

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

**APPLICATION OF EARTHSTONE PERMIAN,
LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 25275

PRE-HEARING STATEMENT

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

APPLICANT

Earthstone Permian, LLC

ATTORNEYS

Dana S. Hardy
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Hardy McLean LLC
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INTERESTED PARTY

None.

ATTORNEYS

STATEMENT OF THE CASE

Applicant seeks to pool all uncommitted interests in the Bone Spring formation underlying a 468.11-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Section 30 and the E/2 equivalent of irregular Section 31, Township 26 South, Range 35 East, Lea County, New Mexico. The spacing unit crosses the state line and extends into Texas. Applicant seeks to pool only that acreage located in New Mexico. The Unit will be dedicated to the following wells (“Wells”):

- a. **Los Vaqueros Fed Com 113H** which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 30, Township 26 South, Range 35 East, Lea County, New Mexico, to a bottom hole location in Section 25, Block C-24, Loving County, Texas;
- b. **Los Vaqueros Fed Com 123H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 30, Township 26 South, Range 35 East, Lea County, New Mexico, to a bottom hole location in Section 25, Block C-24, Loving County, Texas;
- c. **Los Vaqueros Fed Com 114H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 30, Township 26 South, Range 35 East, Lea County, New Mexico, to a bottom hole location in Section 25, Block C-24, Loving County, Texas;
- d. **Los Vaqueros Fed Com 125H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 30, Township 26 South, Range 35 East, Lea County, New Mexico, to a bottom hole location in Section 25, Block C-24, Loving County, Texas; and
- e. **Los Vaqueros Fed Com 155H**, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 30, Township 26 South, Range 35 East, Lea County, New Mexico, to a bottom hole location in Section 25, Block C-24, Loving County, Texas.

The completed intervals of the Wells will be orthodox. The completed interval of the Los Vaqueros Fed Com 155H well will be located within 330' of the quarter-quarter section line separating E/2

E/2 and W/2 E/2 of Sections 30 and 31 to allow for the creation of a 468.11-acre, more or less, standard horizontal spacing unit.

Applicant also requests that Permian Resources Operating, LLC (OGRID No. 372165) be designated as operator of the Unit and Wells. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs and a 200% charge for the risk involved in drilling and completing the Wells.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Travis Macha	Landman	Affidavit	Approx. 5
Chris Reudelhuber	Geologist	Affidavit	Approx. 3

PROCEDURAL MATTERS

Applicant intends to present this case by affidavit if there is no opposition to its application.

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

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

Action 448528

QUESTIONS

Operator: Earthstone Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 331165
	Action Number: 448528
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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