

**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. 23296

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

ATTORNEYS

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INTERESTED PARTIES

Tap Rock Operating, LLC

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STATEMENT OF THE CASE

Earthstone applies for an order pooling all uncommitted interests in the First Bone Spring interval of the Bone Spring formation underlying a 319.86-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 34, Township 19 South, Range 33 East, and Lot 1, SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of irregular Section 3, Township 20 South, Range 33 East, Lea County, New Mexico (“Unit”). The spacing unit will be dedicated to the **Jade 34-3 Fed 1BS Com 12H** well (“Well”), to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SE/4 SE/4 (Unit P) of Section 3, Township 20 South, Range 33 East.

The completed interval of the Well will be orthodox. There is a depth severance in the Bone Spring formation within the Unit. Accordingly, Applicant seeks to pool interests from the top of the Bone Spring formation to a depth of approximately 9,570’ TVD.

Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Unit and the Well, and a 200% charge for the risk involved in drilling and completing the Well.

The Well is located approximately 30 miles southwest of Hobbs, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Matt Solomon	Landman	Affidavit	Approx. 5
Jason Asmus	Geologist	Affidavit	Approx. 4

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 26th day of January, 2023.

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 179928

QUESTIONS

Operator: Earthstone Operating, LLC 1400 Woodloch Forest; Ste 300 The Woodlands, TX 77380	OGRID: 331165
	Action Number: 179928
	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>