COSTS.

Operator Franklin Mountain Energy, LLC Approved By Chief Executive Officer	Date:	1/23/2020	EXHIBIT
WI Owner: Approved By.	Date.		B.7

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 NOS. 21438, 21439, 21440, 21441, 21442, 21443.

A	F	${f F}$	I	D	A	1	V.	ľ	Г

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

Deana M. Bennett, attorney in fact and authorized representative of Franklin Mountain Energy, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application was provided under a notice letter, attached, and that proof of receipt is attached hereto. I also state that notice of the October 8, 2020 hearing was published in the Hobbs News-Sun on September 15, 2020, as reflected in the attached Affidavit of Publication.

Deana M. Bennett

SUBSCRIBED AND SWORN to before me this 2nd day of October, 2020 by Deana M.

Bennett.

Karlene Schuman

Notary Public

My commission expires: 02-27-202

EXHIBIT B.8



September 10, 2020

.50

Deana M. Bennett 505.848.1834 Deana.Bennett@modrall.com

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

Re: APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 21441

TO: AFFECTED PARTIES

This letter is to advise you that Franklin Mountain Energy, LLC ("FME") has filed the above-listed application.

In Case No. 21441, FME seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the **Judge Baylor Fed Com 601H** well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on October 8, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: http://www.emnrd.state.nm.us/OCD/hearings.html.

As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in the case, including the right to present evidence either in support of or in opposition to the

Modrall Sperling Roehl Harris & Sisk P.A.

500 Fourth Street NW Suite 1000 Albuquerque, New Mexico 87102

PO Box 2168 Albuquerque, New Mexico 87103-2168

Tel: 505.848.1800 www.modrall.com application. Failure to appear at the hearing may preclude you from any involvement in the case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely, Willer H Bearing

Deana M. Bennett

Attorney for Applicant

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. 21441

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 Bone Spring horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, 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 W/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico to form a 320-acre, more or less, spacing unit.
- 3. FME plans to drill the **Judge Baylor Fed Com 601H** well to a depth sufficient to test the Bone Spring formation. The well will be horizontally drilled and will be drilled at orthodox locations under the Division's rules.

- 4. FME sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the well or to otherwise commit their interests to the well.
- 5. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.
- 6. FME further requests that it be allowed one (1) year between the time the well is drilled and completion of the well 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 Bone Spring formation underlying a horizontal spacing unit within the W/2 W/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico;
 - B. Designating FME as operator of this unit and the well to be drilled thereon;
- C. Authorizing FME to recover its costs of drilling, equipping and completing the well;
- 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 well in the event a working interest owner elects not to participate in the well;
- F. Allowing a time period of one (1) year between when the well is drilled and completion of the well under the order issued by the Division.

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

By:

Deana M. Bennett Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800 Attorneys for Applicant CASE NO. 21441 : 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 Bone Spring horizontal spacing unit underlying the W/2 W/2 of Sections 1 and 12, Township 26 South, Range 35 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the Judge Baylor Fed Com 601H well, to be horizontally drilled. The producing area for the well will be orthodox. Also to be considered will be the cost of drilling and completing said well, 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 well, and a 200% charge for risk involved in drilling said well, and allowing a one year period between when the well is drilled and completion of the well. Said area is located approximately 8 miles Southwest from Jal, New Mexico.

PS Form 3877

Type of Mailing: CERTIFIED MAIL 09/10/2020

Karlene Schuman Modrall Sperling Roehl Harris & Sisk P.A. 500 Fourth Street, Suite 1000 Albuquerque NM 87102

No 21438, 21441, 21443

Firm Mailing Book ID: 194987

ده	01.	01.	01.	91.	01.	01.	91.	91.	01.	91.	91.	01.	01.	
Reference Contents	10154.0001. Notice	10154.0001. Notice	10154.0001. Notice	10154.0001. Notice	10154.0001. Notice	10154.0001. Notice	10154.0001. Notice	10154.0001. Notice	10154.0001. Notice	10154.0001. Notice	10154.0001 Notice	10154.0001 Notice	10154.0001 Notice	
Rest.Del.Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$86.45
RR Fee	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	Srand Total:
Service Fee	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$3.55	\$46.15 Grand
Postage	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$1.40	\$18.20
Name, Street, City, State, Zip	Chevron U.S.A. Inc. 6301 Deauville Blvd. Midland TX 79706	United States of America, BLM 301 Dinosaur Trail Santa Fe NM 87508	Devon Energy Production Co., L.P. 333 West Sheridan Ave. Oklahoma City OK 73102	COG Operating LLC 600 W. Illinois Ave. Midland TX 79701	VPD New Mexico LLC 2100 McKinney Ave. Dallas TX 75201	Green Ribbon, Inc. 828 East Edgehill Road Salt Lake City UT 84013	Bernard A. Winer and Grace S. Winer, As Trustees 4758 SW Eddy St. Seattle WA 98136	David N. Grimes P.O. Box 2006 Midland TX 79702	Elanor Jeane Hopper 3102 Sentinel Drive Midland TX 79701	Lacy Dinsmoore Roop 1999 Revocable 3109 C.R. 264 Breckenridge TX 76424	Doris Earline Freeman 505 Apple Tree Court Saginaw TX 76179	Young Minerals Company 200 Bailey Ave., Suite 102 Fort Worth TX 76107	VPD New Mexico Royalty LLC 2100 McKinney Ave., Suite 1770 Dallas TX 75201	Totals:
USPS Article Number	9314 8699 0430 0074 8010 26	9314 8699 0430 0074 8010 33	9314 8699 0430 0074 8010 40	9314 8699 0430 0074 8010 57	9314 8699 0430 0074 8010 64	9314 8699 0430 0074 8010 71	9314 8699 0430 0074 8010 88	9314 8699 0430 0074 8010 95	9314 8699 0430 0074 8011 01	9314 8699 0430 0074 8011 18	9314 8699 0430 0074 8011 25	9314 8699 0430 0074 8011 32	9314 8699 0430 0074 8011 49	
Line	_	2	8	4	5	9	7	∞	6	10	11	12	13	

List Number of Pieces Listed by Sender

Total Number of Pieces Received at Post Office

Postmaster:
Name of receiving employee RCC'D BY WH

Page 1 2020 Watz CertifiedPro.net

13

31

	Transaction Repoi Firm Mai Generated: 1	Transaction Report Details - CertifiedPro.net Firm Mail Book ID= 194987 Generated: 10/2/2020 10:20:24 AM	o.net				
USPS Article Number	Date Created Name 1	City	State	Zip	Mailine Status	Service Ontions	Mail Doliver Deta
9314869904300074801149	2020-09-10 9:57 AM VPD New Mexico Royalty LLC	Dallas	논	75201	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020
9314869904300074801132	2020-09-10 9:57 AM Young Minerals Company	Fort Worth	¥	76107	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020
9314869904300074801125	2020-09-10 9:57 AM Doris Earline Freeman	Saginaw	¥	76179	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020
9314869904300074801118	2020-09-10 9:57 AM Lacy Dinsmoore Roop 1999 Revocable	Breckenridge	¥	76424	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020
9314869904300074801101	2020-09-10 9:57 AM Elanor Jeane Hopper	Midland	¥	79701	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020
9314869904300074801095	2020-09-10 9:57 AM David N. Grimes	Midland	¥	79702	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020
9314869904300074801088	2020-09-10 9:57 AM Bernard A. Winer and Grace S. Winer, As Trustees	s Seattle	WA	98136	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020
9314869904300074801071	2020-09-10 9:57 AM Green Ribbon, Inc.	Salt Lake City	5	84013	Undelivered	Return Receipt - Electronic, Certified Mail	
9314869904300074801064	2020-09-10 9:57 AM VPD New Mexico LLC	Dallas	¥	75201	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020
9314869904300074801057	2020-09-10 9:57 AM COG Operating LLC	Midland	¥	79701	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020
9314869904300074801040	2020-09-10 9:57 AM Devon Energy Production Co., L.P.	Oklahoma City	ŏ	73102	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020
9314869904300074801033	2020-09-10 9:57 AM United States of America, BLM	Santa Fe	ΣZ	87508	Delivered	Return Receipt - Electronic, Certified Mail	09-11-2020
9314869904300074801026	2020-09-10 9:57 AM Chevron U.S.A. Inc.	Midland	Ķ	90/6/	Delivered	Return Receipt - Electronic, Certified Mail	09-14-2020

Affidavit of Publication

STATE OF NEW MEXICO COUNTY OF LEA

News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s). Daniel Russell, Publisher of the Hobbs

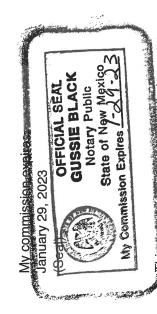
Beginning with the issue dated September 15, 2020 and ending with the issue dated September 15, 2020.

Publisher

Sworn and subscribed to before me this 15th day of September 2020. Sworn and

Gus,

Business Manager



legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said Phis newspaper is duly qualified to publish

CASE NO 21443: Notice to all affected parties, as well as the heirs and devises of Chevron USA, Inc.; United States of America, BLM: Devon Energy Production Co.; LP.; COG Operating, LEC, VPD New Mexical LC. Green Ribbon, Inc.; Bernard A. Winer and Grace S. Winer, as Trustee of the Bernard and Crace Winer, Living Trust dated 10,32607; David N. Ciffness, Elanor Jeane Hopper, Lacy Dinsmoore Roop 1999 Revocable Management Trust, Doris Earline Freeman Young Mineras Company, VPD New Mexico, Royalty, LLC of Franklin Mountain Energy, LLC's application for computsory pooling, Lea County, New Mexico, The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on October 8, 2020 to consider this application Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal spacing unit underlying the Wiz Wiz of Sections I and 12. Township 26 South, Range 35. East, NMPM, Laa Count; New Mexico. This spacing unit will be dedicated to the Judge Baylor Fed Com Zotth Well, 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 well and a 200% change for risk involved in drilling and completion of the well saried seprecing well; said series is located approximately 8 miles Southwest from Jal. New Mexico.

CASE NO. 2144: Notice to all affected parties, as well as the heirs and devises of chevron U.S.A. Inc.; United States of America, BLM; Devon Energy Production Co., I.P. COG Operating LLC; WPD New Maxico LLC; Green Ribbon, Inc.; Bernard A Wine, and Grace S. Winer as: Trustess of the Bernard and Grace Winer Living Trust dated 10/3/2007; Devid Notes Bernard and Grace Winer Living Trust dated 10/3/2007; Devid Notes Bernard and Grace Winer Living Trust dated 10/3/2007; Devid Notes Bernard and Grace Winer Living Trust dated 10/3/2007; Devid Notes Bernard and Grace Winer Living Trust dated 10/3/2007; Devid Notes Maxico Royalty LLC; COG Production LLC; Malaga Royalty, LLC; Consan Resource Spilling Company, LLC; JP Morgan Vermines Energy LLC; applicant Seasource Partners Drilling Fund. L.P. of Franklin Mountain Energy, LLC; a application for computing Development Seasource Partners Drilling Fund. L.P. of Franklin Mountain Energy, LLC; a spplication for computing Development Seasource Partners Drilling Fund. L.P. of Franklin Mountain Energy, LLC; a spplication for computing the Molicamp horizontal spacing unit underlying the W/2 E/2 and the E/2 W/2 of Sections; i and 12 and the Busison pooling all uncommitted mineral interests willing a Wolfcamp horizontal spacing unit underlying the W/2 E/2 and the E/2 W/2 of Sections; i and 12 and the NW4 NR4 of Sections. Sections: I and 12 and the NW4 NR4 of Sections. Ted Com 703H wells, to be horizontal spacing unit will overlag an existing 243-acrd spacing unit for the Wolfcamp formation, which is approved under Division of proximity tracts within the proposed standard horizontal spacing unit. The production of proximity tracts within the proposed standard horizontal spacing unit. The production of these costs as a well as the actual operating sand charges for supervision, designation of Franklin Meuriain operating socks and charges for supervision designation of Franklin Meuriain operating socks and charges for supervision designation of Franklin Meuriain space.

September 15, 2020

CASE NO. 21438: Notice to all affected parties, as well as the heirs and devisees of Chevron USA, Inc.; United States of America; BLM; Devon Energy Production Co.; L.P.; COG Operating, LLC; VPD New Maxico LLC; Green Ribbon, Inc.; Bernard A. Winer and Grace S. Winer; as Trustees of the Bernard and Grace Winer Living Trust dated 10/3/2007; David N. Grimes; Elanor Jeane Hopper: Lacy Dinsmoore Roop 1999 Revocable Nanagement Trust; Dorts Earline Freeman; Young Minerals Company; VPD New Mexico Royalty, LLC of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico. The State of New Mexico through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearling at 8:15 a.m. on October 8: 2020; to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the EZ WW.2 of Sections 1 and 12 and the NEA NW/4 of Section 13, Township 26 South, Range 35 East; NWPM. Lea County, New Mexico. This spacing unit will be dedicated to the Bus Driver Fed Come 602H well, to be horizontally drilling and completing said well, 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 well said area is located approximately 8 miles Southwest from Jal, New Mexico.

CASE NO. 21439: Notice to all affected parties, as well as the heirs and devisees of Chevron U.S.A. Inc.; United States of America; BLM, Devon Energy Production Co., L.P.; COG Operating LLC; WPD New Mexico-LLC; Green Ribbon. Inc.; Bernard Winer and Grace S. Winer as Trusteds of the Bernard and Grace Winer as Trusteds of the Bernard and Grace Winer as Trusteds of the Bernard and Grace Winer Living Trust dated.10/32007; David N. Grimes; Elanor Jeane Hopper; Lacy Dinsmoore Roop 1999 Revocable Management Trust; Doris Earline Freeman; Young Minerals Company, VPD New Mexico, Grown IV. BS; LLC; Marathon Oil Permian LLC; Collins & Jones Investments, LLC; Marros Minerals II, LLC; LMC Energy, LLC; Gerard G. Vavrek; Jesse A. Faught, Jr; H. Jason Wacker; Oak Crlown IV, LLC; Gerard G. Vavrek; Jesse A. Faught, Jr; H. Jason Wacker; Oak Calley, Mineral and Land"LP; David W. Cromwell; Kaleb Smith; Mike Moylett; Deane Durham of Franklin Mountain Energy, LLC; a application for compulsory; pooling; Lea County, New Mexico, The State of New Mexico, through its Oil Conservation Division hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on October 8, 2020, to consider this application. Applicant seeks an order from the Division seeks an order from the Division will conduct a public hearing area for the well will be dedicated to the LHS Wildcat Fed Compositions of the well, the allocation of these costs as well as the actual operating costs; and charges for supervision, designation of Franklin Mountain Energy, LLC; as a dilowing a one year period between when the well; saile actual operating costs; and allowing a one year period between when the well is dilled and completing seek well. Said area is located approximately 8 miles Southwest from 381. New Wexico.

CASE NO. 21440: Notice to all affected parties, as well as the heirs and devisees of Chevron U.S.A. Inc.; United States of America; BLM; Devon Energy Production Co.. L.P.; COG Operating LLC; VPD New Mexico LLC; Green Ribbon, Inc.; Bernard Wiher and Grace S. Winer as Trustees of the Bernard and Grace Winer Living Trust dated 10/3/2007; David N. Grimes; Elanor Jeane Hopper: Lacy Dinsmoore Roop 1999 Revocable Management Trust; Doris Earline Freeman; Young Minerals Company; VPD New Mexico Royalty LLC; Marathon Oil Permian LLC; Crown Oil Partners LP; Post Dak Crown IV, LLC; Coullins & Jones Investments, LLC; Mavros Minerals III, LLC; LMC Energy, LLC; Gerard G, Vavrek; Jesse A. Faught, Jr; H. Jason Wacker; Oak Valley Mineral and Land; LP; Post Dak Cromwell; Kaleb Smith, Mike Moylett; Deane Durham of Franklin Mountain Mexico. The State of New Mexico, Infough its Oil Conservation Division; hereby gives hotice that the Division will conduct a public hearing at 8:15 a.m.; on October 8; 2020, to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Wolfcamp horizontal Spacing unit underlying the EZ EZ of Sections, 1 and 12. Township 26 South, Range 35 East; NMFM; Lac County, New Mexico: This spacing unit underlying the EZ EZ of Sections. This spaceng unit will be orthodox. Also to be considered will be the actual operating costs and charges for supervision, designation of Franklin Mountain Energy, LLC as operator of the well; in and a 260% charge to: risk involved in drilling and completion of the well; Said area is located approximately 8 miles Southwest from Jai, New Mexico.

CASE NO. 21441: Notice to all affected parties, as well as the heirs and devisees of Chevron USA, Inc.; United States of America, BLM; Devon Energy Production Co., L.P.; COG Operating, LLC; VPD New Mexico LLC; Green Ribbon, Inc.; Bernard A. Winer and Grace S. Winer, as Trustees of the Bernard and Grace Winer. Living Trust dated 10/3/2007; David N. Grimes; Elanor Jeane Hopper: Lacy Dinsmoore Roop 1999 Revocable Nanagement Trust; Doris Earline Freeman; Young Minerals Company. VPD New Mexico Royalty, LLC of Franklin Mountain Energy, LLC's application for compulsory pooling, Lac County; New Mexico. The State of New Wexico, through its Oil Conservation Division, Mail conduct a public hearing at 815 a.m. on October 8; 2020; to consider this application. Applicant seeks an order from the Division pooling all unconfinited mineral interests within a Bone Spring horizontal spacing unit will be dedicated to the Judge-Baylor Fed Com 601H well, to be horizontally drilled. The producing area for therewell will be orthodox. Also to be considered will be the cost of drilling and corribiding said well; and a 200% charge for risk involved in drilling said well; and a allowing a one year period between when the well is drilled and completity of the well; Said area is located approximately. 8 miles: Southwest from Jai. New Mexico.

CASE NO. 21442: Notice to all affected parties, as well as the heirs and devisees of Chevron U.S.A. Inc.; United States of America; BLM; Devon Energy Production Co., L.P.; CGC Operating LLC; VPD New Mexico LLC; Green Ribbon, Inc.; Bernard A Winer and Grace S. Winer, as Trustees of the Bernard and Grace Winer LC; VPD New Mexico LLC; Green Ribbon, Inc.; Bernard A Winer and Grace S. Winer, as Trustees of the Bernard and Grace Winer Lasy Dismoore Roop 1999 Revocable Management Trust; Dorls Earline Freeman; Young Minerals Company; VPD New Mexico Royalty, LLC; COG Production LLC; Managa Royalty, LLC; Cod Production LLC; Managa Royalty, LLC; Malaga EF7; LLC of Franklin Mountain Energy, LLC's application for compulsory pooling, Lea County, New Mexico, the State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division will conduct a public hearing at 8:15 a.m. on October 8:2020; to consider this application. Applicant seeks an order from the Division pooling all uncommitted mineral interests within a Bone Spring horizontal spacing unit underlying the Wize Ezo of Sections; fand 12, and the NW/4 NEW of Section 13. Township 26 South-Range 35 East, NMFM; Lea County, New Mexico. This spacing unit will be the cost of drilling and completing said well, 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 well; and a 200% charge for Lisk involved in drilling said well, and allowing a one year period between where the well is drilled and completion of the well. Said area is located approximately?

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

APPLICATION OF FRANKLIN MOUNTAIN ENERGY, LLC FOR COMPUSLORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 21441 (W/2 W/2 Bone Spring)

AFFIDAVIT

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

Ben Kessel, being duly sworn, deposes and states:

- 1. I am over the age of 18, I am a geologist for Franklin Mountain Energy, LLC ("Franklin"), and have personal knowledge of the matters stated herein. I have previously testified before the Oil Conservation Division ("Division") and my credentials as an expert petroleum geologist were accepted by the Division as a matter of record.
- 2. My area of responsibility at Franklin includes the area of Lea County in New Mexico.
 - 3. I am familiar with the application filed by Franklin in this case.
- 4. **Exhibit 9** is a locator map showing the approximate location of the proposed unit in relation to the Capitan Reef.
- 5. **Exhibit 10** is a wellbore schematic showing Franklin's development plan, which includes the well at issue in this case and the wells proposed in Case Numbers 21438-21440 and 21442-21444.

- 6. The exhibits behind **Tab 11** is the geology study I prepared for the **Judge Baylor Fed Com 601H** well.
- 7. **Exhibit 11-A** is structure map of top of the Third Bone Spring Sand. The proposed project area is identified by a pink box. The Judge Baylor Fed Com 601H well is the pink dashed line identified by the box labeled "1". The contour interval used this exhibit is 25 feet. This exhibit shows that the structure dips gently to the south.
- 8. **Exhibit 11-B** identifies five wells in the vicinity of the proposed well, shown by a line of cross-section running from A to A'.
- 9. **Exhibit 11-C** is a stratigraphic cross section hung on the Wolfcamp top. The well logs on the cross-section give a representative sample of the Third Bone Spring Sand formation in the area. The target zone is identified by the words "Producing Zone" and the shaded area across the cross section. I have also identified where the Judge Baylor Fed Com 601H well falls within the wells I used for cross-section.
 - 10. In my opinion, the gross interval thickness thickens slightly from north to the south.
- 11. **Exhibit 10-D** is a Gross Interval Isochore of the Third Bone Spring Sand. The gross interval thickness thickens slightly from north to the south.
 - 12. I conclude from the maps that:
 - a. The horizontal spacing unit is justified from a geologic standpoint.
 - b. There are no structural impediments or faulting that will interfere with horizontal development.
 - c. Each quarter quarter section in the proposed unit will contribute more or less equally to production.

- 13. **Exhibit 12** provides an overview of the stress orientation in the area based on the 2018 Snee-Zoback paper.
- $14. \hspace{1.5cm} \text{The preferred well orientation in this area is either north/south or south/north.}$ This is because the S_{Hmax} is at approximately 265 degrees in this area of Lea County.
- 15. Exhibits 9-12 were prepared by me or under my supervision or compiled from company business records.
- 16. In my opinion, the granting of Franklin's application is in the interests of conservation and the prevention of waste.

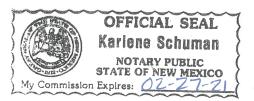
[Signature page follows]

Ben Kessel

SUBSCRIBED AND SWORN to before me this 5th day of October, 2020 by Ben Kessel, on behalf of Franklin Mountain Energy, LLC.

Notary Public

My commission expires: 02 - 27 - 21

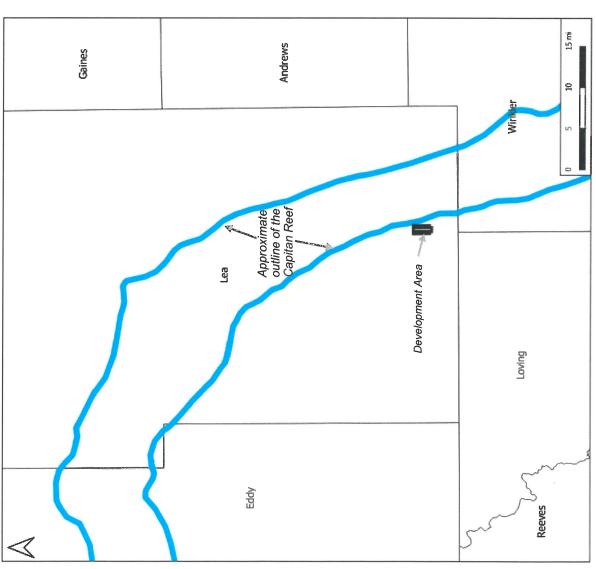


Locator Map

Case Nos. 21438, 21439, 21440, 21441, 21442, 21443 and 21444

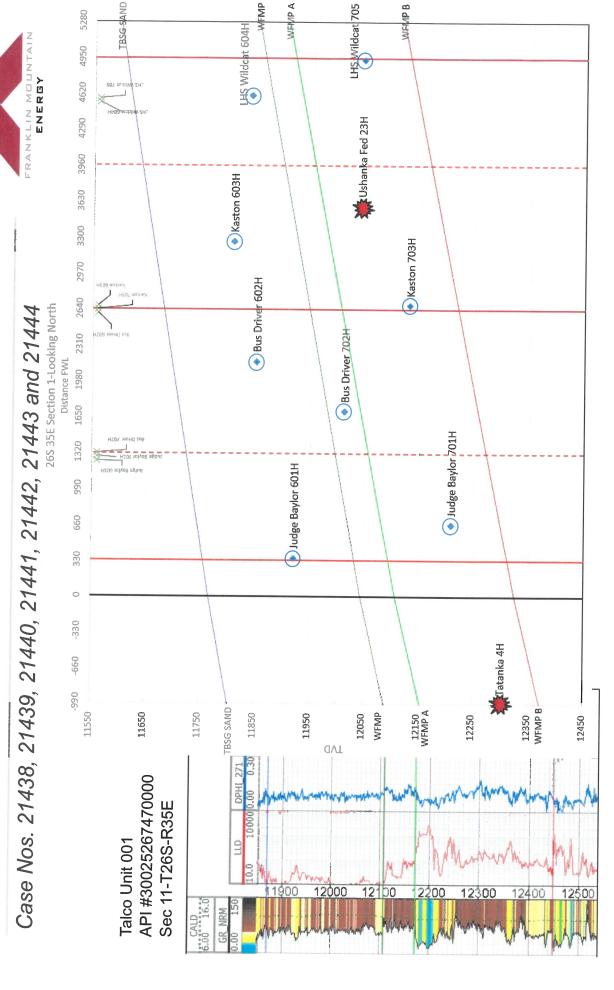


- Black box shows the location of the development area
- Planned wells are located outside of the western edge of the Capitan Reef



https://www.twdb.texas.gov/publications/reports/contracted_reports/doc/0804830794CapitanReef/Final%20Revised%20Capitan%20PDF%20w_Seals.pdf

Wellbore Schematic





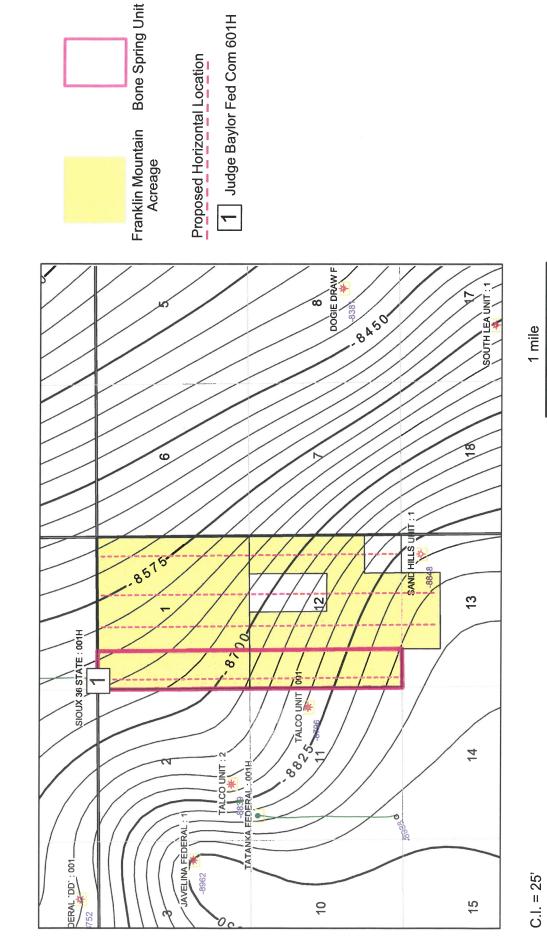
Proposed Lateral

Case No. 21441: Judge Baylor Fed Com 601H Bone Spring

Third Bone Spring Structure Map (SSTVD)

Case No. 21441: Judge Baylor Fed Com 601H

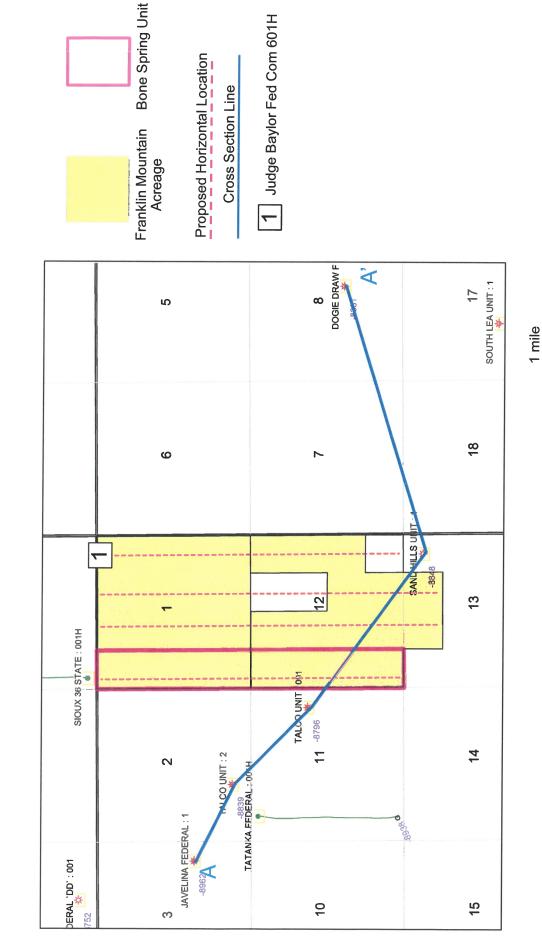




Third Bone Spring Cross Section Reference Map

Case No. 21441: Judge Baylor Fed Com 601H





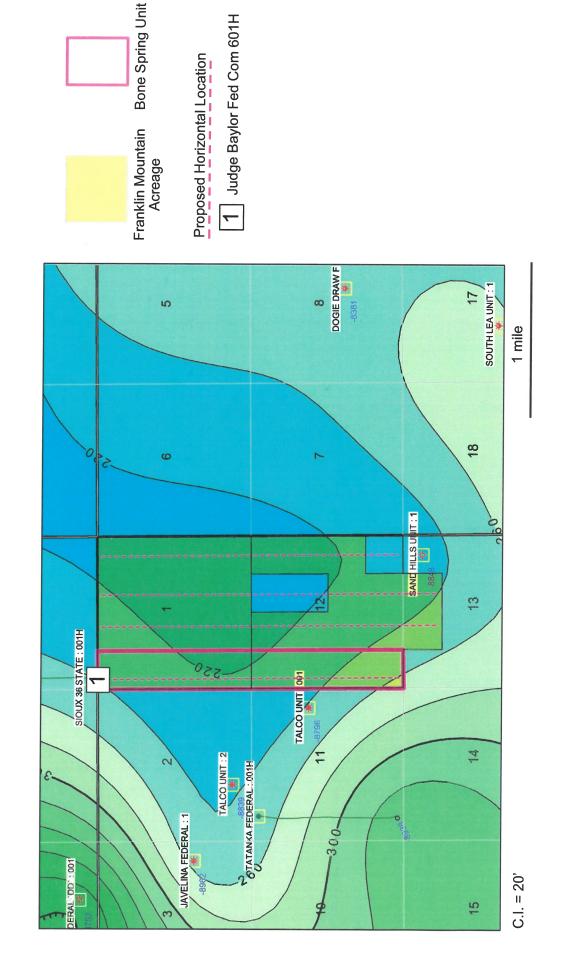
- Producing Interval - MOUNTAIN ERGY SAND HILLS UNIT 1 DOGIE DRAW FED 1 30025086890000 30025247190000 11300 11500 11600 9612 ft 12200 12100 12400 11900 12000 12300 6608 ft TALCO UNIT 001 30025267470000 1250 12400 Third Bone Spring Sand Cross Section 3741 ft TALCO UNIT 2 30025276140000 1.366 12200 11900 12100 12600 12400 2952 ft JAVELINA FEDERAL 1 30025286440000 12100 12200 o 12300 Offset: TBSG_SAND

Judge Baylor Fed Com 601H

Third Bone Spring Sand Isochore Map

Case No. 21441: Judge Baylor Fed Com 601H





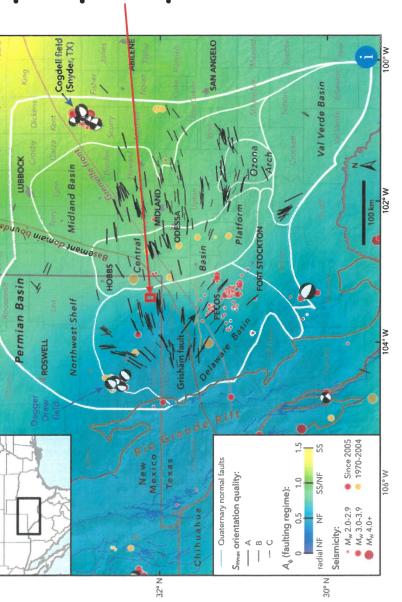
Regional Stress

Case Nos. 21438, 21439, 21440, 21441, 21442, 21443 and 21444





- Reported local S_{Hmax} (Snee and Zoback, 2018) direction is ENE, around 265°
- Development wells are planned to drill N-S, nearly orthogonal to S_{hmax}, optimal for induced fracture propagation



Snee, J.L. and Zoback, M.D., 2018, State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity: The Leading Edge, 37, no. 2

http://www.tleonline.org/theleadingedge/february 2018/MobilePagedArtic