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

#### APPLICATION OF EARTHSTONE OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24272

#### **EXHIBIT INDEX**

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Mark Hajdik
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-4	Sample Ratification Form
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Chris Reudelhuber
B-1	Resume
B-2	Regional Locator Map
B-3	Cross Section Location Map
B-4	Second Bone Spring Subsea Structure Map
B-5	Stratigraphic Cross-Section
B-6	Gun Barrel Development Plan
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
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C-4 Affidavit of Publication from February 23, 2024

## **COMPULSORY POOLING APPLICATION CHECKLIST**

Case: 24272	APPLICANT'S RESPONSE
Date	March 21, 2024
Applicant	Earthstone Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID # 331165
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	
	Application of Earthstone Operating, LLC for Compulsory Pooling, Lea County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Lea South
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Lea; Bone Spring, South (Code 37580)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160-acre
Building Blocks:	quarter-quarter
Orientation:	South/North
Description: TRS/County	E/2 E/2 of Section 25, Township 20 South, Range 34 East, Lea County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is</u> approval of non-standard unit requested in this application?	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Weil(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	Lea South 25 Fed Com 2BS (API # pending) SHL: 398' FSL & 266' FEL (Unit P), Section 25, T20S-R34E BHL: 50' FNL & 380' FEL (Unit A), Section 25, T20S-R34E Completion Target: Second Bone Spring Sand
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4

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Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	
	N/A
Joinder	
Sample Ratification Form	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact	Exhibit A-5
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-4
Cross Section Location Map (including wells)	Exhibit B-3
Eress Saction ling High 1972128 39.08 40 AM	Exhibit B-5

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Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provid	ed in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	3/19/2024

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

#### APPLICATION OF EARTHSTONE OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24272

#### SELF-AFFIRMED STATEMENT OF MARK HAJDIK

1. I am a landman with Permian Resources Operating, LLC ("Permian Resources"). Perman Resources recently acquired Earthstone Operating, LLC ("Earthstone"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. Copies of Earthstone's application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit; therefore I do not expect any opposition at hearing.

4. Earthstone seeks an order pooling uncommitted interests in the Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 25, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit").

5. The Unit will be dedicated to the Lea South 25 Fed Com 2BS 14H well ("Well"), which will be drilled from a surface hole location in the SE4 SE/4 (Unit P) to a bottom hole location in the NE/4 NE/4 (Unit A). The Well will be completed in the Pool LEA; BONE SPRING, SOUTH (Code 37580).

6. The completed interval of the Well will be orthodox.

7. **Exhibit A-2** contains the C-102 for the Well.

8. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Earthstone seeks to pool highlighted in yellow. All of the parties are locatable. Earthstone is only seeking to pool record title lease owners for purposes of obtaining a communitization agreement from the Bureau of Land Management.

9. Earthstone has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.

10. **Exhibit A-4** contains a sample ratification form that was sent to the record title owners of the federal leases.

11. In my opinion, Earthstone made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-5**.

12. Earthstone is not seeking to recover costs, a risk penalty, or overhead rates from the record title lease owners who are being pooled.

13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

14. In my opinion, the granting of Earthstone's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

15. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury

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under the laws of the State of New Mexico. My testimony is made as of the date next to my electronic signature below.

ht Mark Hajdik

<u>3/18/24</u> Date

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

#### APPLICATION OF EARTHSTONE OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24272

#### **APPLICATION**

Pursuant to NMSA § 70-2-17, Earthstone Operating, LLC ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 25, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). In support of its application, Applicant states the following:

1. Earthstone Operating, LLC (OGRID No. 331165) is a working interest owner in the Unit and has the right to drill wells thereon.

2. The Unit will be dedicated to the Lea South 25 Fed Com 2BS 14H well ("Well"), which will be drilled from a surface hole location in the SE/4 SE/4 (Unit P) to a bottom hole location in the NE/4 NE/4 (Unit A).

3. The completed interval of the Well will be orthodox.

4. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 7, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as the operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Earthstone Operating, LLC in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

#### HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com *Counsel for Earthstone Operating, LLC*  Application of Earthstone Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Earthstone Operating, LLC ("Applicant") seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 25, Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). Applicant seeks to dedicate the Unit to the Lea South 25 Fed Com 2BS 14H well ("Well"), which will be drilled from a surface hole location in the SE/4 SE/4 (Unit P) to a bottom hole location in the NE/4 NE/4 (Unit A). The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 25 miles west of Hobbs, New Mexico.

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

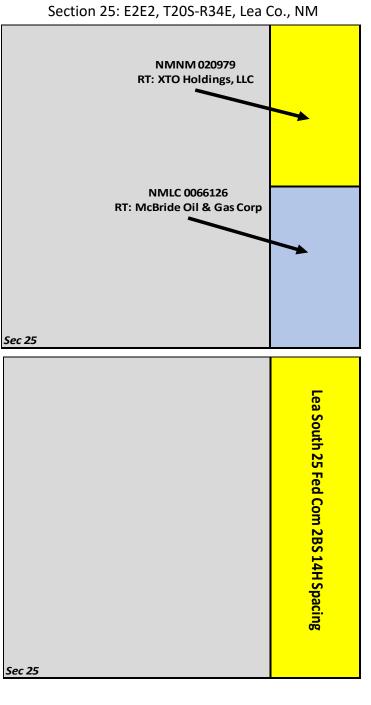
AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT <sup>2</sup> Pool Code <sup>3</sup> Pool Name <sup>1</sup> API Number 30-025-52184 LEA; BONE SPRING, SOUTH 37580 <sup>4</sup> Property Code <sup>5</sup> Property Name <sup>6</sup> Well Number 332580 LEA SOUTH 25 FED COM 2BS 14H <sup>7</sup> OGRID No. 8 Operator Name <sup>9</sup> Elevation 331165 EARTHSTONE OPERATING, LLC 3756.8 <sup>10</sup> Surface Location UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County Р 20 S 34 E 398 SOUTH 266 EAST LEA 25 "Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County 34 E 50 NORTH 380 A 25 20 S EAST LEA <sup>12</sup> Dedicated Acres <sup>13</sup> Joint or Infill 14 Consolidation Code 15 Order No. 160

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.

				<sup>17</sup> OPERATOR CERTIFICATION
		LEA SOUTH_25 FE		I hereby certify that the information contained herein is true and complete
		EL. = 3	3756.8	to the best of my knowledge and belief, and that this organization either
		GEODETIC COORDINATES NAD 27 NMSP EAST	GEODETIC COORDINATES NAD 83 NMSP EAST	owns a working interest or unleased mineral interest in the land including
		SURFACE LOCATION N.= 560363.67	SURFACE LOCATION N.= 560425.93	the proposed bottom hole location or has a right to drill this well at this
		E.= 755104.59 LAT. = 32.5378235'N	E.= 796286.09 LAT. = 32.5379472'N	location pursuant to a contract with an owner of such a mineral or working
		LONG. = 103.5055452 W	$LONG. = 103.5060323^{\circ}W$	interest, or to a voluntary pooling agreement or a compulsory pooling order
© ®	کی BOTTOM OF HOLE LTP	FIRST TAKE POINT 100' FSL, 380' FEL NAD 27 NMSP EAST N.= 560065.08 E.= 754993.35 LAT. = 32.5370052'N LONG. = 103.5059136'W	FIRST TAKE POINT 100' FSL, 380' FEL NAD 83 NMSP EAST N.= 560127.33 E.= 796174.86 LAT. = 32.5371289'N LONG. = 103.5064008'W	heretofore entered by the division. Signature JENNIFER ELROD
©		LAST TAKE POINT 100' FNL, 380' FEL NAD 27 NMSP EAST N.= 565144.55 E.= 754948.25 LAT.= 32.5509674'N LONG.= 103.5059319'W	LAST TAKE POINT 100' FNL, 380' FEL NAD 83 NMSP EAST N.= 565206.97 E.= 796129.61 LAT.= 32.5510912'N LONG.= 103.5064196'W	Printed Name <u>JELROD@EARTHSTONEENERGY.COM</u> E-mail Address
		BOTTOM OF HOLE NAD 27 NMSP EAST N.= 565194.54 E.= 754947.81 LAT.= 32.5511048'N LONG.= 103.5059321'W	BOTTOM OF HOLE NAD 83 NMSP EAST N.= 565256.96 E.= 796129.16 LAT.= 32.5512286'N LONG.= 103.5064198'W	<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by
		CORNER COORD		me or under my supervision, and that the same is true
	266'	A - N.= 565247.8		and correct to the best of my belief.
© ©	FTP 6	B - N.= 565224.8 C - N.= 565202.0 D - N.= 562564.2 E - N.= 559922.9 F - N.= 559945.4 G - N.= 559945.4 H - N.= 562605.1	00 E.= 750045.45 10 E.= 750064.94 16 E.= 750084.23 10 0 E.= 752729.19 15 E.= 755374.15	AUGUST 23, 2022 Date of Survey
		CORNER COORD NAD 83 NM A N.E 565310.2 B N.E 565310.2 C N.E 565264.2 C N.E 56264.4 D N.E 56264.5 E N.E 559985.1 F N.E 560007.6 G N.E 560030.1 H N.E 562667.5	$\begin{array}{rrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrr$	Signature and Seal of Protectional Surveyor: Certificate Number: Development LAB AMILLO LS 12797

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Land	l Exł	nibit	: E2	E2 -	Lea	Sou	ıth	<u>25</u>	Fed	Com	2BS	<u>14H</u>
	-		-	-	-		-			_		

	Documents Sent				
Owner Pooling?		Proposal	JOA	Com Agmt	Notes
Earthstone Permian LLC	NA	NA	NA	NA	
Nearburg Exploration Company, LLC	Y	Y	NA	Y	Pooling insofar as needed for Com Agreement
Trajan Development Company	Y	Y	NA	Y	Pooling insofar as needed for Com Agreement
Joe N. Gifford	Y	Y	NA	Y	Pooling insofar as needed for Com Agreement
Tobosa Exploration, Inc.	Y	Y	NA	Y	Pooling insofar as needed for Com Agreement
Cimarex Energy Co.	Y	Y	NA	Y	Pooling insofar as needed for Com Agreement
XTO Holdings, LLC	Y	NA	NA	Y	Pooling insofar as needed for Com Agreement
McBride Oil & Gas Corp	Y	NA	NA	Y	Pooling insofar as needed for Com Agreement

Tract Ownership				
Tracts				
Owner	Sec 25: E2NE	Sec 25: E2SE		
Earthstone Permian LLC	80.803%	25.000%		
Nearburg Exploration Company, LLC	13.000%	0.000%		
Trajan Development Company	4.000%	0.000%		
Joe N. Gifford	2.000%	0.000%		
Tobosa Exploration, Inc.	0.197%	0.000%		

Cimarex Energy Co.	0.000%	75.000%
XTO Holdings, LLC	RT	NA
McBride Oil & Gas Corp	NA	RT

Ownership Capitulation			
Owner	Lea South 14H Well		
Earthstone Permian LLC	52.902%		
Nearburg Exploration Company, LLC	6.500%		
Trajan Development Company	2.000%		
Joe N. Gifford	1.000%		
Tobosa Exploration, Inc.	0.098%		
Cimarex Energy Co.	37.500%		
XTO Holdings, LLC	RT		
McBride Oil & Gas Corp	RT		

#### Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 1st day of January, 2023, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 20 South, Range 34 East, N.M.P.M. Section 25: E2E2 Lea County, New Mexico

Containing **160.00** acres, and this agreement shall include only the Bone Spring Formation underlying said lands and the

crude oil and associated natural gas hereafter referred to as "communitized substances," producible from such formation.

- 2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
- 3. The Operator of the communitized area shall be Earthstone Operating, LLC, whose address is 1400 Woodloch Forest Drive, Suite 300, The Woodlands, Texas 77380. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the lessees of record and operating rights owners in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue

from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized

area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
- The date of this agreement is January 1, 2024, and it shall become effective as of 10. this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.

- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. <u>Nondiscrimination</u>. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Earthstone Operating, LLC

Operator

By:

Patrick Godwin Vice President – Land

### ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF

On this \_\_\_\_\_day of \_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Patrick Godwin, known to me to be the Vice President – Land of Earthstone Operating, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

SS.

(SEAL)

My Commission Expires

Notary Public

#### LESSEES OF RECORD AND OPERATING RIGHTS OWNERS

I, the undersigned, hereby certify, on behalf of Earthstone Operating, LLC, Operator of this Communitization Agreement, that all lessees of record and operating rights owners shown on Exhibit B attached to this Agreement are, to the best of my knowledge, the working interest owners of the leases subject to this Agreement, and that the written consents of all of the named owners have been obtained and will be made available to the BLM immediately upon request.

Date: \_\_\_\_\_

By: \_\_\_\_\_

Patrick Godwin Vice President - Land

#### ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF \_\_\_\_\_

On this \_\_\_\_\_day of \_\_\_\_\_\_, 2024, before me, a Notary Public for the State of Texas, personally appeared Patrick Godwin, known to me to be the Vice President – Land of Earthstone Operating, LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

SS.

(SEAL)

My Commission Expires

Notary Public

.

#### **OPERATING RIGHTS OWNERS**

#### CIMAREX ENERGY COMPANY

By:	
Name:	
Title:	
Date:	

#### NEARBURG EXPLORATION COMPANY

By:	
Name:	
Title:	
Date:	

#### TRAJAN DEVELOPMENT COMPANY

By:	
Name:	
Title:	
Date:	

#### TOBOSA EXPLORATION, INC.

By:	
Name:	
Title:	
Date:	

#### **CORWIN E. MYERS**

By:	
Name:	
Title:	
Date:	

#### JOE N. GIFFORD

#### **RECORD TILTE OWNERS**

#### **XTO HOLDINGS LLC**

By:	
Name:	
Title:	
Date:	

#### MCBRIDE OIL & GAS CORP

By:	
Name:	
Title:	
Date:	

#### ACKNOWLEDGEMENTS

Notary Public, State of \_\_\_\_\_

## EXHIBIT "A"

Plat of communitized area covering **160.00** acres in the E/2 E/2 of Section 25, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Lea South 25 Fed Com 2BS 14H

25		1	
		2	

#### EXHIBIT "B"

To Communitization Agreement Dated January 1, 2024 embracing the following described land in the E/2 E/2 of Section 25, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area: Earthstone Operating, LLC

#### **DESCRIPTION OF LEASES COMMITTED**

#### Tract No. 1

Lease Serial Number:	NMNM 20979
Effective Date:	June 1, 1974
Lease Term:	Ten (10) Years from date
Lessor:	United States of America
Original Lessee:	Exxon Corporation
Present Lessee:	XTO Holdings LLC
Description of Land Committed:	Township 20 South, Range 34 East, N.M.P.M.
	Section 25: E2NE4
Number of Gross Acres:	80.00
Royalty Rate:	12.5%
Working Interest Owners:	Earthstone Permian LLC – 80.13667%
C C	Nearburg Exploration Company, LLC – 13.00%
	Trajan Development Company – 4.00%
	Joe N. Gifford – 2.00%
	Corwin E. Myers – 0.6666666%
	Tobosa Exploration, Inc. – 0.196664%
ORRI Name and Interest:	XTO Holdings, LLC – 6.25%
	Cleta Fern Sweatt Sander, for life, remainder in
	Equal parts to Deborah Ann Carson and Julie
	Norris Martinez – 1.9375%
	Sharon Stallter Putnam – 0.8125%
	Sandra Sue Boyd, for life, remainder to Beverly
	Michelle Hayley – 1.125%
	James W. Mulloy – 0.5625%
	Estate of Thelma C. Bolch – 0.5625%
	Nearburg Exploration Company, LLC – 0.605%
	Louis J. Mazzulo – 0.605%
	The Assignees & Successors identified in Book
	522, Page 177, Miscellaneous Records, and
	their successors in interest $-5.00\%$
	Nearburg Producing Co, f/b/o the Nearburg
	Producing Employee Fund – 0.738293%

#### Tract No. 2

Lease Serial Number: Effective Date: Lease Term: Lessor: Original Lessee: Present Lessee: Description of Land Committed:

Number of Gross Acres: Royalty Rate: Working Interest Owners:

ORRI Name and Interest:

NMLC 066126 March 1, 1951 Ten (10) Years from date United States of America Ernest A. Hanson McBride Oil & Gas Corp Township 20 South, Range 34 East, N.M.P.M. Section 25: E2SE4 80.00 12.5% Earthstone Permian LLC – 25.00% Cimarex Energy Co. – 75.00% Doris F. Burton Revocable Trust dated November 14, 2022 – 2.00% Babe Development, LLC – 1.00% Joyco Investments, LLC – 1.00% Sue Hanson McBride - 1.00% Julie Scott McBride – 1.00% Douglas Ladson McBride, III – 1.00% McBride Oil & Gas Corporation – 5.50%

Received by OCD: 3/19/2024 8:56:16 AM

## **RECAPITULATION**

Tract Numbers	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract No. 1	80.00	50.00%
Tract No. 2	80.00	50.00%
Total	160.00	100%



#### Lea South 25 14H – Chronology of Communication

January 8, 2024 – Well proposals and Com Agreement sent out to all parties (proposed under previously agreed upon JOA)

Election responses received by all partes on:

- January 15, 2024
- January 23, 2024
- February 7, 2024
- February 13, 2024
- February 15, 2024

No Com signatures provided by pooled owners\*

Earthstone Operating, LLC Case No. 24272 Exhibit A-5

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

#### APPLICATION OF EARTHSTONE OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24272

#### SELF-AFFIRMED STATEMENT OF CHRIS REUDELHUBER

1. I am a Development Geologist with Permian Resources Operating, LLC ("Permian Resources"). Permian Resources recently acquired Earthstone Operating, LLC ("Earthstone"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). I have a MS Geosciences degree from Texas Tech University and have worked in the petroleum industry for approximately 5 years. A copy of my resume is attached as **Exhibit B-1**.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-2** is a regional locator map that identifies the Lea South project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing unit that is the subject of this application.

4. **Exhibit B-3** is a cross section location map for the proposed horizontal spacing unit ("Unit") within the Bone Spring formation. The approximate wellbore path for the proposed **Lea South 25 Fed Com 2BS 14H** well ("Well") is represented by dashed lines. Existing producing wells in the targeted interval are represented by solid orange lines. This map identifies the cross-section running from A-A' with the cross-section wells name and a black line in proximity to the proposed Well. The pooling unit's area is defined by blue boxes and are labeled with their respective case numbers.

Earthstone Operating, LLC Case No. 24272 Exhibit B Released to Imaging: 3/19/2024 9:08:40 AM

Page 30 of 74

5. **Exhibit B-4** is a Subsea Structure map on the top of the Second Bone Spring Sand formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed Well with a black dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed Well. The data points are indicated by red stars. The map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

6. **Exhibit B-5** is a stratigraphic cross-section from A to A' using the representative wells identified on Exhibit B-3. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from North to South and is hung on the base of the Second Bone Spring Sand formation. The proposed landing zones for the Well is labeled on the exhibit. The approximate well-path for the proposed Well is indicated by dashed lines with an arrow indicating the drill direction across the unit. This cross-section demonstrates the target intervals are continuous across the Unit.

7. **Exhibit B-6** is a gun barrel diagram that shows the proposed Well in the Bone Spring formation.

8. In my opinion, a stand-up orientation for the Well is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and is the preferred fracture orientation in this portion of the trend.

9. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Well.

Released to Imaging: 3/19/2024 9:08:40 AM

10. In my opinion, the granting of Earthstone's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

11. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

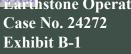
Chris Reudelhuber

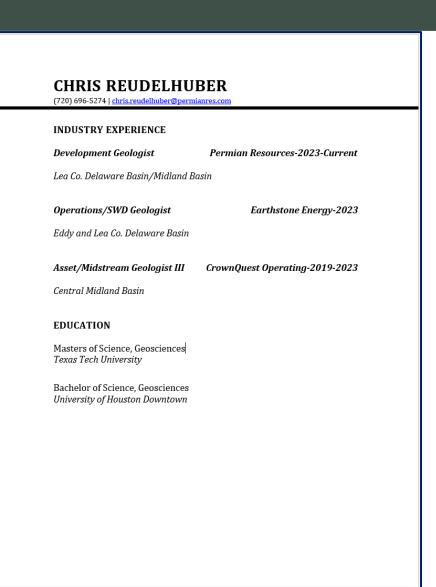
3/14/2024

Date

**Received by OCD: 3/19/2024 8:56:16 AM** Larthstone Operating, LLC

# Resume



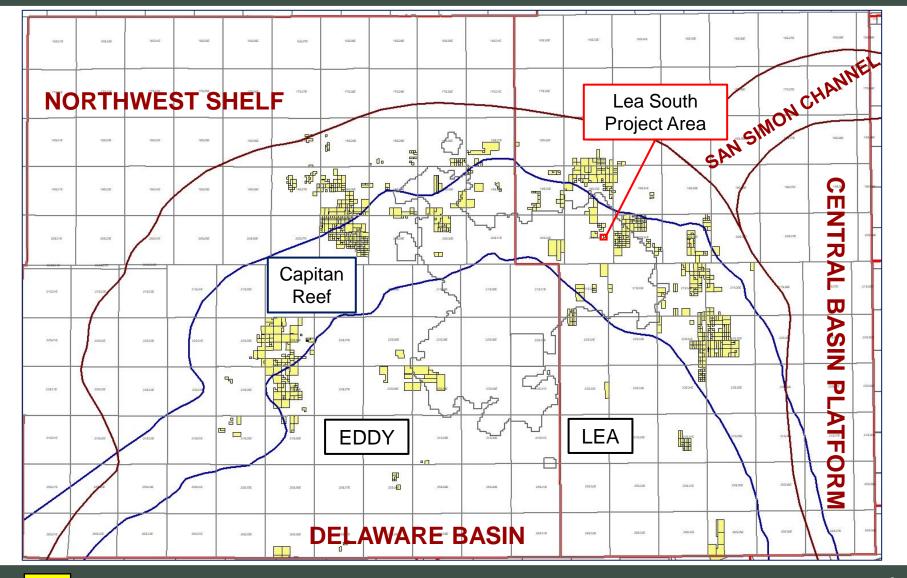


Page 32 of 74

#### Received by OCD: 3/19/2024 8:56:16 AM

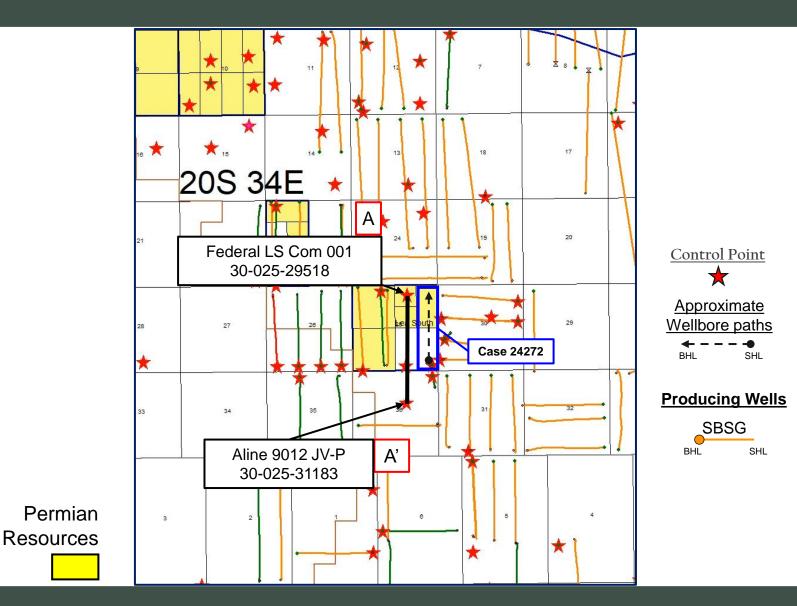
## Regional Locator Map Lea South Project Area





Cross-Section Locator Map Lea South 25 Fed Com 14H

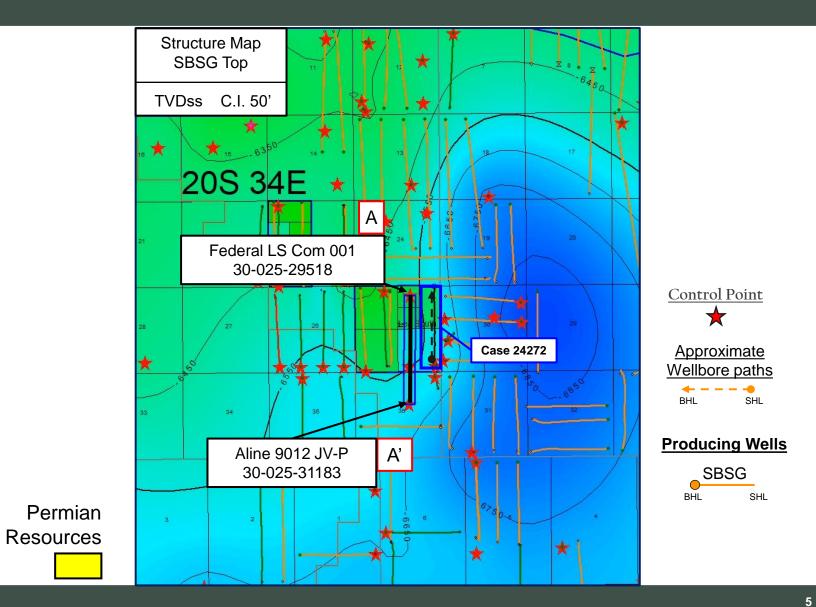




Received by OCD: 3/19/2024 8:56:16 AM

Second Bone Spring – Structure Map Lea South 25 Fed Com 14H

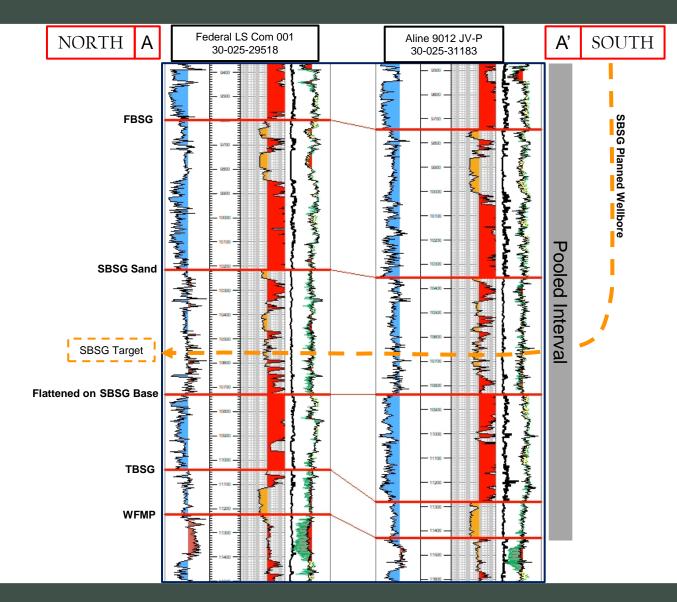




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## Stratigraphic Cross-Section A-A' Lea South 25 Fed Com 14H

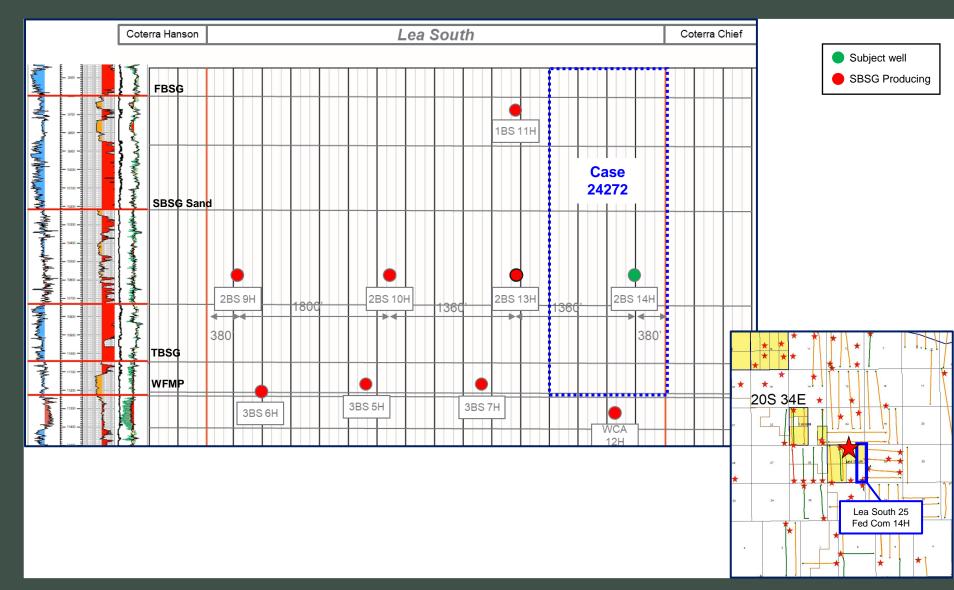




### Gun Barrel Development Plan Lea South 25 Fed Com 14H

Earthstone Operating, LLC Case No. 24272 Exhibit B-6





#### APPLICATION OF EARTHSTONE OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24272

#### SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Earthstone Operating, LLC, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached

as Exhibit C-2.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as Exhibit C-3 as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On February 23, 2024, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy Dana S. Hardy <u>March 13, 2024</u> Date

> Earthstone Operating, LLC Case No. 24272 Exhibit C



#### HINKLE SHANOR LLP

ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

#### hinklelawfirm.com

February 21, 2024

#### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

#### TO ALL PARTIES ENTITLED TO NOTICE

# Re: Case No. 24272 – Application of Earthstone Operating, LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **March 21, 2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate virtually, the instructions the OCD Hearings website: see posted on https://www.emnrd.nm.gov/ocd/hearing-info/. You 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.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/) or via e-mail to ocd.hearings@emnrd.nm.gov 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.

Please contact Amanda Redfearn, Senior Landman at Permian Resources, at (281) 771-3048, if you have questions regarding these matters.

Sincerely, /s/ Dana S. Hardy Dana S. Hardy

Earthstone Operating, LLC Case No. 24272 Exhibit C-1

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

Enclosure

#### APPLICATION OF EARTHSTONE OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24272

#### NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	<b>RETURN RECEIVED</b>
Babe Development, LLC	02/21/24	02/28/24
P.O. Box 758		
Roswell, NM 88202		
Sandra Sue Boyd, for life, remainder to	02/21/24	Per USPS Tracking
Beverly Michelle Hayley		(Last Checked 03/13/24):
618 Redwood Drive		
Greenville, TX 75402		02/24/24 – Delivered to agent for final delivery.
Doris F. Burton, Trustee (or successors)	02/21/24	03/05/24
of the Doris F. Burton Revocable Trust		
dated November 14, 2022		
713 S. Webster Street		
Kimball, NE 69145		
Cimarex Energy Company	02/21/24	02/29/24
202 S Cheyenne Ave., Suite 1000		
Tulsa, OK 74103-3001		
DEBCO, LLC	02/21/24	02/28/24
P.O. Box 608		
Roswell, NM 88202-0608		
Estate of Thelma C. Bolch, Deceased	02/21/24	03/04/24
6679 Bethesda Pt., Unit B		
Colorado Springs, CO 80918		
Joe N. Gifford	02/21/24	03/01/24
P.O. Box 51187		
Midland, TX 79710-1187		
Joyco Investments, LLC	02/21/24	02/28/24
P.O. Box 2104		
Roswell, NM 88202		
Louis J. Mazzulo	02/21/24	02/26/24
5833 S. Van Gordon Lane		
Littleton, CO 80127		
McBride Oil & Gas Corporation	02/21/24	02/28/24
P.O. Box 1515		
Roswell, NM 88202		

Earthstone Operating, LLC Case No. 24272 Exhibit C-2

#### APPLICATION OF EARTHSTONE OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24272

#### NOTICE LETTER CHART

Douglas Ladson McBride, III	02/21/24	02/28/24
P.O. Box 1515		
Roswell, NM 88202		
Julie Scott McBride	02/21/24	02/28/24
f/k/a Julie Scott Graham		
P.O Box 3767		
Roswell, NM 88202		
Sue Hanson McBride	02/21/24	02/28/24
P.O. Box 3480		
Roswell, NM 88202		
James W. Mulloy	02/21/24	Per USPS Tracking
2503 Camarie		(Last Checked 03/13/24):
Midland, TX 79705		
		03/12/24 – Item being
		returned to sender.
Nearburg Exploration Co. LLC	02/21/24	03/01/24
P.O. Box 823085		
Dallas, TX 75382-3085		
Nearburg Producing Company, f/b/o the	02/21/24	02/29/24
Nearburg Producing Company Employee		
Fund		
P.O. Box 823085		
Dallas, TX 75382		
Sharon Stallter Putnam	02/21/24	Per USPS Tracking
5109 Pemberton Lane		(Last Checked 03/13/24):
The Colony, TX 75056		02/12/24 $U$ $(1)$
		03/12/24 – Item in transit
Cleta Fern Sweatt Sander, for life,	02/21/24	to the next facility. Per USPS Tracking
remainder in equal shares to Deborah	02/21/24	(Last Checked $03/13/24$ ):
Ann Carson and Julie Norris Martinez		$(1205) \in \operatorname{CHOCKCU}(05)(15)(27).$
5151 Bent Tree Forest Dr., APT 331		02/29/24 – Delivery
Dallas, TX 75248		attempted.
Tobosa Exploration, Inc.	02/21/24	03/01/24
1172 Oyster Creek Dr.		05/01/27
Buda, TX 78610		
Duua, 1A /0010		

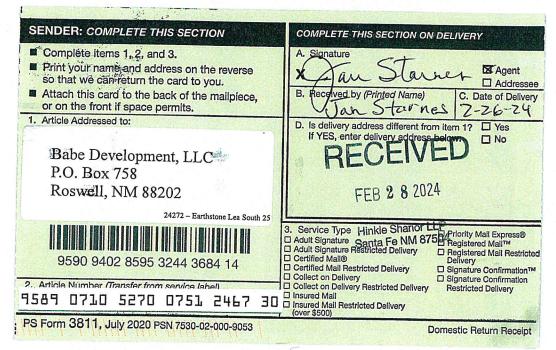
#### APPLICATION OF EARTHSTONE OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 24272

#### NOTICE LETTER CHART

Trajan Development Company	02/21/24	02/27/24
1508 Church Street		
Edmond, OK 73034		
XTO Holdings, LLC	02/21/24	Per USPS Tracking
22777 Springwoods Village Pkwy, LOC		(Last Checked 03/13/24):
116		
Spring, TX 77389		02/29/24 – Item in transit
		to next facility.





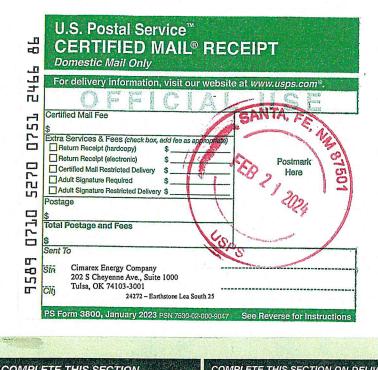
Earthstone Operating, LLC Case No. 24272 Exhibit C-3

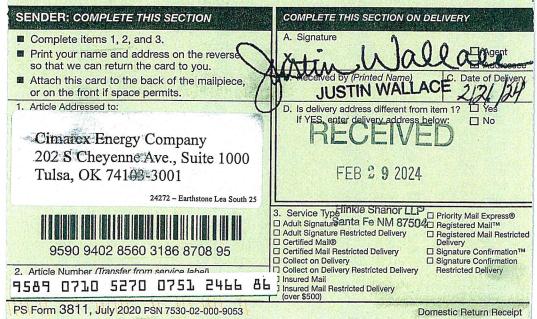
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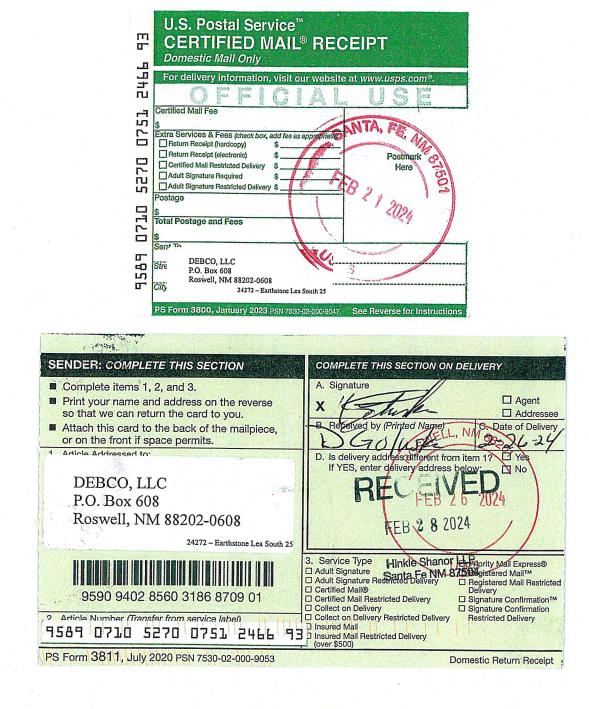


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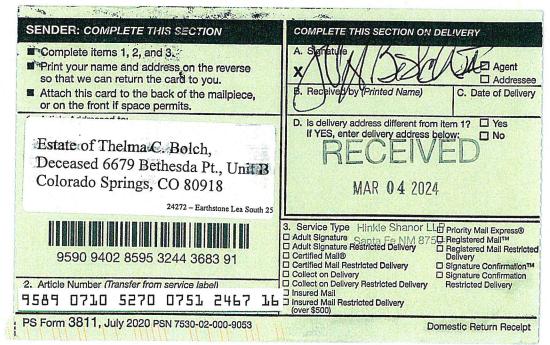




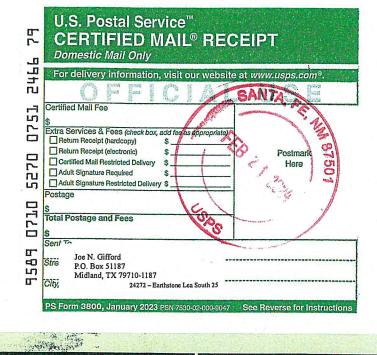


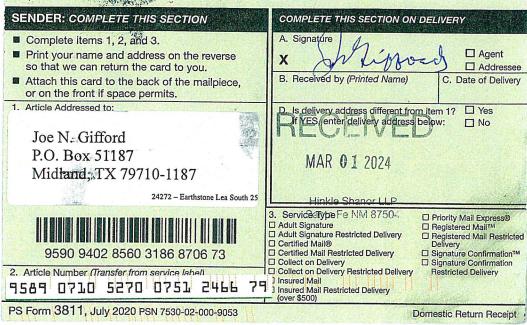
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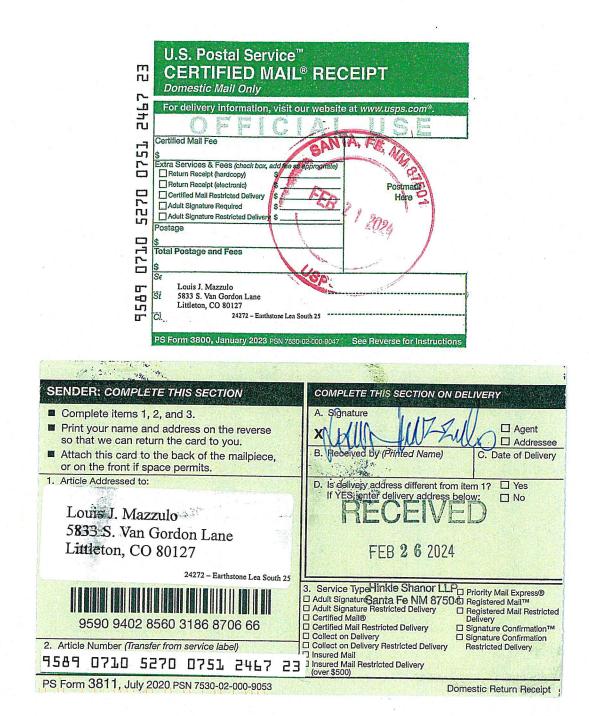
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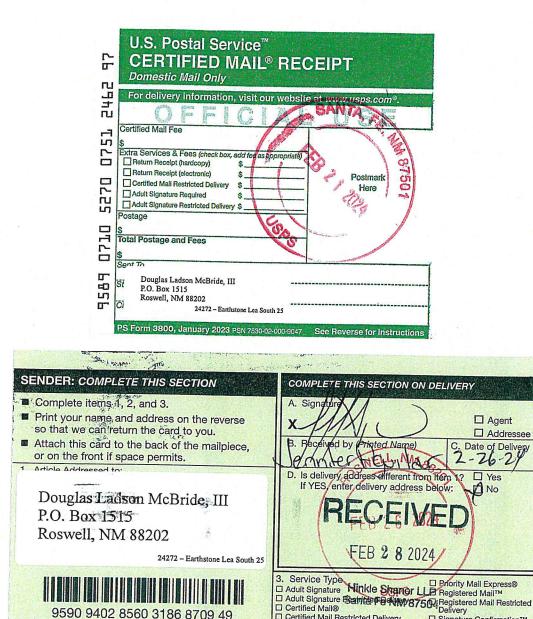
Page 48 of 74





Page 50 of 74





9590 9402 8560 3186 8709 49

9589 0710 5270 0751 2462

PS Form 3811, July 2020 PSN 7530-02-000-9053

2 Article Number (Transfer from service label)

Certified Mail®

Collect on Delivery Restricted Delivery Insured Mail

Collect on Delivery

**97** Insured Mail Restricted Delivery (over \$500)

□ Signature Confirmation™

Signature Confirmation Restricted Delivery

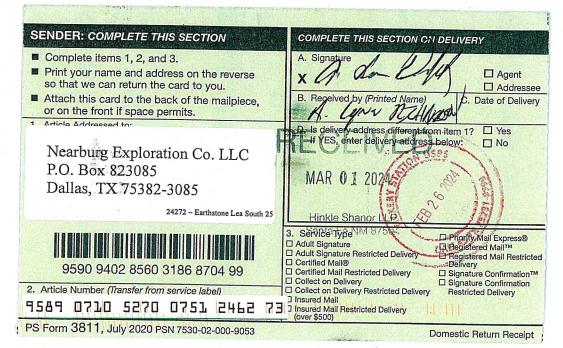
Domestic Return Receipt





Page 55 of 74





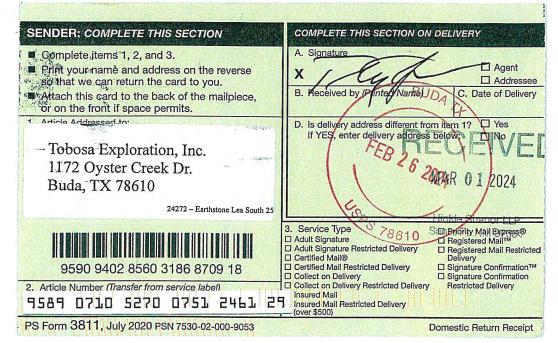
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FAQs >

# **USPS Tracking**<sup>®</sup>

#### Remove $\times$

#### **Tracking Number:**

# 9589071052700751246303

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

#### Latest Update

Your item has been delivered to an agent for final delivery in GREENVILLE, TX 75402 on February 24, 2024 at 6:55 pm.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

#### Delivered to Agent

Delivered to Agent for Final Delivery

GREENVILLE, TX 75402 February 24, 2024, 6:55 pm

#### In Transit to Next Facility February 24, 2024

#### Arrived at USPS Regional Facility

COPPELL TX DISTRIBUTION CENTER February 23, 2024, 12:10 pm

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 February 21, 2024, 9:29 pm

#### Arrived at USPS Facility

ALBUQUERQUE, NM 87101 February 21, 2024, 7:11 pm Hide Tracking History

#### What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

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USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$
See Less 🔨	

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## **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

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99	U.S. Postal Service <sup>™</sup> CERTIFIED MAIL <sup>®</sup> RECEIPT Domestic Mail Only
2462	For delivery information, visit our website at www.usps.com®.
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п	OPPGA ANTASE
-7	Certified Mail Fee
LT)	s · · · · · · · · · · · · · · · · · · ·
0751	Extra Services & Fees (check box, add fee as appropriate)
	Return Receipt (hardcopy) \$
5270	Extra Services & rees (check box, add ree asepprogram)       Return Receipt (hardcopy)       Return Receipt (electronic)       Certified Mail Restricted Delivery       Adult Signature Required
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ru	Certified Mail Restricted Delivery \$ Here Adult Signature Required Adult Signature Restricted Delivery \$ Postage
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Ē	Total Postage and Fees
0770	S
Ч	Sent To
Г	James W. Mulloy
589	Stre 2503 Camarie
5	Midland, TX 79705 City 24272 - Earthstone Lea South 25
	PS Form 3800 January 2023 BSN 7530.02.000.0047 See Reverse for Instructions

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FAQs >

# USPS Tracking<sup>®</sup>

Remove  $\times$ 

#### **Tracking Number:**

# 9589071052700751246266

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

#### Latest Update

Your item could not be delivered on March 12, 2024 at 1:18 pm in MIDLAND, TX 79705. It was held for the required number of days and is being returned to the sender.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

#### Alert

Unclaimed/Being Returned to Sender

MIDLAND, TX 79705 March 12, 2024, 1:18 pm

#### Reminder to Schedule Redelivery of your item

February 29, 2024

#### Notice Left (No Authorized Recipient Available)

MIDLAND, TX 79705 February 24, 2024, 8:32 am

#### Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER February 23, 2024, 5:32 pm

In Transit to Next Facility February 22, 2024

Departed USPS Facility ALBUQUERQUE, NM 87101 February 21, 2024, 9:29 pm

Arrived at USPS Facility ALBUQUERQUE, NM 87101 February 21, 2024, 7:12 pm

Hide Tracking History

#### What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	$\sim$
USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$
See Less 🔨	
Frack Another Package	
Enter tracking or barcode numbers	

### **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

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Dage 65 of 74		U.S. Postal Service <sup>™</sup>
65	Ш	CERTIFIED MAIL® RECEIPT
Be	Ę	Domestic Mail Only
Po	246	For delivery information, visit our website at www.usps.com®.
	'n	OFF CAL SANTAS
	51	Certified Mail Fee
	2	Extra Services & Fees (check box, add fee as appropriate)
	5270	
		Postage
	0770	S Total Postage and Fees S
	9589	Sent To Sharon Stallter Putnam 5109 Pemberton Lane The Colony, TX 75056 24272 – Earthstone Lea South 25
		PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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**USPS Tracking**<sup>®</sup>

FAQs >

# Tracking Number:

Remove X

# 9589071052700751246143

Сору

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#### Latest Update

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

Moving Through Network In Transit to Next Facility March 12, 2024

#### Addressee Unknown THE COLONY, TX 75056 February 24, 2024, 10:36 am

#### Arrived at USPS Regional Facility

COPPELL TX DISTRIBUTION CENTER February 23, 2024, 12:10 pm

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 February 21, 2024, 9:29 pm

#### Arrived at USPS Facility

ALBUQUERQUE, NM 87101 February 21, 2024, 7:12 pm Hide Tracking History

#### What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	$\checkmark$
USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$

See Less 🔨

Track Another Package

9589071052700751246136

## **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

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l 36	U.S. Postal Service <sup>™</sup> CERTIFIED MAIL <sup>®</sup> RECEIPT Domestic Mail Only
	For delivery information, visit our website at www.usps.com <sup>o</sup> .
2461	OFFICIACUS
27	Certified Mail Fee
កា	\$
2	Extra Services & Fees (check box, add feelss appropriate) Return Receipt (hardcopy) Return Receipt (electronic) Certified Mall Restricted Delivery Subscription
	Beturn Receipt (electronic) \$
	Certified Mall Restricted Delivery \$
5270	Adult Signature Required \$
ŝ	Adult Signature Restricted Delivery \$
	Postage
	S S
0770	Total Postage and Fees
	\$
-	Sent The Clear Fern Sweatt Sander, for life, remainder in equal
E D	Shares to Deborah Ann Carson and Julie Norris Mostinger
S	St/e 5151 Bent Tree Forest Dr., APT 331 Dallas, TX 75248
Π-	City 24272 - Earthstone Lea South 25
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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Page 68 of 74

**USPS Tracking**<sup>®</sup>

FAQs >

Remove X

#### Tracking Number:

# 9589071052700751246136

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

### Latest Update

This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

**Delivery Attempt Reminder to Schedule Redelivery of your item** February 29, 2024

Notice Left (No Authorized Recipient Available) DALLAS, TX 75248 February 24, 2024, 8:27 pm

Arrived at USPS Regional Facility DALLAS TX DISTRIBUTION CENTER February 23, 2024, 6:34 am

In Transit to Next Facility February 22, 2024

Departed USPS Facility ALBUQUERQUE, NM 87101 February 21, 2024, 9:29 pm

Arrived at USPS Facility ALBUQUERQUE, NM 87101 Feedback

February 21, 2024, 7:12 pm

Hide Tracking History

#### What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	$\checkmark$
USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$
See Less 🔨	
Frack Another Package	
Enter tracking or barcode numbers	

## **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

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5	U.S. Postal Service <sup>™</sup> CERTIFIED MAIL <sup>®</sup> RECEIPT Domestic Mail Only
2461	For delivery information, visit our website at <i>www.usps.com</i> °.
0751	Certified Mail Fee
5270	S Extra Services & Fees (check box, add fee as appropriate) Return Receipt (flardcopy) Return Receipt (electronic) Cartified Mail Restricted Delivery Adult Signature Required Adult Signature Restricted Delivery \$ Postage Postage
5	\$ Total Postage and Fees \$ Sent To
589	Sit       XTO Holdings, LLC         22777 Springwoods Village Pkwy, LOC 116
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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Received by OCD: 3/19/2024 8:56:16 AM

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FAQs >

# USPS Tracking<sup>®</sup>

Remove X

# Tracking Number:

9589071052700751246105

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

#### Latest Update

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

Get More Out of USPS Tracking: USPS Tracking Plus <sup>®</sup>
Delivered
Out for Delivery
Preparing for Delivery
Moving Through Network In Transit to Next Facility
February 29, 2024
<b>Arrived at USPS Regional Facility</b> NORTH HOUSTON TX DISTRIBUTION CENTER February 24, 2024, 12:55 pm
<b>Departed USPS Facility</b> ALBUQUERQUE, NM 87101 February 21, 2024, 9:29 pm
Arrived at USPS Facility

ALBUQUERQUE, NM 87101 February 21, 2024, 7:10 pm Hide Tracking History

#### What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	$\checkmark$
USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$

See Less 🔨

Track Another Package

Enter tracking or barcode numbers

## **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

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# 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 February 23, 2024 and ending with the issue dated February 23, 2024.

Publisher

Sworn and subscribed to before me this 23rd day of February 2024.

Black

Business Manager

My commission expires January 29, 2027 (Seal)

#### STATE OF NEW MEXICO NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087528 This newspaper is duly gualified to publish

legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

#### LEGAL NOTICE February 23, 2024

This is to notify all interested parties, including Babe Development, LLC; Sandra Sue Boyd, for life, remainder to Beverly Michelle Hayley; Doris E. Burton, Trustee (or successors) of the Doris F. Burton Revocable Trust dated November 14, 2022 Burton Revocable Trust dated November 14, 2022; Cimarex Energy Company; Debco, LLC; Estate of Thelma C. Bolch, Deceased; Joe N. Gifford; Joyco Investments, LLC; Louis J. Mazzulo; McBride Oil & Gas Corporation; Douglas Ladson McBride; III; Julie Scott McBride f/k/a Julie Scott Graham; Sue Hanson McBride; James W. Mulloy; Nearburg Exploration Co, LLC; Nearburg Producing Company, 1/b/o the Nearburg Producing Company Employee Fund; Sharon Stallter Putnam; Cleta Fern Sweatt Sander, for life, remainder in equal shares to Deborah Ann Carson and Julie Norris Martinez; Tobosa Exploration, Inc.; Trajan Development Company, XTO Holdings, LLC; and their successors and dasigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application XTO Holdings, LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Earthstone Operating, LLC (Case No. 24272). The hearing will be conducted on March 21, 2024 in a hybrid fashion, both in-person at the Energy, Minerais, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate virtually, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. Earthstone Operating, LLC ("Applicant") seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 25. Township 20 South, Range 34 East, Lea County, New Mexico ("Unit"). Applicant seeks to dedicate the Unit to the Lea South 25 Fed Com 2BS 14H well ("Well"), which will be drilled from a surface hole location in the NE/4 NE/4 (Unit P) to a bottom hole location in the NE/4 NE/4 (Unit A). The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 25 miles west of Hobbs, New Mexico. #00287640

02107475

GILBERT HINKLE, SHANOR LLP PO BOX 2068 SANTA FE, NM 87504 00287640

Earthstone Operating, LLC Case No. 24272 Exhibit C-4