

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

**APPLICATION OF EARTHSTONE OPERATING, LLC,
FOR A HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

Case No. 23476

PREHEARING STATEMENT

Earthstone Operating, LLC (“Earthstone”), OGRID No. 331165, through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

APPEARANCES

APPLICANT

Earthstone Operating, LLC

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

In Case No. 23476, Earthstone seeks an order (1) establishing a standard 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Sections 7 and 18, all in Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. Sections 7 and 18 are irregular sections with correction lots, but there are no such lots in the proposed unit.

Earthstone proposes and dedicates to the HSU two initial wells: the **Outland 18-7 State Com 112H Well** and the **Outland 18-7 State Com 212H Well**, to be drilled to a sufficient depth to test the Bone Spring formation.

Earthstone proposes the **Outland 18-7 State Com 112H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 18 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 7.

Earthstone proposes the **Outland 18-7 State Com 212H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 18 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 7.

The proposed wells will be orthodox in their locations, and the take points and completed intervals comply with setback requirements under the statewide rules.

APPLICANT'S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Amanda Redfearn	Approx. 10 min	Approx. 6
Geologist: Jason J. Asmus	Approx. 10 min	Approx. 5

PROCEDURAL MATTERS

Earthstone requests that, for purposes of the hearings, Case Nos. 23476 and 23478 be consolidated as they involve units within the same sections. No protests or objections have been filed and Earthstone does not anticipate any at this time; consequently, Earthstone plans to conduct the hearing by affidavit.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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Attorneys for Earthstone Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on April 27, 2023:

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/s/ Darin C. Savage

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 211429

QUESTIONS

Operator: Earthstone Operating, LLC 1400 Woodloch Forest; Ste 300 The Woodlands, TX 77380	OGRID: 331165
	Action Number: 211429
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	2
Testimony time (in minutes)	20