

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

**APPLICATION OF LEGACY RESERVES
OPERATING LP FOR A HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 22230-22231

**APPLICATIONS OF E.G.L. RESOURCES, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NOS. 22521-22524

**EARTHSTONE PERMIAN LLC AND EARTHSTONE OPERATING, LLC'S
MOTION FOR CONTINUANCE**

Earthstone Permian LLC and Earthstone Operating, LLC (collectively "Earthstone") request that the New Mexico Oil Conservation Division ("Division") continue this case to the June 2, 2022 hearing docket and vacate the pre-hearing order. In support of this motion, Earthstone states the following.

1. This case is currently set for a contested hearing on April 21, 2022, with testimony and exhibits due on April 14, 2022. These cases have been consolidated because they involve overlapping acreage.

2. Earthstone recently acquired Chisolm Energy Holdings, LLC's ("Chisolm") interest in the spacing units at issue in these cases. Specifically, Earthstone holds a 4.69% interest in the spacing units proposed by Legacy Reserves Operating LP ("Legacy") and a 35.16% interest in the spacing units proposed by E.G.L. Resources, Inc. ("E.G.L.").

3. Chisolm received notice of Legacy's applications on March 8, 2022, and Chisolm then provided the notice to Earthstone.

4. Because Earthstone recently acquired Chisolm's interest, holds a significant interest in the proposed spacing units, and only recently learned of Legacy's applications,

Earthstone requires additional time to evaluate the competing applications and prepare for a contested hearing. Earthstone also needs to determine whether any of its acreage would be stranded if the applications are granted. As a result, Earthstone requests that the Division vacate the prehearing order and continue the cases to the June 2, 2022 hearing docket.

5. Earthstone's request for a continuance is reasonable and should be granted to protect its correlative rights and prevent waste in accordance with the New Mexico Oil and Gas Act. *See* NMSA 1978, § 70-2-11.

6. Counsel for the parties were contacted regarding this motion. E.G.L., PBEX, COG Operating LLC, and Fasken Oil & Ranch do not oppose the requested continuance. Legacy does not oppose a continuance of Case Nos. 22521-22524 but opposes a continuance of Case Nos. 22230-22231. However, as mentioned above, the cases involve overlapping acreage and have been consolidated.

7. For the foregoing reasons, Earthstone requests that the Division continue the contested hearing in this case to June 2, 2022 and issue a new prehearing order.

Respectfully submitted,

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Certificate of Service

I hereby certify that on April 13, 2022, I caused a true and correct copy of the foregoing to be emailed to:

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