

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

Case: 23274	APPLICANT'S RESPONSE
Date: March 8, 2023	
Applicant	Earthstone Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Earthstone Operating, LLC (331165)
Applicant's Counsel:	Padilla Law Firm
Case Title:	Application of Earthstone Operating, LLC, for compulsory pooling in Lea County, New Mexico.
Entries of Appearance/Intervenors:	Michael Feldewert/MRC & XTO
Well Family	Thunderball Fed Com Unit
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Lea; Bone Spring Pool (37570)
Well Location Setback Rules:	Standard
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 (E/2 of Section 23)
Building Blocks:	quarter-quarter sections
Orientation:	South to North
Description: TRS/County	Township 19 South, Range 34 East, Section 23, E/2
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	Yes, Standard Horizontal Spacing Unit.
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes, W2E2 Section 23, T19S-R34E
Proximity Defining Well: if yes, description	Thunderball Fed Com 324H will be completed 275' from the W2E2/E2E2 qtr-qtr lines.
Applicant's Ownership in Each Tract	Exhibit A-3 pages 23-24
Well(s)	
Well #1	Thunderball Fed Com 113H: 30-025-50423 SHL: 617' FNL & 1682' FEL of Section 26-19S-34E BHL: 50' FNL & 1705' FEL of Section 23-19S-34E Completion Target: Bone Spring, 1st Bench Well Orientation: South to North Completion Located expected: Standard

	<p>Thunderball Fed Com 114H: 30-025-50424 SHL: 617' FNL & 1592' FEL of 26-19S-34E BHL: 50' FNL & 385' FEL of Section 23-19S-34E Completion Target: Bone Spring, 1st Bench Well Orientation: South to North Completion Located expected: Standard</p>
Well #3	<p>Thunderball Fed Com 323H: 30-025-50425 SHL: 617' FNL & 1742' FEL of Section 26-19S-34E BHL: 50' FNL & 2,310' FEL of Section 23-19S-34E Completion Target: Bone Spring, 3rd Bench Well Orientation: South to North Completion Located expected: Standard</p>
Well #4	<p>Thunderball Fed Com 324H: 30-025-50426 SHL: 617' FNL & 1,652' FEL of 26-19S-34E BHL: 50' FNL & 1,045' FEL of Section 23-19S-34E Completion Target: Bone Spring, 3rd Bench Well Orientation: South to North Completion Located expected: Standard</p>
Well #5	<p>Thunderball Fed Com 223H: 30-025-50427 SHL: 617' FNL & 1,712' FEL of Section 26-19S-34E BHL: 50' FNL & 1,705' FEL of Section 23-19S-34E Completion Target: Bone Spring, 2nd Bench Well Orientation: South to North Completion Located expected: Standard</p>
Well #6	<p>Thunderball Fed Com 224H: 30-025-50428 SHL: 617' FNL & 1,622' FEL of Section 26-19S-34E BHL: 50' FNL & 385' FEL of Section 23-19S-34E Completion Target: Bone Spring, 2nd Bench Well Orientation: South to North Completion Located expected: Standard</p>
Horizontal Well First and Last Take Points	Exhibit A-2 C-102's pages 5-22
Completion Target (Formation, TVD and MD)	Exhibit A-2 C-102's pages 5-22
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,500
Production Supervision/Month \$	\$750
Justification for Supervision Costs	See Exhibit
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C pages 2-12
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C pages 18-25
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C page 26

Ownership Determination

Land Ownership Schematic of the Spacing Unit	Exhibit A pages 23-24
Tract List (including lease numbers and owners)	Exhibit A pages 23-24
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	
Pooled Parties (including ownership type)	Exhibit A pages 25-26
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None

Joinder

Sample Copy of Proposal Letter	Exhibit A pages 25-26
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A pages 23-24
Chronology of Contact with Non-Joined Working Interests	Exhibit A pages 33-34
Overhead Rates In Proposal Letter	Exhibit A pages 25-26
Cost Estimate to Drill and Complete	Exhibit A pages 27-32
Cost Estimate to Equip Well	Exhibit A pages 27-32
Cost Estimate for Production Facilities	Exhibit A pages 27-32

Geology

Summary (including special considerations)	Exhibit B pages 1-3
Spacing Unit Schematic	Exhibit B page 6
Gunbarrel/Lateral Trajectory Schematic	Exhibit B page 11
Well Orientation (with rationale)	Exhibit B pages 6-9
Target Formation	Exhibit B page 10
HSU Cross Section	Exhibit B page 10
Depth Severance Discussion	n/a

Forms, Figures and Tables

C-102	Exhibit A pages 5-22
Tracts	Exhibit A pages 23-24
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A pages 23-24
General Location Map (including basin)	Exhibit B page 6
Well Bore Location Map	Exhibit B page 6
Structure Contour Map - Subsea Depth	Exhibit B pages 6-9
Cross Section Location Map (including wells)	Exhibit B page 10
Cross Section (including Landing Zone)	Exhibit B page 10

Additional Information

Special Provisions/Stipulations

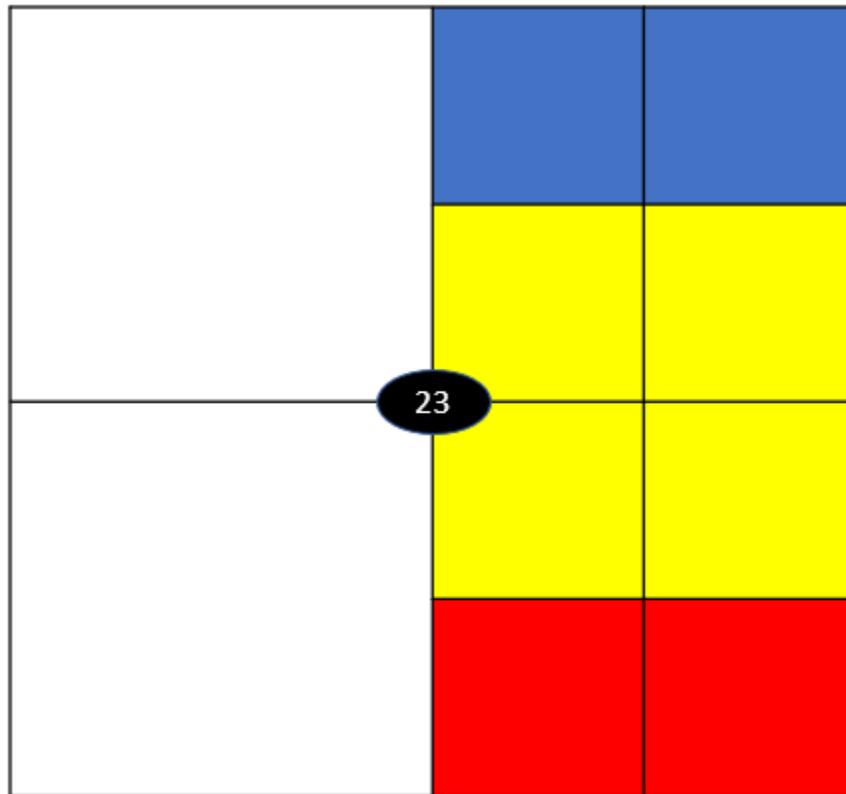
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.

Printed Name (Attorney or Party Representative):	Ernest L. Padilla
Signed Name (Attorney or Party Representative):	
Date:	3/8/2023

THUNDERBALL FED COM 113H
THUNDERBALL FED COM 114H
THUNDERBALL FED COM 223H
THUNDERBALL FED COM 224H
THUNDERBALL FED COM 323H
THUNDERBALL FED COM 324H

E2 of Section 23

Township 19 South, Range 34 East, Lea County New Mexico



-  Tract 1
-  Tract 2
-  Tract 3

TRACT 1 OWNERSHIP (NM-77002)

XTO Holdings, LLC	100.000000%
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TRACT 2 OWNERSHIP (NM-77002)

Earthstone Permian LLC	71.250000%
PBEX, L.L.C.	<u>28.750000%</u>
	100.000000%

TRACT 3 OWNERSHIP (NM-21172)

MRC Delaware Resources, LLC	100.000000%
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SPACING UNIT OWNERSHIP

Earthstone Permian, LLC	35.625000%
PBEX, LLC	14.375000%
XTO Holdings, LLC	25.000000%
MRC Delaware Resources	<u>25.000000%</u>
	100.000000%

WORKING INTEREST OWNERS TO POOL

PBEX, LLC
XTO Holdings, LLC
MRC Delaware Resources

OVERRIDING ROYALTY OWNERS TO POOL

Armstrong Energy Corporation
Scolado, LLC
Celia Goodrich Stivason
Shannon Titzel
Peter Balog, Trustee of the Balog Family Trust, dated 8/15/2002
Cargoil and Gas Company, LLC
Lenox Mineral Title Holdings, Inc.
Shogoil and Gas Company II, LLC
Valorie Faye Walker, Trustee of the Jack V. Walker Revocable Trust, dated 5/21/1981