



## NEWS RELEASE

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### **Franklin Mountain Energy Announces Acquisition of New Mexico Acreage and Signing of Definitive Purchase Agreement for Acreage from OneEnergy Partners Operating, LLC**

EL PASO, September 26, 2018

Franklin Mountain Energy, LLC (“FME”), a newly-formed affiliate of Franklin Mountain Capital, announced the acquisition of approximately 8,321 acres in Lea and Eddy Counties, New Mexico, via two separate transactions. On September 6<sup>th</sup>, FME acquired 4,041 acres in the Bureau of Land Management (“BLM”) New Mexico Oil and Gas Lease Sale. On September 25<sup>th</sup>, FME announced that its affiliate had entered into a definitive agreement with OneEnergy Partners Operating, LLC (“OEP”) to acquire its existing operations and leasehold, totaling approximately 4,280 net acres in Lea and Eddy Counties. Approximately 77% of the acreage is operated, with a non-operated position in Eddy County. OEP is a portfolio company of Carnelian Energy Capital, a Houston-based energy investment firm.

Paul Foster, Chairman of FME, commented, “We are very excited about these acquisitions and the start of FME’s footprint in the Delaware Basin. The combined acreage from these two acquisitions has made FME the largest private contiguous acreage holder across two of Lea County’s geologically-rich townships with a net revenue interest of 87.5% on over half of our operated acreage. With mostly undeveloped federal acreage and multiple geologic targets, we have hundreds of potential long lateral drilling locations, many high-pressure oil-weighted benches to develop, and the opportunity to utilize central facilities and multi-well pad development. Additionally, we see further opportunities to unlock value through joint ventures and midstream opportunities.”

The OEP acquisition is expected to close by the end of October. At that time, FME will assume control of all OEP producing assets, which include four wells located in Lea County. FME will have 28 permits approved or in process, representing thirteen proration units across five different geologic targets: 1st Bone Spring, 3rd Bone Spring, Wolfcamp XY, Wolfcamp A and Wolfcamp B.

The BLM acreage acquisition was funded with cash and the OEP acquisition will also be funded with cash. FME plans to establish a more permanent capital structure to fund its ongoing drilling program and provide the necessary working capital.

RBC Capital Markets, LLC acted as exclusive financial advisor and Pillsbury Winthrop Shaw Pittman LLP acted as counsel to Franklin Mountain Energy for the OEP acquisition.

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### **About Franklin Mountain Energy**

Franklin Mountain Energy, LLC (“FME”) is an El Paso, Texas-based, private company focused on investments and operations in the upstream and midstream sectors of the energy industry. With a primary focus on the Permian Basin, FME seeks to acquire assets of value and profitable companies that have potential for improvement and growth. FME is 100% owned by its Principals.

For additional information: <http://franklinmountainenergy.com>