

**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. 23364**

**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 PARTY**

None.

**ATTORNEYS**

**STATEMENT OF THE CASE**

Earthstone applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 319.95-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 34, Township 19 South, Range 33 East, and Lot 2, SW/4 NE/4, and W/2 SE/4 (W/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 11H** 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 SW/4 SE/4 (Unit O) of Section 3, Township 20 South, Range 33 East.

The completed interval of the Well will be orthodox. 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**

<b>Witness</b>	<b>Occupation</b>	<b>Estimated Time</b>	<b>Exhibits</b>
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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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
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QUESTIONS

Action 190167

**QUESTIONS**

Operator: Earthstone Operating, LLC 1400 Woodloch Forest; Ste 300 The Woodlands, TX 77380	OGRID: 331165
	Action Number: 190167
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

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