

**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. 24382
ORDER NO. R-22738**

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

**CASE NO. 24383
ORDER NO. R-22739**

CONSOLIDATED PRE-HEARING STATEMENT

Earthstone Operating, LLC (“Earthstone” or “Applicant”) submits its Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

APPLICANT

Earthstone Operating, LLC

ATTORNEYS

Dana S. Hardy
Jaclyn McLean
Hinkle Shanor LLP
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com

INTERESTED PARTIES

None.

ATTORNEYS

STATEMENT OF THE CASES

Earthstone requests a one-year extension of time to commence drilling the wells authorized by Order Nos. R-22738 and R-22739 until June 7, 2025. The Division entered Order No. R-22738 in Case No. 23476 on June 7, 2023. The Order: pooled all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 7 and 8, Township 21 South, Range 35 East, Lea County, New Mexico;

dedicated the Unit to the Outland 18-7 State Com 112H and Outland 18-7 State Com 212H wells; and designated Earthstone as operator of the unit and wells.

The Division entered Order No. R-22739 in Case No. 24833 on June 7, 2023. The Order: pooled all uncommitted interests in the Bone Spring formation underlying a 285-acre, more or less, standard horizontal spacing unit comprised of Lots 1 through 4 (W/2 W/2 equivalent) of Sections 7 and 18, Township 21 South, Range 35 East, Lea County, New Mexico; dedicated the unit to the Outland 18-7 State Com 111H and Outland 18-7 State Com 221H wells; and designated Earthstone as operator of the unit and wells.

Good cause exists to extend the deadline to commence drilling the wells because 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. Therefore, Earthstone requests that the Division extend the deadline to commence drilling the wells until June 7, 2025.

The Outland State Com wells are located approximately 15 miles northwest of Eunice, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Mason Maxwell	Landman	Affidavit	Approx. 2

PROCEDURAL MATTERS

Applicant intends to consolidate these cases for hearing and will present the cases by affidavit if there is no opposition to its applications.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

Attorneys for Earthstone Operating, LLC

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 336522

QUESTIONS

Operator: Earthstone Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 331165
	Action Number: 336522
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.