

**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. 23244

PRE-HEARING STATEMENT

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

APPLICANT

Earthstone Operating, LLC

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INTERESTED PARTIES

Jalapeño Corporation

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STATEMENT OF THE CASE

Earthstone applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 321.48-acre, more or less, standard horizontal spacing unit comprised of Lot 1, SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 5 and the E/2 E/2 of Section 8, Township 19 South, Range 33 East, Lea County, New Mexico. The spacing unit will be dedicated to the following wells:

- **Bel-Air 5-8 Fed 1BS Com 4H** well, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 32, Township 18 South, Range 33 East to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 8, Township 19 South, Range 33 East; and
- **Bel-Air 5-8 Fed 2BS Com 8H** well, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 32, Township 18 South, Range 33 East to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 8, Township 19 South, Range 33 East.

The completed intervals of the wells will be orthodox. Also to be considered in each case will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

The wells are located approximately 33 miles west of Hobbs, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Matt Solomon	Landman	Affidavit	Approx. 5
Jason Asmus	Geologist	Affidavit	Approx. 5

PROCEDURAL MATTERS

Applicant will present this matter by affidavit if there is no opposition.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy _____

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Counsel for Earthstone Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail this 29th day of December, 2022.

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Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 171067

QUESTIONS

Operator: Earthstone Operating, LLC 1400 Woodloch Forest; Ste 300 The Woodlands, TX 77380	OGRID: 331165
	Action Number: 171067
	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>