

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

**APPLICATION OF EARTHSTONE
OPERATING, LLC TO EXTEND TIME
TO COMMENCE DRILLING OPERATIONS,
LEA COUNTY, NEW MEXICO.**

**Case No. _____
Order No. R-22738**

APPLICATION

Earthstone Operating, LLC (“Earthstone”) (OGRID No. 331165) files this application with the Oil Conservation Division (“Division”) requesting a one-year extension of time to commence drilling the wells authorized by Order No. R-22738. In support of its application, Earthstone states the following.

1. The Division issued Order No. R-22738 in Case No. 23476 on June 7, 2023, approving a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 7 and 18, Township 21 South, Range 35 East, Lea County, New Mexico (“Unit”), and designating Earthstone as operator of the Unit.
2. The Order further pooled all uncommitted interests within the Bone Spring formation in the Wilson; Bone Spring Pool (Code 64560) underlying the Unit and dedicated the Unit to the Outland 18-7 State Com 112H and Outland 18-7 State Com 212H wells (collectively “Wells”).
3. The Order requires Earthstone to commence drilling the Wells within one (1) year of the date of the Order unless Earthstone obtains a time extension from the Division Director for good cause shown.
4. Earthstone’s overall development plans in the immediate area would be best served by co-developing the Wells with adjacent lands to prevent waste (i.e. parent-child effects), and

drilling in the adjacent tracts has been delayed by limited rig availability. As a result, Earthstone's ability to commence drilling the Wells has been delayed.

5. Good cause exists for the requested extension.

6. Accordingly, Earthstone requests that the Division extend the deadline to commence drilling the Wells to June 7, 2025.

WHEREFORE, Earthstone requests that this application be set for hearing on May 2, 2024, and after notice and hearing, the Division extend the deadline for Earthstone to commence drilling the Wells until June 7, 2025.

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

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

Counsel for Earthstone Operating, LLC