

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

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

Case Nos. 23476 & 23478

NOTICE OF FILING: REVISED AND UPDATED EXHIBITS

Earthstone Operating, LLC, (“Earthstone”) through its undersigned attorneys, hereby submits for filing the attached Exhibits: Exhibit 1 – the Revised Exhibit A-2 showing ownership in Case No. 23476; Exhibit 2 – the Revised Exhibit A-2 showing ownership in Case No. 23478; and Exhibit 3 – the Self-Affirmed Statement of Additional Notice, which includes a copy of the Notice Letters sent to TWR IV, LLC, an ORRI owner, as well as the updated Affidavits of Publication.

After a hearing on the above-referenced Cases before the Oil Conservation Division (“Division”) on May 4, 2023, the Division provided Earthstone the opportunity to revise the original Exhibit A-2s (Ownership) and cure a remaining issue regarding notice to TWR IV, LLC, and ORRI owners. Earthstone accomplished these remaining items as follows:

1. Providing revised Exhibit A-2s for both Cases that show Earthstone Permian LLC as committed, attached hereto as Exhibits 1 and 2.
2. Providing a “Self-Affirmed Statement of Additional Notice” that confirms additional Notice Letters were sent and that Notice was published in order to account for TWR IV, LLC. The “Self-Affirmed Statement of Additional Notice” along with a copy of the Notice Letters, mailing report, and updated Affidavits of Publication are attached hereto as Exhibit 3.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ *Darin C. Savage*

Darin C. Savage

Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

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 May 16, 2023:

Michael H. Feldewert - mfeldewert@hollandhart.com
Adam G. Rankin - agrankin@hollandhart.com
Julia Broggi - jbroggi@hollandhart.com
Paula M. Vance - pmvance@hollandhart.com

***Attorneys for Devon Energy Production Company, L.P.
and MRC Permian Company***

/s/ Darin C. Savage

Darin C. Savage

Revised Exhibit A-2 for Case 23476

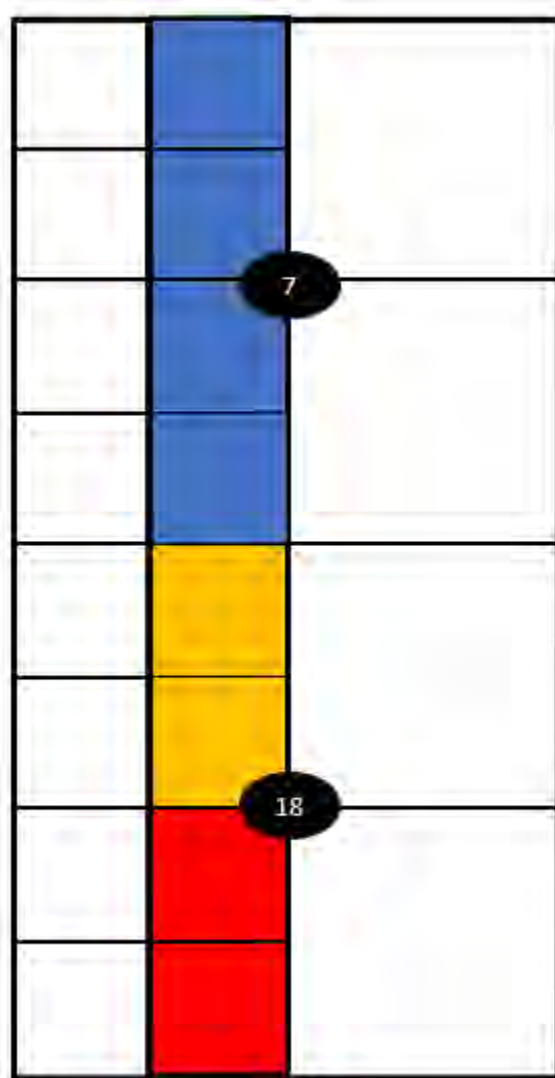
Outland 18-7 State Com 112H

Outland 18-7 State Com 212H

E2W2 of Section 18, Township 21 South – Range 35 East

E2W2 of Section 7, Township 21 South – Range 35 East

Lea County, New Mexico



- Tract 1
- Tract 2
- Tract 3

Revised Exhibit A-2 (Ownership) for Case 23476

EXHIBIT 1

TRACT 1 OWNERSHIP (B0-1399-24)Working Interest:

Earthstone Permian LLC	74.750125%	Committed
Devon Energy Production Company, LP	25.000000%	Uncommitted
Timothy R. MacDonald	0.187500%	Uncommitted
Maverick Oil & Gas Corporation	<u>0.062375%</u>	Uncommitted
	100.000000%	

TRACT 2 OWNERSHIP (B0-1400-27)Working Interest:

Earthstone Permian LLC	74.812500%	Committed
Devon Energy Production Company, LP	25.000000%	Uncommitted
Timothy R. MacDonald	0.140625%	Uncommitted
Maverick Oil & Gas Corporation	<u>0.046875%</u>	Uncommitted
	100.000000%	

TRACT 3 OWNERSHIP (V0-5917-3)Working Interest:

Earthstone Permian LLC	49.916666%	Committed
Devon Energy Production Company, LP	50.000000%	Uncommitted
Timothy R. MacDonald	0.062500%	Uncommitted
Maverick Oil & Gas Corporation	<u>0.020834%</u>	Uncommitted
	100.000000%	

SPACING UNIT OWNERSHIP

Earthstone Permian LLC	68.5573540%
Devon Energy Production Company, LP	31.2500000%
Timothy R. MacDonald	0.1445310%
Maverick Oil & Gas Corporation	<u>0.0481150%</u>
	100.000000%

WI PARTIES TO POOL

Devon Energy Production Company, LP
Timothy R. MacDonald
Maverick Oil & Gas Corporation

ORRI PARTIES TO POOL

TWR IV, LLC
Beverly Jean Renfro Barr, Trustee of the Family Trust created U/W/O Richard Kevin Barr
Nearburg Producing Company, for the benefit of Nearburg Producing Company Employee Fund

Uncommitted Working Interest Owners seeking to Compulsory Pool

Revised Exhibit A-2 for Case 23478

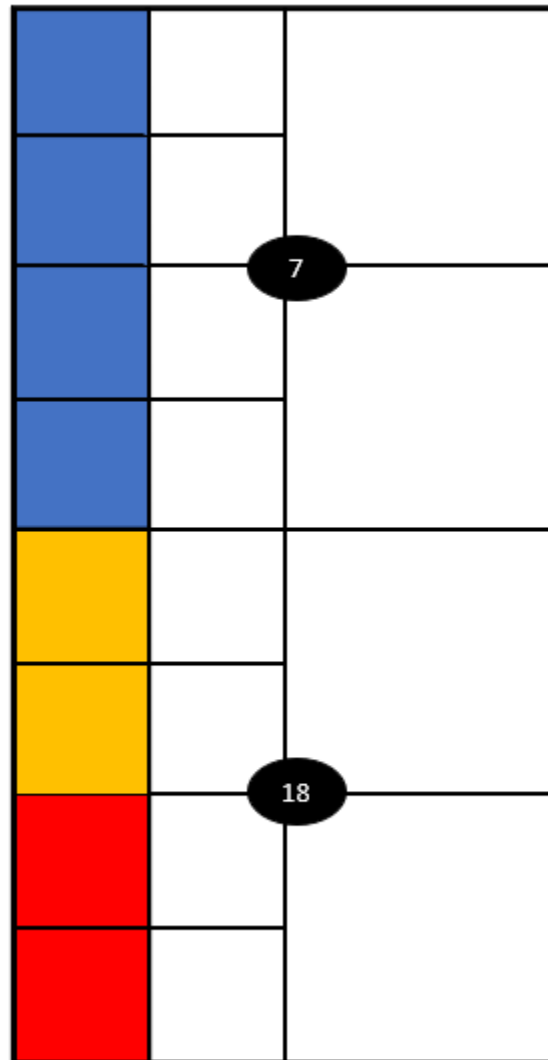
Outland 18-7 State Com 111H

Outland 18-7 State Com 221H

Lots 1-4 of Section 18, Township 21 South – Range 35 East

Lots 1-4 of Section 7, Township 21 South – Range 35 East

Lea County, New Mexico



- Tract 1
- Tract 2
- Tract 3

Revised Exhibit A-2 (Ownership) for Case 23478

EXHIBIT 2

TRACT 1 OWNERSHIP (B0-1399-24)Working Interest:

Earthstone Permian LLC	74.750125%	Committed
Devon Energy Production Company, LP	25.000000%	Uncommitted
Timothy R. MacDonald	0.187500%	Uncommitted
Maverick Oil & Gas Corporation	<u>0.062375%</u>	Uncommitted
	100.000000%	

TRACT 2 OWNERSHIP (B0-1400-30)Working Interest:

Earthstone Permian LLC	74.812500%	Committed
Devon Energy Production Company, LP	25.000000%	Uncommitted
Timothy R. MacDonald	0.140625%	Uncommitted
Maverick Oil & Gas Corporation	<u>0.046875%</u>	Uncommitted
	100.000000%	

TRACT 3 OWNERSHIP (V0-5917-3)Working Interest:

Earthstone Permian LLC	49.916666%	Committed
Devon Energy Production Company, LP	50.000000%	Uncommitted
Timothy R. MacDonald	0.062500%	Uncommitted
Maverick Oil & Gas Corporation	<u>0.020834%</u>	Uncommitted
	100.000000%	

SPACING UNIT OWNERSHIP

Earthstone Permian LLC	68.5390754%
Devon Energy Production Company, LP	31.2684211%
Timothy R. MacDonald	0.1444243%
Maverick Oil & Gas Corporation	<u>0.0480792%</u>
	100.000000%

WI PARTIES TO POOL

Devon Energy Production Company, LP
Timothy R. MacDonald
Maverick Oil & Gas Corporation

ORRI PARTIES TO POOL

TWR IV, LLC
Beverly Jean Renfro Barr, Trustee of the Family Trust created U/W/O Richard Kevin Barr
Nearburg Producing Company, for the benefit of Nearburg Producing Company Employee Fund

Uncommitted Working Interest Owners seeking to Compulsory Pool

**STATE OF NEW MEXICO
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**APPLICATIONS OF EARTHSTONE OPERATING,
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Case Nos. 23476 & 23478

SELF-AFFIRMED STATEMENT OF ADDITIONAL NOTICE

I, Darin C. Savage, attorney and authorized representative of Earthstone Operating, LLC, (“Earthstone”), the Applicant herein, being first duly sworn, upon oath, states the following:

1. Additional notice of the hearing for the above-reference Cases was timely sent by certified mail, return receipt requested, through the United States Postal Service on April 28, 2023, to TWR IV, LLC, an ORRI owner. A copy of the Notice Letters and mailing can be reviewed in the attached pages.

2. An updated Notice by Publication was sent to the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, and timely published in said newspaper on May 3, 2023. A copy of the updated notice by publication, as published, can be viewed in the attached pages.

3. I understand that this Self-Affirmed Statement will be used as written testimony before the Division in the above-referenced Cases and affirm that my testimony herein is true and correct to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

/s/ Darin Savage

Darin C. Savage

EXHIBIT 3



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Nebraska	Kansas
Montana	Wyoming
Oklahoma	California
	North Dakota

April 28, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Earthstone Operating, LLC, for a horizontal
spacing unit and compulsory pooling, Lea County, New Mexico
Outland 18-7 State Com 112H Well (Case No. 23476)
Outland 18-7 State Com 212H Well (Case No. 23476)

Case Nos. 23476:

Dear Interest Owners:

This letter is to advise you that Earthstone Operating, LLC ("Earthstone"), has filed the enclosed application, Case No. 23476, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units in the Bone Spring formation.

In Case No. 23476, Earthstone seeks to pool the Bone Spring formation underlying the E/2 W/2 of Sections 7 and 18, all in Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the above-referenced 112H and 212H Wells.

A hearing has been requested before a Division Examiner on May 4, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/oed/hearing-info/> or call (505) 476-3441.

abadieschill.com

214 McKenzie Street, Santa Fe, New Mexico, 87501

O : 970.385.4401 • F : 970.385.4901

You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Pre-hearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Amanda Redfearn at (281) 771-3048 or at amanda@earthstoneenergy.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

Attorney for Earthstone Operating, LLC



For the Pursuit of Energy

ABADIE | SCHILL PC

Colorado	New Mexico
Louisiana	Texas
Nebraska	Kansas
Montana	Wyoming
Oklahoma	California
	North Dakota

April 28, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Earthstone Operating, LLC, for a horizontal
spacing unit and compulsory pooling, Lea County, New Mexico
Outland 18-7 State Com 111H Well (Case No. 23478)
Outland 18-7 State Com 221H Well (Case No. 23478)

Case Nos. 23478:

Dear Interest Owners:

This letter is to advise you that Earthstone Operating, LLC ("Earthstone"), has filed the enclosed application, Case No. 23478, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units in the Bone Spring formation.

In Case No. 23478, Earthstone seeks to pool the Bone Spring formation underlying Lots 1 through 4 (W/2 W/2 equivalent) of Sections 7 and 18, all in Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, a standard unit encompassing 285 acres, more or less, dedicated to the above-referenced 111H and 221H Wells.

A hearing has been requested before a Division Examiner on May 4, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/oed/hearing-info/> or call (505) 476-3441.

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214 McKenzie Street, Santa Fe, New Mexico, 87501

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You are being notified as an interest owner (subject to title examination) and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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If you have any questions about this matter, please contact Amanda Redfearn at (281) 771-3048 or at amanda@earthstoneenergy.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Darin C. Savage', written over a horizontal line.

Darin C. Savage

Attorney for Earthstone Operating, LLC

Mail Activity Report - CertifiedPro.net Mailed from 5/1/2023 to 5/12/2023 User Name: abadieschill Generated: 5/12/2023 9:17:14 AM									
USPS Article Number	Date Mailed	Name 1	Address 1	City	State	Zip	Mailing Status	Service Options	
9314869904300107442424	05/01/2023	TWR IV, LLC	3724 Hulen St.	Fort Worth	TX	76107	Delivered	Return Receipt - Electronic, Certified Mail	



May 2, 2023

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:
9314 8699 0430 0107 4424 24.

Item Details

Status: Delivered, Left with Individual
Status Date / Time: May 1, 2023, 12:07 p.m.
Location: FORT WORTH, TX 76107
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Recipient Name: TWR IV LLC

Shipment Details

Weight: 6.0oz

Destination Delivery Address

Street Address: 3724 HULEN ST
City, State ZIP Code: FORT WORTH, TX 76107-6816

Recipient Signature

Signature of Recipient:

RE 740
C19

Address of Recipient:

3724
Hulen

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 4221.4

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs 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).

Beginning with the issue dated
May 03, 2023
and ending with the issue dated
May 03, 2023.



Publisher

Sworn and subscribed to before me this
3rd day of May 2023.



Business Manager

My commission expires
January 29, 2027



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

LEGAL NOTICE May 3, 2023

CASE No. 23476: Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include MAVERICK OIL & GAS CORP.; TIMOTHY R. MACDONALD; CYNTHIA MAE WILSON, TRUSTEE OF THE BYPASS TRUST, CREATED BY THE WILL OF SCOTT EVANS DATED 7/17/12; BEVERLY JEAN RENFRO BARR, TRUSTEE OF THE FAMILY TRUST CREATED BY THE WILL OF RICHARD KEVIN BARR; and TWR IV, LLC; of EARTHSTONE OPERATING, LLC's application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on May 4, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441. The hearing on May 4, 2023, may be further continued to address any notice issues. Earthstone Operating LLC, at 1400 Woodloch Forest Dr., Suite 300, The Woodlands, TX 77380, seeks an order from the Division: (1) establishing a standard 320.00-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 mineral interests in the Bone Spring formation, designated as an oil pool, underlying the unit. Sections 7 and 18 are irregular with correction lots but there are no such lots in the proposed unit. The proposed wells to be dedicated to the horizontal spacing unit are the **Outland 18-7 State Com 112H Well** and the **Outland 18-7 State Com 212H Well**, both oil wells, 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 wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles northwest of Eunice, New Mexico.

#00278254

67115820

00278254

DAVID SESSIONS
ABADIE SCHILL
555 RIVERGATE LANE 84-180
DURANGO, CO 81301

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs 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).

Beginning with the issue dated
May 03, 2023
and ending with the issue dated
May 03, 2023.



Publisher

Sworn and subscribed to before me this
3rd day of May 2023.



Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

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

LEGAL NOTICE May 3, 2023

CASE No. 23478: Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include MAVERICK OIL & GAS CORP.; TIMOTHY R. MACDONALD; CYNTHIA MAE WILSON, TRUSTEE OF THE BYPASS TRUST, CREATED BY THE WILL OF SCOTT EVANS DATED 7/17/12; BEVERLY JEAN RENFRO BARR, TRUSTEE OF THE FAMILY TRUST CREATED BY THE WILL OF RICHARD KEVIN BARR; and TWR IV, LLC; of EARTHSTONE OPERATING, LLC's application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on May 4, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441. The hearing on May 4, 2023, may be further continued to address any notice issues. Earthstone Operating LLC, at 1400 Woodloch Forest Dr., Suite 300, The Woodlands, TX 77380, seeks an order from the Division: (1) establishing a standard 285.00-acre, more or less, spacing and proration unit comprised of Lots 1 through 4 (W/2 W/2 equivalent) of Sections 7 and 18, all in Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation, designated as an oil pool, underlying the unit. Sections 7 and 18 are irregular and contain correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the **Outland 18-7 State Com 111H Well** and the **Outland 18-7 State Com 221H Well**, both oil wells, 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 NW/4 NW/4 (Lot 1) of Section 7. The wells will be orthodox, and the take points and completed intervals will comply with the setback requirements under statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 15 miles northwest of Eunice, New Mexico.
#00278258

67115820

00278258

DAVID SESSIONS
ABADIE SCHILL
555 RIVERGATE LANE 84-180
DURANGO, CO 81301