

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

**APPLICATION OF EARTHSTONE OPERATING, LLC,  
FOR A HORIZONTAL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

**Case No. 23369**

**PREHEARING STATEMENT**

Earthstone Operating, LLC (“Earthstone”), OGRID No. 331165, through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

**APPEARANCES**

**APPLICANT**

Earthstone Operating, LLC

**ATTORNEY**

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**APPLICANT’S STATEMENT OF THE CASE**

In Case No. 23369, Earthstone seeks an order (1) establishing a standard 323.09 acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 34, Township 18 South, Range 33 East, NMPM, and Lot 3 (NE/4 NW/4 equivalent), SE/4 NW/4, and the E/2 SW/4 of

Section 3, Township 19 South, Range 33 East, NMPM, all in Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. Earthstone proposes and dedicates to the HSU, the **Skylark 34-3 Fed Com 1BS 2H Well** and the **Skylark 34-3 Fed Com 2BS 6H Well**, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed wells will be orthodox in location.

Earthstone proposes the **Skylark 34-3 Fed Com 1BS 2H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 27-T18S-R33E, NMPM, Lea County, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 3-T19S-R33E, NMPM, Lea County.

Earthstone proposes the **Skylark 34-3 Fed Com 2BS 6H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 27-T18S-R33E, NMPM, Lea County, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 3-T19S-R33E, NMPM, Lea County.

**APPLICANT’S PROPOSED EVIDENCE**

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Matt Solomon	Approx. 10 min	Approx. 6
Geologist: Jason Asmus	Approx. 10 min	Approx. 5

**PROCEDURAL MATTERS**

Earthstone requests that, for purposes of the hearings, Case Nos. 23368, 23370 and 23371 be consolidated with Case No. 23369 as they involve units within the same sections. No protests or objections have been filed and Earthstone does not anticipate any at this time; consequently, Earthstone plans to conduct the hearing by affidavit.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS

Action 190162

**QUESTIONS**

Operator: Earthstone Operating, LLC 1400 Woodloch Forest; Ste 300 The Woodlands, TX 77380	OGRID: 331165
	Action Number: 190162
	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	2
Testimony time (in minutes)	20