

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

**APPLICATION OF EARTHSTONE OPERATING, LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**Case No. 23274**

**DIVISION HEARING**

**THURSDAY, MARCH 2, 2023**

**OCD HEARING EXHIBITS  
SUBMITTED ON BEHALF OF**

**EARTHSTONE OPERATING, LLC**

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**COMPULSORY POOLING CHECKLIST**

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## **Exhibit A**

OCD Case 23274  
(Thunderball Fed Com Unit)  
Earthstone Operating, LLC  
Self-Affirmed Statement of  
Matt Soloman

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**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. 23274**

**SELF-AFFIRMED STATEMENT  
OF MATT SOLOMON**

1. I am a Senior Landman with Earthstone Operating, LLC (“Earthstone”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of Earthstone’s Application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit. Therefore, I do not expect any opposition at hearing.

4. Earthstone applies for an order pooling all uncommitted interests the Bone Spring formation underlying a 320.00-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Section 23, Township 19 South, Range 34 East, Lea County, New Mexico (“Unit”).

5. The Unit will be dedicated to the **Thunderball Fed Com 324H** well (“Well”), which will be completed in the Lea; Bone Spring Pool (37570). The Well will be horizontally drilled from a surface hole location in the NWNE (Unit B) of Section 26, Township 19 South, Range 34 East to a bottom hole location in the NENE (Unit A) of Section 23, Township 19 South, Range 34 East.

The **Thunderball Fed Com 324H** will be completed closer than 330' to the quarter-quarter line, serving as both the defining well and proximity well for the unit. The other infill wells are as follows:

a. The **Thunderball Fed Com 113H** well will be completed in the Lea; Bone Spring Pool (37570). The Well will be horizontally drilled from a surface hole location in the NWNE (Unit B) of Section 26, Township 19 South, Range 34 East to a bottom hole location in the NWNE (Unit B) of Section 23, Township 19 South, Range 34 East.

b. The **Thunderball Fed Com 114H** will be completed in the Lea; Bone Spring Pool (37570). The Well will be horizontally drilled from a surface hole location in the NWNE (Unit B) of Section 26, Township 19 South, Range 34 East to a bottom hole location in the NENE (Unit A) of Section 23, Township 19 South, Range 34 East.

c. The **Thunderball Fed Com 223H** will be completed in the Lea; Bone Spring Pool (37570). The Well will be horizontally drilled from a surface hole location in the NWNE (Unit B) of Section 26, Township 19 South, Range 34 East to a bottom hole location in the NWNE (Unit B) of Section 23, Township 19 South, Range 34 East.

d. The **Thunderball Fed Com 224H** will be completed in the Lea; Bone Spring Pool (37570). The Well will be horizontally drilled from a surface hole location in the NWNE (Unit B) of Section 26, Township 19 South, Range 34 East to a bottom hole location in the NENE (Unit A) of Section 23, Township 19 South, Range 34 East.

e. The **Thunderball Fed Com 323H** will be completed in the Lea; Bone Spring Pool (37570). The Well will be horizontally drilled from a surface hole location in the NWNE (Unit B) of Section 26, Township 19 South, Range 34 East to a bottom hole location in the NWNE (Unit B) of Section 23, Township 19 South, Range 34 East.

6. **Exhibit A-2** contains the C-102s for the Well.

7. **Exhibit A-3** contains a plat that identifies ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Earthstone seeks to pool highlighted in yellow.

8. Earthstone has conducted a diligent search of all county public records including phone directories and computer databases, to locate the interest owners it seeks to pool.

9. **Exhibit A-4** contains a sample well proposal letters and AFEs sent to the working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area. However, the well names used on the proposal letters have been changed to comply with new NMOCD naming conventions.


10. In my opinion, Earthstone made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-5**.

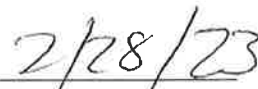
11. Earthstone requests overhead and administrative rates of \$7,500.00 per month while the Well is being drilled and \$750.00 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Earthstone and other operators in the vicinity.

12. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

13. In my opinion, the granting of Earthstone's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

14. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

  
\_\_\_\_\_  
Matt Solomon

  
\_\_\_\_\_  
Date



Intent  As Drilled

API #

Operator Name: EARTHSTONE OPERATING, LLC	Property Name: THUNDERBALL FED COM	Well Number 113H
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Kick Off Point (KOP)

UL B	Section 26	Township 19S	Range 34E	Lot	Feet 617	From N/S NORTH	Feet 1682	From E/W EAST	County LEA
Latitude 32.6368579					Longitude 103.5278064				NAD 83

First Take Point (FTP)

UL O	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S SOUTH	Feet 1705	From E/W EAST	County LEA
Latitude 32.6388280					Longitude 103.5278838				NAD 83

Last Take Point (LTP)

UL B	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S NORTH	Feet 1705	From E/W EAST	County LEA
Latitude 32.6527986					Longitude 103.5279052				NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:	Property Name:	Well Number
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KZ 06/29/2018



Intent  As Drilled

API #

Operator Name: EARTHSTONE OPERATING, LLC	Property Name: THUNDERBALL FED COM	Well Number 113H
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Kick Off Point (KOP)

UL B	Section 26	Township 19S	Range 34E	Lot	Feet 617	From N/S NORTH	Feet 1682	From E/W EAST	County LEA
Latitude 32.6367342					Longitude 103.5273147				NAD 27

First Take Point (FTP)

UL O	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S SOUTH	Feet 1705	From E/W EAST	County LEA
Latitude 32.6387043					Longitude 103.5273920				NAD 27

Last Take Point (LTP)

UL B	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S NORTH	Feet 1705	From E/W EAST	County LEA
Latitude 32.6526749					Longitude 103.5274128				NAD 27

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:	Property Name:	Well Number
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KZ 06/29/2018



Intent  As Drilled

API #

Operator Name: EARTHSTONE OPERATING, LLC	Property Name: THUNDERBALL FED COM	Well Number 114H
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Kick Off Point (KOP)

UL B	Section 26	Township 19S	Range 34E	Lot	Feet 617	From N/S NORTH	Feet 1592	From E/W EAST	County LEA
Latitude 32.6368584					Longitude 103.5275141				NAD 83

First Take Point (FTP)

UL P	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S SOUTH	Feet 385	From E/W EAST	County LEA
Latitude 32.6388367					Longitude 103.5235967				NAD 83

Last Take Point (LTP)

UL A	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S NORTH	Feet 385	From E/W EAST	County LEA
Latitude 32.6528067					Longitude 103.5236174				NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:	Property Name:	Well Number
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KZ 06/29/2018

Intent  As Drilled

API #

Operator Name: EARTHSTONE OPERATING, LLC	Property Name: THUNDERBALL FED COM	Well Number 114H
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Kick Off Point (KOP)

UL B	Section 26	Township 19S	Range 34E	Lot	Feet 617	From N/S NORTH	Feet 1592	From E/W EAST	County LEA
Latitude 32.6367347					Longitude 103.5270224				NAD 27

First Take Point (FTP)

UL P	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S SOUTH	Feet 385	From E/W EAST	County LEA
Latitude 32.6387129					Longitude 103.5231051				NAD 27

Last Take Point (LTP)

UL A	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S NORTH	Feet 385	From E/W EAST	County LEA
Latitude 32.6526829					Longitude 103.5231252				NAD 27

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:	Property Name:	Well Number
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KZ 06/29/2018



Intent  As Drilled

API #		
Operator Name: EARTHSTONE OPERATING, LLC	Property Name: THUNDERBALL FED COM	Well Number 223H

Kick Off Point (KOP)

UL B	Section 26	Township 19S	Range 34E	Lot	Feet 617	From N/S NORTH	Feet 1712	From E/W EAST	County LEA
Latitude 32.6368576					Longitude 103.5279039				NAD 83

First Take Point (FTP)

UL O	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S SOUTH	Feet 1705	From E/W EAST	County LEA
Latitude 32.6388280					Longitude 103.5278838				NAD 83

Last Take Point (LTP)

UL B	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S NORTH	Feet 1705	From E/W EAST	County LEA
Latitude 32.6527986					Longitude 103.5279052				NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

Intent  As Drilled

API #		
Operator Name: EARTHSTONE OPERATING, LLC	Property Name: THUNDERBALL FED COM	Well Number 223H

Kick Off Point (KOP)

UL B	Section 26	Township 19S	Range 34E	Lot	Feet 617	From N/S NORTH	Feet 1712	From E/W EAST	County LEA
Latitude 32.6367339					Longitude 103.5274121				NAD 27

First Take Point (FTP)

UL O	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S SOUTH	Feet 1705	From E/W EAST	County LEA
Latitude 32.6387043					Longitude 103.5273920				NAD 27

Last Take Point (LTP)

UL B	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S NORTH	Feet 1705	From E/W EAST	County LEA
Latitude 32.6526749					Longitude 103.5274128				NAD 27

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018







Intent  As Drilled

API #

Operator Name: EARTHSTONE OPERATING, LLC	Property Name: THUNDERBALL FED COM	Well Number 224H
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Kick Off Point (KOP)

UL B	Section 26	Township 19S	Range 34E	Lot	Feet 617	From N/S NORTH	Feet 1622	From E/W EAST	County LEA
Latitude 32.6368582					Longitude 103.5276116				NAD 83

First Take Point (FTP)

UL P	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S SOUTH	Feet 385	From E/W EAST	County LEA
Latitude 32.6388367					Longitude 103.5235967				NAD 83

Last Take Point (LTP)

UL A	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S NORTH	Feet 385	From E/W EAST	County LEA
Latitude 32.6528067					Longitude 103.5236174				NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:	Property Name:	Well Number
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KZ 06/29/2018

Intent  As Drilled

API #

Operator Name: EARTHSTONE OPERATING, LLC	Property Name: THUNDERBALL FED COM	Well Number 224H
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Kick Off Point (KOP)

UL B	Section 26	Township 19S	Range 34E	Lot	Feet 617	From N/S NORTH	Feet 1622	From E/W EAST	County LEA
Latitude 32.6367346					Longitude 103.5271199				NAD 27

First Take Point (FTP)

UL P	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S SOUTH	Feet 385	From E/W EAST	County LEA
Latitude 32.6387129					Longitude 103.5231051				NAD 27

Last Take Point (LTP)

UL A	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S NORTH	Feet 385	From E/W EAST	County LEA
Latitude 32.6526829					Longitude 103.5231252				NAD 27

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:	Property Name:	Well Number
<input type="text"/>	<input type="text"/>	<input type="text"/>

KZ 06/29/2018



Intent  As Drilled

API #

Operator Name: EARTHSTONE OPERATING, LLC	Property Name: THUNDERBALL FED COM	Well Number 323H
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Kick Off Point (KOP)

UL B	Section 26	Township 19S	Range 34E	Lot	Feet 617	From N/S NORTH	Feet 1742	From E/W EAST	County LEA
Latitude 32.6368574					Longitude 103.5280013				NAD 83

First Take Point (FTP)

UL O	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S SOUTH	Feet 2310	From E/W EAST	County LEA
Latitude 32.6388240					Longitude 103.5298487				NAD 83

Last Take Point (LTP)

UL B	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S NORTH	Feet 2310	From E/W EAST	County LEA
Latitude 32.6527948					Longitude 103.5298704				NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:	Property Name:	Well Number
<input type="text"/>	<input type="text"/>	<input type="text"/>

KZ 06/29/2018

Intent  As Drilled

API #		
Operator Name: EARTHSTONE OPERATING, LLC	Property Name: THUNDERBALL FED COM	Well Number 323H

Kick Off Point (KOP)

UL B	Section 26	Township 19S	Range 34E	Lot	Feet 617	From N/S NORTH	Feet 1742	From E/W EAST	County LEA
Latitude 32.6367337					Longitude 103.5275096				NAD 27

First Take Point (FTP)

UL O	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S SOUTH	Feet 2310	From E/W EAST	County LEA
Latitude 32.6387003					Longitude 103.5293569				NAD 27

Last Take Point (LTP)

UL B	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S NORTH	Feet 2310	From E/W EAST	County LEA
Latitude 32.6526711					Longitude 103.5293780				NAD 27

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018



Intent  As Drilled

API #		
Operator Name: EARTHSTONE OPERATING, LLC	Property Name: THUNDERBALL FED COM	Well Number 324H

Kick Off Point (KOP)

UL B	Section 26	Township 19S	Range 34E	Lot	Feet 617	From N/S NORTH	Feet 1652	From E/W EAST	County LEA
Latitude 32.6368580					Longitude 103.5277090				NAD 83

First Take Point (FTP)

UL P	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S SOUTH	Feet 1045	From E/W EAST	County LEA
Latitude 32.6388323					Longitude 103.5257403				NAD 83

Last Take Point (LTP)

UL A	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S NORTH	Feet 1045	From E/W EAST	County LEA
Latitude 32.6528026					Longitude 103.5257613				NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018



Intent  As Drilled

API #		
Operator Name: EARTHSTONE OPERATING, LLC	Property Name: THUNDERBALL FED COM	Well Number 324H

Kick Off Point (KOP)

UL B	Section 26	Township 19S	Range 34E	Lot	Feet 617	From N/S NORTH	Feet 1652	From E/W EAST	County LEA
Latitude 32.6367344					Longitude 103.5272173				NAD 27

First Take Point (FTP)

UL P	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S SOUTH	Feet 1045	From E/W EAST	County LEA
Latitude 32.6387086					Longitude 103.5252485				NAD 27

Last Take Point (LTP)

UL A	Section 23	Township 19S	Range 34E	Lot	Feet 100	From N/S NORTH	Feet 1045	From E/W EAST	County LEA
Latitude 32.6526789					Longitude 103.5252690				NAD 27

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

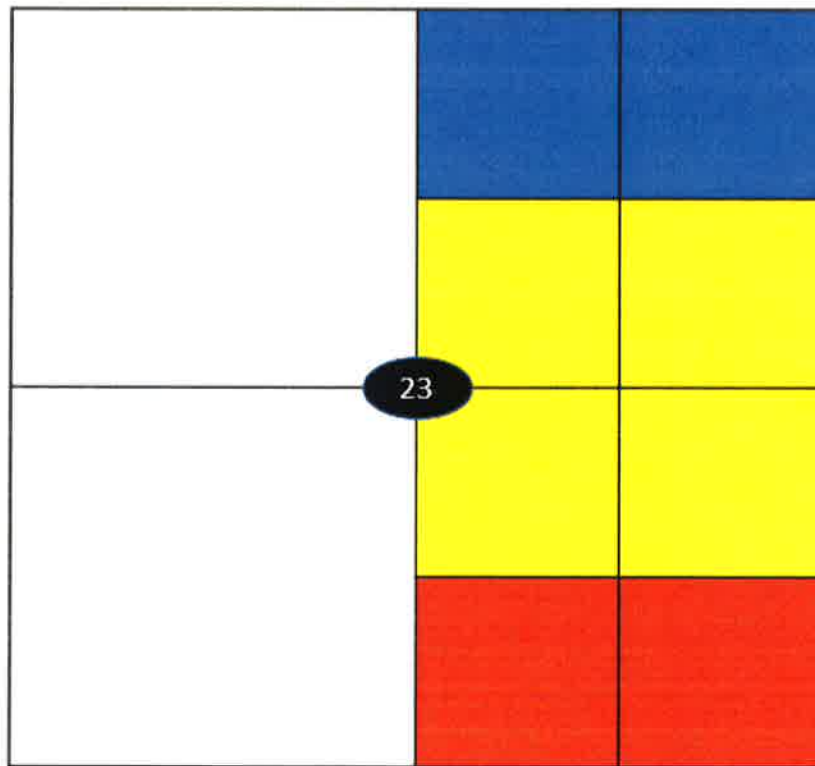
KZ 06/29/2018






**THUNDERBALL FED COM 113H**  
**THUNDERBALL FED COM 114H**  
**THUNDERBALL FED COM 223H**  
**THUNDERBALL FED COM 224H**  
**THUNDERBALL FED COM 323H**  
**THUNDERBALL FED COM 324H**

E2 of Section 23

Township 19 South, Range 34 East, Lea County New Mexico



-  Tract 1
-  Tract 2
-  Tract 3

TRACT 1 OWNERSHIP (NM-77002)

XTO Holdings, LLC 100.000000%

TRACT 2 OWNERSHIP (NM-77002)

Earthstone Permian LLC 71.250000%  
PBEX, L.L.C. 28.750000%  
100.000000%

TRACT 3 OWNERSHIP (NM-21172)

MRC Delaware Resources, LLC 100.000000%

SPACING UNIT OWNERSHIP

Earthstone Permian, LLC 35.625000%  
PBEX, LLC 14.275000%  
XTO Holdings, LLC 25.000000%  
MRC Delaware Resources 25.000000%  
100.000000%

PARTIES TO POOL

PBEX, LLC  
XTO Holdings, LLC  
MRC Delaware Resources



**EARTHSTONE** Operating, LLC  
1400 Woodloch Forest Drive, Suite 300  
The Woodlands, TX 77380  
Office: 281-298-4246  
Fax: 832-823-0478

November 1, 2022

VIA FED-X

XTO Holdings, LLC  
22777 Springwoods Village Pkwy  
Spring, TX 77389

<b>Re: Thunderball 23 Fed 1BS Com 1H</b> <b>Thunderball 23 Fed 3BS Com 3H</b> <b>Thunderball 23 Fed 2BS Com 5H</b> <b>E2 of Sections 23-T19S-R34E</b> <b>Lea County, New Mexico</b>	<b>Thunderball 23 Fed 1BS Com 2H</b> <b>Thunderball 23 Fed 3BS Com 4H</b> <b>Thunderball 23 Fed 2BS Com 6H</b>
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Dear Working Interest Partner:

This well proposal replaces that September 30<sup>th</sup>, 2021 proposal sent by Chisholm Energy Operating, LLC (“Chisholm”). Earthstone Operating, LLC (“Earthstone”) now owns Chisholm’s previous interest in the leasehold, and has altered the development plans described in the 2021 proposal.

Earthstone now proposes to drill and operate the subject wells to test the Bone Spring formation. Enclosed find Authorities for Expenditure (“AFE”) reflecting estimated costs to drill, test, complete, and equip the wells.

In connection with the above:

- **Thunderball 23 Fed 1BS Com 1H:** to be drilled from a proposed surface hole location of 642’ FNL & 1680’ FEL of Section 26-19S-34E to a proposed bottom hole location of 50’ FNL & 1705’ FEL of Section 23-19S-34E with an expected TVD of 9,672’.
- **Thunderball 23 Fed 1BS Com 2H:** to be drilled from a proposed surface hole location of 642’ FNL & 1620’ FEL of 26-19S-34E to a proposed bottom hole location of 50’ FNL & 385’ FEL of Section 23-19S-34E with an expected TVD of 9,672’.
- **Thunderball 23 Fed 3BS Com 3H:** to be drilled from a proposed surface hole location of 642’ FNL & 1650’ FEL of Section 26-19S-34E to a proposed bottom hole location of 50’ FNL & 2,310’ FEL of Section 23-19S-34E with an expected TVD of 10,842’.
- **Thunderball 23 Fed 3BS Com 4H:** to be drilled from a proposed surface hole location of 672’ FNL & 1,650’ FEL of 26-19S-34E to a proposed bottom hole location of 50’ FNL & 1,045’ FEL of Section 23-19S-34E with an expected TVD of 10,842’.

- **Thunderball 23 Fed 2BS Com 5H:** to be drilled from a proposed surface hole location of 672' FNL & 1,680' FEL of Section 26-19S-34E to a proposed bottom hole location of 50' FNL & 1,705' FEL of Section 23-19S-34E with an expected TVD of 10,417'.
- **Thunderball 23 Fed 2BS Com 6H:** to be drilled from a proposed surface hole location of 672' FNL & 1,620' FEL of Section 26-19S-34E to a proposed bottom hole location of 50' FNL & 385' FEL of Section 23-19S-34E with an expected TVD of 10,417'.


Earthstone hereby proposes the creation of a 320.00 acre working interest unit consisting of the E2 of Section 23-Township 19 South, Range 34 East, to be governed by a modified 1989 AAPL Model Form Operating Agreement with the following general provisions:


- Limited to the Bone Spring Formation.
- 100/300 non-consent penalties
- \$7,500/\$750 fixed drilling and production overhead rates
- Earthstone Operating, LLC named as Operator

Please indicate your election in the space provided below and return one copy of this letter to the undersigned. Should you elect to participate, please also sign, and return one copy of each AFE.


Sincerely,

Matt Solomon  
Senior Landman  
713-379-3083  
msolomon@earthstonenergy.com

 <b>EARTHSTONE</b> Operating, LLC		<b>Earthstone Operating, LLC</b> Statement of Estimated Well Cost			
<b>Well Name:</b> Thunderball Fed Com 113H <b>Field Name:</b> Ranger <b>Location:</b> Lea Co., NM <b>AFE #:</b> 22 - WC - XX		<b>Project Description:</b> 6 WELL PAD Estimate is for the drilling of a 1.0 mile 1st Bone Spring Sand lateral in Lea County, NM. 10-3/4" Surface casing will be set at 1,600' MD. The 2nd Intermediate section will be drilled 9-7/8" and 8-5/8" Casing set at 5,400' MD. A production interval will be drilled with OBM as a 7-7/8" curve, and 7-7/8" lateral to TD at approximately 15,000 MD', -5,400' VS. 5.5" production casing will be run to surface. Scheduled as 14 days to Rig Release.			
DRILLING INTANGIBLE		COMPLETION INTANGIBLE			
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1420/10	LEASE / STAKE / PERMIT	\$ 6,000	1432/10	LEASE / STAKE / PERMIT	\$ 2,500
1420/15	INSPECTION	\$ 10,000	1432/20	LOCATION AND ROADS	\$ 11,867
1420/20	LOCATION AND ROADS	\$ 50,000	1432/70	COMPLETION/WORKOVER RIG	\$ 28,200
1420/25	SURFACE DAMAGES	\$ 22,500	1432/90	FUEL, POWER & WATER	\$ 154,000
1420/30	RIG MOBILIZATION	\$ 70,000	1432/110	TRUCKING/VACUUM TRUCK	\$ 15,000
1420/50	DAYWORK	\$ 578,000	1432/120	DRILLING/COMPLETION FLUIDS	\$ 3,500
1420/80	BITS/REAMERS	\$ 71,000	1432/130	CEMENT AND PUMP SERVICE	\$ -
1420/90	FUEL, POWER & WATER	\$ 203,000	1432/150	ELECTRIC LOGGING/PERFORATING	\$ 176,400
1420/110	TRUCKING/VACUUM TRUCK	\$ 45,000	1432/170	EQUIPMENT/TOOL RENTALS	\$ 245,340
1420/120	DRILLING/COMPLETION FLUIDS	\$ 193,000	1432/171	COMPLETION HOUSING	\$ 9,800
1420/130	CEMENT AND PUMP SERVICE	\$ 200,000	1432/180	WELL STIMULATION	\$ 1,858,300
1420/140	CASING CREWS AND TOOLS	\$ 40,000	1432/181	WELL TEST SERVICES	\$ 50,400
1420/150	ELECTRIC LOGGING/PERFORATING	\$ -	1432/183	DIAGNOSTIC SERVICES	\$ 60,000
1420/160	MUD LOGGING	\$ 14,000	1432/190	SURVEY SERVICES	\$ 4,500
1420/170	EQUIPMENT/TOOL RENTALS	\$ 88,000	1432/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 15,000
1420/174	DOWNHOLE RENTALS	\$ 56,000	1432/220	WELLHEAD REPAIR & SERVICEMAN	\$ -
1420/180	WELL STIMULATION / TESTING	\$ -	1432/230	COILED TUBING SERVICES	\$ 18,000
1420/186	CLOSED LOOP SYS/CUTTINGS DISP	\$ 112,000	1432/250	INSURANCE	\$ 1,700
1420/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 65,000	1432/260	SUPERVISION/ENGINEERING	\$ 41,000
1420/200	DIRECTION DRILLING/SURVEYING	\$ 173,000	1432/270	ADMINISTRATIVE/OVERHEAD	\$ -
1420/250	INSURANCE	\$ 10,000	1432/280	PIT REMEDIATION	\$ 18,667
1420/260	SUPERVISION/ENGINEERING	\$ 56,000	1432/290	MISCELLANEOUS	\$ 12,500
1420/270	ADMINISTRATIVE/OVERHEAD	\$ 5,000	1432/310	FRESH WATER TRANSFER	\$ 14,000
1420/315	PARTS	\$ 15,000	1432/350	COMMUNICATIONS	\$ 2,400
1420/350	COMMUNICATIONS	\$ 7,000	1432/412	ARTIFICIAL LIFT	\$ 50,000
1420/300	CONTINGENCY	\$ 42,500	1432/417	FRAC INCIDENTAL	\$ -
			1432/300	CONTINGENCY	\$ 93,257
			<b>COMPLETION INTANGIBLE TOTAL</b>		\$ 2,884,131
<b>DRILLING INTANGIBLE TOTAL</b>		\$ 2,132,000			
DRILLING TANGIBLE		COMPLETION TANGIBLE			
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1430/310	CONDUCTOR CASING	\$ 30,000	1433/300	VALVES/CONNECTIONS/FITTINGS	\$ 45,000
1430/320	SURFACE CASING	\$ 130,000	1433/320	FLOWLINE	\$ 6,000
1430/330	INTERMEDIATE CASING	\$ 363,000	1433/370	TUBING	\$ 144,000
1430/340	DRILLING LINERS	\$ -	1433/380	PUMPING UNIT	\$ -
1430/350	PRODUCTION CASING	\$ 413,000	1433/400	WELLHEAD EQUIPMENT	\$ 65,000
1430/400	CASING HANGER/WELLHEAD EQUIP	\$ 55,000	1433/410	DOWNHOLE ARTIFICIAL LIFT EQUIP	\$ 325,000
1430/405	DOWNHOLE TOOLS	\$ -	1433/412	SURFACE ARTIFICIAL LIFT EQUIP	\$ 92,500
			1433/417	FRAC INCIDENTAL	\$ -
			<b>COMPLETION TANGIBLE TOTAL</b>		\$ 677,500
DRILLING TANGIBLE TOTAL		\$ 991,000 <th colspan="2">FACILITIES INTANGIBLE</th> <td></td>	FACILITIES INTANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1450/20	LOCATION AND ROADS	\$ 13,500
			1450/90	FUEL, POWER & WATER	\$ 1,000
			1450/110	TRUCKING/VACUUM TRUCK	\$ 16,200
			1450/170	EQUIPMENT/TOOL RENTAL	\$ 50,000
			1450/195	CONTRACT LABOR	\$ 100,000
			1450/260	SUPERVISION/ENGINEERING	\$ 25,000
			1450/270	ADMINISTRATIVE/OVERHEAD	\$ -
			1450/290	MISCELLANEOUS	\$ 10,000
			<b>FACILITIES INTANGIBLE TOTAL</b>		\$ 215,700
DRILLING TANGIBLE TOTAL		\$ 991,000	FACILITIES TANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1452/300	VALVES/CONNECTIONS/FITTINGS	\$ 55,000
			1452/315	METER EQUIPMENT	\$ 15,000
			1452/340	SEPARATORS	\$ 115,000
			1452/345	HEATER TREATER	\$ 30,000
			1452/355	GATHERING LINE	\$ 175,000
			1452/360	STOCK TANKS	\$ 90,000
			1452/385	DIAGNOSTIC EQUIPMENT	\$ 70,000
			1452/380	ELECTRICAL EQUIPMENT & SUPPLIES	\$ 50,000
			1452/390	FACILITIES	\$ 45,000
			<b>FACILITIES TANGIBLE TOTAL</b>		\$ 645,000
<b>DRILLING TANGIBLE TOTAL</b>		\$ 991,000	<b>FACILITIES TOTAL</b>		\$ 860,700
<b>TOTAL DRILLING COSTS</b>		\$ 3,123,000	<b>TOTAL COMPLETION/FACILITIES COSTS</b>		\$ 4,222,331
			<b>TOTAL ESTIMATED WELL COST</b>		\$ 7,345,331
<b>Operator Approval</b>		<b>Participant Approval</b>			
Prepared By:	Date:	Company:	Participant Wt %:		
Approved By:	Date:	Approved By:	Date:		


 <b>Earthstone Operating, LLC</b> Statement of Estimated Well Cost			Project Description: 6 WELL PAD. Estimate is for the drilling of a 1.0 mile 1st Bone Spring Sand lateral in Lea County, NM. 10-3/4" Surface casing will be set at 1,600' MD. The 2nd intermediate section will be drilled 9-7/8" and 8-5/8" casing set at 5,400' MD. A production interval will be drilled with OBM as a 7-7/8" curve, and 7-7/8" lateral to TD at approximately 15,000 MD, ~5,400' VS. 5" production casing will be run to surface. Scheduled as 14 days to Rig Release.		
Well Name: Thunderball Fed Com 114H Field Name: Ranger Location: Lea Co., NM AFE #: 22 - WC - XX					
DRILLING INTANGIBLE			COMPLETION INTANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1420/10	LEASE / STAKE / PERMIT	\$ 6,000	1432/10	LEASE / STAKE / PERMIT	\$ 2,500
1420/16	INSPECTION	\$ 10,000	1432/20	LOCATION AND ROADS	\$ 11,667
1420/20	LOCATION AND ROADS	\$ 50,000	1432/70	COMPLETION/WORKOVER RIG	\$ 28,200
1420/25	SURFACE DAMAGES	\$ 22,500	1432/90	FUEL, POWER & WATER	\$ 154,000
1420/30	RIG MOBILIZATION	\$ 70,000	1432/110	TRUCKING/VACUUM TRUCK	\$ 15,000
1420/50	DAYWORK	\$ 578,000	1432/120	DRILLING/COMPLETION FLUIDS	\$ 3,500
1420/80	BITS/REAMERS	\$ 71,000	1432/130	CEMENT AND PUMP SERVICE	\$ -
1420/90	FUEL, POWER & WATER	\$ 203,000	1432/150	ELECTRIC LOGGING/PERFORATING	\$ 178,400
1420/110	TRUCKING/VACUUM TRUCK	\$ 45,000	1432/170	EQUIPMENT/TOOL RENTALS	\$ 245,340
1420/120	DRILLING/COMPLETION FLUIDS	\$ 193,000	1432/171	COMPLETION HOUSING	\$ 9,800
1420/130	CEMENT AND PUMP SERVICE	\$ 200,000	1432/180	WELL STIMULATION	\$ 1,658,300
1420/140	CASING CREWS AND TOOLS	\$ 40,000	1432/181	WELL TEST SERVICES	\$ 50,400
1420/150	ELECTRIC LOGGING/PERFORATING	\$ -	1432/183	DIAGNOSTIC SERVICES	\$ 60,000
1420/160	MUD LOGGING	\$ 14,000	1432/190	SLICKLINE SERVICES	\$ 4,500
1420/170	EQUIPMENT/TOOL RENTALS	\$ 88,000	1432/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 15,000
1420/174	DOWNHOLE RENTALS	\$ 56,000	1432/220	WELLHEAD REPAIR & SERVICEMAN	\$ -
1420/180	WELL STIMULATION / TESTING	\$ -	1432/230	COILED TUBING SERVICES	\$ 18,000
1420/186	CLOSED LOOP SY/CUTTINGS DISP	\$ 112,000	1432/250	INSURANCE	\$ 1,700
1420/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 65,000	1432/260	SUPERVISION/ENGINEERING	\$ 41,000
1420/200	DIRECTION DRILLING/SURVEYING	\$ 173,000	1432/270	ADMINISTRATIVE/OVERHEAD	\$ -
1420/250	INSURANCE	\$ 10,000	1432/280	PIT REMEDIATION	\$ 16,667
1420/260	SUPERVISION/ENGINEERING	\$ 56,000	1432/290	MISCELLANEOUS	\$ 12,500
1420/270	ADMINISTRATIVE/OVERHEAD	\$ 5,000	1432/310	FRESH WATER TRANSFER	\$ 14,000
1420/315	PARTS	\$ 15,000	1432/350	COMMUNICATIONS	\$ 2,400
1420/350	COMMUNICATIONS	\$ 7,000	1432/412	ARTIFICIAL LIFT	\$ 50,000
1420/300	CONTINGENCY	\$ 42,500	1432/417	FRAC INCIDENTAL	\$ -
			1432/300	CONTINGENCY	\$ 93,257
			<b>COMPLETION INTANGIBLE TOTAL</b>		<b>\$ 2,684,131</b>
DRILLING INTANGIBLE TOTAL			COMPLETION TANGIBLE		
		<b>\$ 2,132,000</b>	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1433/300	VALVES/CONNECTIONS/FITTINGS	\$ 45,000
			1433/320	FLOWLINE	\$ 6,000
			1433/370	TUBING	\$ 144,000
			1433/380	PUMPING UNIT	\$ -
			1433/400	WELLHEAD EQUIPMENT	\$ 65,000
			1433/410	DOWNHOLE ARTIFICIAL LIFT EQUIP	\$ 325,000
			1433/412	SURFACE ARTIFICIAL LIFT EQUIP	\$ 92,500
			1433/417	FRAC INCIDENTAL	\$ -
			<b>COMPLETION TANGIBLE TOTAL</b>		<b>\$ 677,500</b>
DRILLING TANGIBLE			FACILITIES INTANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1430/310	CONDUCTOR CASING	\$ 30,000	1450/20	LOCATION AND ROADS	\$ 13,500
1430/320	SURFACE CASING	\$ 130,000	1450/90	FUEL, POWER & WATER	\$ 1,000
1430/330	INTERMEDIATE CASING	\$ 363,000	1450/110	TRUCKING/VACUUM TRUCK	\$ 16,200
1430/340	DRILLING LINERS	\$ -	1450/170	EQUIPMENT/TOOL RENTAL	\$ 50,000
1430/350	PRODUCTION CASING	\$ 413,000	1450/195	CONTRACT LABOR	\$ 100,000
1430/400	CASING HANGER/WELLHEAD EQUIP	\$ 55,000	1450/260	SUPERVISION/ENGINEERING	\$ 25,000
1430/405	DOWNHOLE TOOLS	\$ -	1450/270	ADMINISTRATIVE/OVERHEAD	\$ -
			1450/290	MISCELLANEOUS	\$ 10,000
			<b>FACILITIES INTANGIBLE TOTAL</b>		<b>\$ 215,700</b>
DRILLING TANGIBLE TOTAL			FACILITIES TANGIBLE		
		<b>\$ 991,000</b>	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1452/300	VALVES/CONNECTIONS/FITTINGS	\$ 55,000
			1452/315	METER EQUIPMENT	\$ 15,000
			1452/340	SEPARATORS	\$ 115,000
			1452/345	HEATER TREATER	\$ 30,000
			1452/355	GATHERING LINE	\$ 175,000
			1452/360	STOCK TANKS	\$ 90,000
			1452/365	DIAGNOSTIC EQUIPMENT	\$ 70,000
			1452/389	ELECTRICAL EQUIPMENT & SUPPLIES	\$ 50,000
			1452/390	FACILITIES	\$ 45,000
			<b>FACILITIES TANGIBLE TOTAL</b>		<b>\$ 645,000</b>
<b>TOTAL DRILLING COSTS</b>		<b>\$ 3,123,000</b>	<b>FACILITIES TOTAL</b>		<b>\$ 860,700</b>
<b>TOTAL COMPLETION/FACILITIES COSTS</b>		<b>\$ 4,222,331</b>	<b>TOTAL ESTIMATED WELL COST</b>		<b>\$ 7,345,331</b>
<b>Operator Approval</b>			<b>Participant Approval</b>		
Prepared By:	Date:		Company:	Participant W %:	
Approved By:	Date:		Approved By:	Date:	




 <b>EARTHSTONE</b> Operating, LLC			<b>Earthstone Operating, LLC</b> Statement of Estimated Well Cost		
<b>Well Name:</b> Thunderball Fed Com 223H <b>Field Name:</b> Ranger <b>Location:</b> Lea Co., NM <b>AFE #:</b> 22 - WC - XX			<b>Project Description:</b> 6 WELL PAD. Estimate is for the drilling of a 1.0 mile 2nd Bone Spring Sand lateral in Lea County, NM. 10-3/4" Surface casing will be set at 1,600' MD. The 2nd Intermediate section will be drilled 9-7/8" and 8-5/8" Casing set at 5,400' MD. A production interval will be drilled with OBM as a 7-7/8" curve, and 7-7/8" lateral to TD at approximately 15,750 MD', -5,400' VS. 5.5" production casing will be run to surface. Scheduled as 14 days to Rig Release.		
DRILLING INTANGIBLE			COMPLETION INTANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1420/10	LEASE / STAKE / PERMIT	\$ 8,000	1432/10	LEASE / STAKE / PERMIT	\$ 2,800
1420/16	INSPECTION	\$ 10,000	1432/20	LOCATION AND ROADS	\$ 11,667
1420/20	LOCATION AND ROADS	\$ 50,000	1432/70	COMPLETION/WORKOVER RIG	\$ 28,200
1420/25	SURFACE DAMAGES	\$ 22,500	1432/90	FUEL, POWER & WATER	\$ 154,000
1420/30	RIG MOBILIZATION	\$ 70,000	1432/110	TRUCKING/VACUUM TRUCK	\$ 15,000
1420/50	DAYWORK	\$ 578,000	1432/120	DRILLING/COMPLETION FLUIDS	\$ 3,500
1420/80	BITS/REAMERS	\$ 71,000	1432/130	CEMENT AND PUMP SERVICE	\$ -
1420/90	FUEL, POWER & WATER	\$ 203,000	1432/150	ELECTRIC LOGGING/PERFORATING	\$ 178,400
1420/110	TRUCKING/VACUUM TRUCK	\$ 45,000	1432/170	EQUIPMENT/TOOL RENTALS	\$ 245,340
1420/120	DRILLING/COMPLETION FLUIDS	\$ 193,000	1432/171	COMPLETION HOUSING	\$ 9,800
1420/130	CEMENT AND PUMP SERVICE	\$ 200,000	1432/180	WELL STIMULATION	\$ 1,658,300
1420/140	CASING CREWS AND TOOLS	\$ 40,000	1432/181	WELL TEST SERVICES	\$ 50,400
1420/150	ELECTRIC LOGGING/PERFORATING	\$ -	1432/183	DIAGNOSTIC SERVICES	\$ 60,000
1420/180	MUD LOGGING	\$ 14,000	1432/190	SLICKLINE SERVICES	\$ 4,500
1420/170	EQUIPMENT/TOOL RENTALS	\$ 88,000	1432/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 15,000
1420/174	DOWNHOLE RENTALS	\$ 56,000	1432/220	WELLHEAD REPAIR & SERVICEMAN	\$ -
1420/180	WELL STIMULATION / TESTING	\$ -	1432/230	COILED TUBING SERVICES	\$ 18,000
1420/186	CLOSED LOOP SYS/CUTTINGS DISP	\$ 112,000	1432/250	INSURANCE	\$ 1,700
1420/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 65,000	1432/260	SUPERVISION/ENGINEERING	\$ 41,000
1420/200	DIRECTION DRILLING/SURVEYING	\$ 173,000	1432/270	ADMINISTRATIVE/OVERHEAD	\$ -
1420/250	INSURANCE	\$ 10,000	1432/280	PIT REMEDIATION	\$ 16,667
1420/280	SUPERVISION/ENGINEERING	\$ 56,000	1432/290	MISCELLANEOUS	\$ 12,500
1420/270	ADMINISTRATIVE/OVERHEAD	\$ 5,000	1432/310	FRESH WATER TRANSFER	\$ 14,000
1420/315	PARTS	\$ 15,000	1432/350	COMMUNICATIONS	\$ 2,400
1420/350	COMMUNICATIONS	\$ 7,000	1432/412	ARTIFICIAL LIFT	\$ 50,000
1420/300	CONTINGENCY	\$ 42,500	1432/417	FRAC INCIDENTAL	\$ -
			1432/300	CONTINGENCY	\$ 93,257
			<b>COMPLETION INTANGIBLE TOTAL</b>		\$ 2,684,131
<b>DRILLING INTANGIBLE TOTAL</b>			<b>COMPLETION TANGIBLE</b>		
		\$ 2,132,000	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1433/300	VALVES/CONNECTIONS/FITTINGS	\$ 45,000
			1433/320	FLOWLINE	\$ 6,000
			1433/370	TUBING	\$ 144,000
			1433/380	PUMPING UNIT	\$ -
			1433/400	WELLHEAD EQUIPMENT	\$ 50,000
			1433/410	DOWNHOLE ARTIFICIAL LIFT EQUIP	\$ 325,000
			1433/412	SURFACE ARTIFICIAL LIFT EQUIP	\$ 92,500
			1433/417	FRAC INCIDENTAL	\$ -
			<b>COMPLETION TANGIBLE TOTAL</b>		\$ 662,500
DRILLING TANGIBLE			FACILITIES INTANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1430/310	CONDUCTOR CASING	\$ 30,000	1450/20	LOCATION AND ROADS	\$ 13,500
1430/320	SURFACE CASING	\$ 130,000	1450/90	FUEL, POWER & WATER	\$ 1,000
1430/330	INTERMEDIATE CASING	\$ 363,000	1450/110	TRUCKING/VACUUM TRUCK	\$ 16,200
1430/340	DRILLING LINERS	\$ -	1450/170	EQUIPMENT/TOOL RENTAL	\$ 50,000
1430/350	PRODUCTION CASING	\$ 433,000	1450/195	CONTRACT LABOR	\$ 100,000
1430/400	CASING HANGER/WELLHEAD EQUIP	\$ 55,000	1450/260	SUPERVISION/ENGINEERING	\$ 25,000
1430/405	DOWNHOLE TOOLS	\$ -	1450/270	ADMINISTRATIVE/OVERHEAD	\$ -
			1450/290	MISCELLANEOUS	\$ 10,000
			<b>FACILITIES INTANGIBLE TOTAL</b>		\$ 215,700
<b>DRILLING TANGIBLE TOTAL</b>			<b>FACILITIES TANGIBLE</b>		
		\$ 1,011,000	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1452/300	VALVES/CONNECTIONS/FITTINGS	\$ 55,000
			1452/315	METER EQUIPMENT	\$ 15,000
			1452/340	SEPARATORS	\$ 115,000
			1452/345	HEATER TREATER	\$ 30,000
			1452/355	GATHERING LINE	\$ -
			1452/360	STOCK TANKS	\$ 90,000
			1452/365	DIAGNOSTIC EQUIPMENT	\$ 70,000
			1452/380	ELECTRICAL EQUIPMENT & SUPPLIES	\$ 50,000
			1452/390	FACILITIES	\$ 45,000
			<b>FACILITIES TANGIBLE TOTAL</b>		\$ 470,000
<b>DRILLING TANGIBLE TOTAL</b>			<b>FACILITIES TOTAL</b>		
		\$ 1,011,000			\$ 685,700
<b>TOTAL DRILLING COSTS</b>		<b>\$ 3,143,000</b>	<b>TOTAL COMPLETION/FACILITIES COSTS</b>		<b>\$ 4,032,331</b>
<b>TOTAL ESTIMATED WELL COST</b>					<b>\$ 7,175,331</b>
<b>Operator Approval</b>			<b>Participant Approval</b>		
Prepared By:	Date:		Company:	Participant Wt %:	
Approved By:	Date:		Approved By:	Date:	





 <b>Earthstone Operating, LLC</b> Statement of Estimated Well Cost			Project Description: 6 WELL PAD Estimate is for the drilling of a 1.0 mile 3rd Bone Spring Sand lateral in Lea County, NM. 10-3/4" Surface casing will be set at 1,600' MD. The 2nd intermediate section will be drilled 9-7/8" and 8-5/8" casing set at 5,400' MD. A production interval will be drilled with OBM as a 7-7/8" curve, and 7-7/8" lateral to TD at approximately 16,500 MD'. -5,400' VS. 5.5' production casing will be run to surface. Scheduled as 14 days to Rig Release.		
Well Name: Thunderball Fed Com 323H Field Name: Ranger Location: Lea Co., NM AFE #: 22 - WC - XX					
DRILLING INTANGIBLE			COMPLETION INTANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1420/10	LEASE / STAKE / PERMIT	\$ 6,000	1432/10	LEASE / STAKE / PERMIT	\$ 2,500
1420/16	INSPECTION	\$ 10,000	1432/20	LOCATION AND ROADS	\$ 11,067
1420/20	LOCATION AND ROADS	\$ 50,000	1432/70	COMPLETION/WORKOVER RIG	\$ 28,200
1420/25	SURFACE DAMAGES	\$ 22,500	1432/90	FUEL, POWER & WATER	\$ 154,000
1420/30	RIG MOBILIZATION	\$ 70,000	1432/110	TRUCKING/VACUUM TRUCK	\$ 15,000
1420/50	DAYWORK	\$ 578,000	1432/120	DRILLING/COMPLETION FLUIDS	\$ 3,500
1420/80	BITS / REAMERS	\$ 71,000	1432/130	CEMENT AND PUMP SERVICE	\$ -
1420/90	FUEL, POWER & WATER	\$ 203,000	1432/150	ELECTRIC LOGGING/PERFORATING	\$ 176,400
1420/110	TRUCKING/VACUUM TRUCK	\$ 45,000	1432/170	EQUIPMENT/TOOL RENTALS	\$ 245,340
1420/120	DRILLING/COMPLETION FLUIDS	\$ 193,000	1432/171	COMPLETION HOUSING	\$ 9,800
1420/130	CEMENT AND PUMP SERVICE	\$ 200,000	1432/180	WELL STIMULATION	\$ 1,658,300
1420/140	CASING CREWS AND TOOLS	\$ 40,000	1432/181	WELL TEST SERVICES	\$ 50,400
1420/150	ELECTRIC LOGGING/PERFORATING	\$ -	1432/183	DIAGNOSTIC SERVICES	\$ 60,000
1420/160	MUD LOGGING	\$ 14,000	1432/180	SLICKLINE SERVICES	\$ 4,500
1420/170	EQUIPMENT/TOOL RENTALS	\$ 88,000	1432/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 15,000
1420/174	DOWNHOLE RENTALS	\$ 56,000	1432/220	WELLHEAD REPAIR & SERVICEMAN	\$ -
1420/180	WELL STIMULATION / TESTING	\$ -	1432/230	COILED TUBING SERVICES	\$ 18,000
1420/186	CLOSED LOOP SYS/CUTTINGS DISP	\$ 112,000	1432/250	INSURANCE	\$ 1,700
1420/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 85,000	1432/260	SUPERVISION/ENGINEERING	\$ 41,000
1420/200	DIRECTION DRILLING/SURVEYING	\$ 173,000	1432/270	ADMINISTRATIVE/OVERHEAD	\$ -
1420/250	INSURANCE	\$ 10,000	1432/280	PIT REMEDIATION	\$ 18,667
1420/260	SUPERVISION/ENGINEERING	\$ 56,000	1432/290	MISCELLANEOUS	\$ 12,500
1420/270	ADMINISTRATIVE/OVERHEAD	\$ 5,000	1432/310	FRESH WATER TRANSFER	\$ 14,000
1420/315	PARTS	\$ 15,000	1432/350	COMMUNICATIONS	\$ 2,400
1420/350	COMMUNICATIONS	\$ 7,000	1432/412	ARTIFICIAL LIFT	\$ 50,000
1420/300	CONTINGENCY	\$ 42,500	1432/417	FRAC INCIDENTAL	\$ -
			1432/300	CONTINGENCY	\$ 93,257
			<b>COMPLETION INTANGIBLE TOTAL</b>		\$ 2,684,131
<b>DRILLING INTANGIBLE TOTAL</b>			<b>COMPLETION TANGIBLE</b>		
		\$ 2,132,000	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1433/300	VALVES/CONNECTIONS/FITTINGS	\$ 45,000
			1433/320	FLOWLINE	\$ 6,000
			1433/370	TUBING	\$ 165,000
			1433/380	PUMPING UNIT	\$ -
			1433/400	WELLHEAD EQUIPMENT	\$ 50,000
			1433/410	DOWNHOLE ARTIFICIAL LIFT EQUIP	\$ 325,000
			1433/412	SURFACE ARTIFICIAL LIFT EQUIP	\$ 92,500
			1433/417	FRAC INCIDENTAL	\$ -
			<b>COMPLETION TANGIBLE TOTAL</b>		\$ 683,500
DRILLING TANGIBLE			FACILITIES INTANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1430/310	CONDUCTOR CASING	\$ 30,000	1450/20	LOCATION AND ROADS	\$ 13,500
1430/320	SURFACE CASING	\$ 130,000	1450/90	FUEL, POWER & WATER	\$ 1,000
1430/330	INTERMEDIATE CASING	\$ 363,000	1450/110	TRUCKING/VACUUM TRUCK	\$ 16,200
1430/340	DRILLING LINERS	\$ -	1450/170	EQUIPMENT/TOOL RENTAL	\$ 50,000
1430/350	PRODUCTION CASING	\$ 454,000	1450/195	CONTRACT LABOR	\$ 100,000
1430/400	CASING HANGER/WELLHEAD EQUIP	\$ 55,000	1450/260	SUPERVISION/ENGINEERING	\$ 25,000
1430/405	DOWNHOLE TOOLS	\$ -	1450/270	ADMINISTRATIVE/OVERHEAD	\$ -
			1450/290	MISCELLANEOUS	\$ 10,000
			<b>FACILITIES INTANGIBLE TOTAL</b>		\$ 215,700
DRILLING TANGIBLE TOTAL			FACILITIES TANGIBLE		
		\$ 1,032,000	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1452/300	VALVES/CONNECTIONS/FITTINGS	\$ 55,000
			1452/315	METER EQUIPMENT	\$ 15,000
			1452/340	SEPARATORS	\$ 115,000
			1452/345	HEATER TREATER	\$ 30,000
			1452/355	GATHERING LINE	\$ -
			1452/360	STOCK TANKS	\$ 90,000
			1452/365	DIAGNOSTIC EQUIPMENT	\$ 70,000
			1452/380	ELECTRICAL EQUIPMENT & SUPPLIES	\$ 50,000
			1452/390	FACILITIES	\$ 45,000
			<b>FACILITIES TANGIBLE TOTAL</b>		\$ 470,000
<b>DRILLING TANGIBLE TOTAL</b>		\$ 1,032,000	<b>FACILITIES TOTAL</b>		\$ 685,700
<b>TOTAL DRILLING COSTS</b>		\$ 3,164,000	<b>TOTAL COMPLETION/FACILITIES COSTS</b>		\$ 4,053,331
			<b>TOTAL ESTIMATED WELL COST</b>		\$ 7,217,331
<b>Operator Approval</b>			<b>Participant Approval</b>		
Prepared By:	Date:		Company:	Participant Wt %:	
Approved By:	Date:		Approved By:	Date:	

 <b>EARTHSTONE</b> Operating, LLC		<b>Earthstone Operating, LLC</b> Statement of Estimated Well Cost			
<b>Well Name:</b> Thunderball Fed Com 324H <b>Field Name:</b> Ranger <b>Location:</b> Lea Co., NM <b>AFE #:</b> 22 - WC - XX		<b>Project Description:</b> 6 WELL PAD Estimate is for the drilling of a 1.0 mile 3rd Bone Spring Sand lateral in Lea County, NM. 10-3/4" Surface casing will be set at 1,600' MD. The 2nd Intermediate section will be drilled 9-7/8" and 8-5/8" Casing set at 5,400' MD. A production interval will be drilled with OBM as a 7-7/8" curve, and 7-7/8" lateral to TD at approximately 16,500 MD'. -5,400' VS. 5.5" production casing will be run to surface. Scheduled as 14 days to Rig Release.			
DRILLING INTANGIBLE		COMPLETION INTANGIBLE			
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1420/10	LEASE / STAKE / PERMIT	\$ 8,000	1432/10	LEASE / STAKE / PERMIT	\$ 2,500
1420/16	INSPECTION	\$ 10,000	1432/20	LOCATION AND ROADS	\$ 11,667
1420/20	LOCATION AND ROADS	\$ 50,000	1432/70	COMPLETION/WORKOVER RIG	\$ 28,200
1420/25	SURFACE DAMAGES	\$ 22,500	1432/90	FUEL, POWER & WATER	\$ 164,000
1420/30	RIG MOBILIZATION	\$ 70,000	1432/110	TRUCKING/VACUUM TRUCK	\$ 15,000
1420/30	DAYWORK	\$ 578,000	1432/120	DRILLING/COMPLETION FLUIDS	\$ 3,500
1420/80	BITS/REAMERS	\$ 71,000	1432/130	CEMENT AND PUMP SERVICE	\$ -
1420/90	FUEL, POWER & WATER	\$ 203,000	1432/150	ELECTRIC LOGGING/PERFORATING	\$ 176,400
1420/110	TRUCKING/VACUUM TRUCK	\$ 45,000	1432/170	EQUIPMENT/TOOL RENTALS	\$ 245,340
1420/120	DRILLING/COMPLETION FLUIDS	\$ 193,000	1432/171	COMPLETION HOUSING	\$ 9,800
1420/130	CEMENT AND PUMP SERVICE	\$ 200,000	1432/180	WELL STIMULATION	\$ 1,658,300
1420/140	CASING CREWS AND TOOLS	\$ 40,000	1432/181	WELL TEST SERVICES	\$ 50,400
1420/150	ELECTRIC LOGGING/PERFORATING	\$ -	1432/183	DIAGNOSTIC SERVICES	\$ 60,000
1420/160	MUD LOGGING	\$ 14,000	1432/190	SUCKLINE SERVICES	\$ 4,500
1420/170	EQUIPMENT/TOOL RENTALS	\$ 88,000	1432/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 15,000
1420/174	DOWNHOLE RENTALS	\$ 56,000	1432/220	WELLHEAD REPAIR & SERVICEMAN	\$ -
1420/180	WELL STIMULATION / TESTING	\$ -	1432/230	COILED TUBING SERVICES	\$ 18,000
1420/186	CLOSED LOOP SYS/CUTTINGS DISP	\$ 112,000	1432/250	INSURANCE	\$ 1,700
1420/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 65,000	1432/260	SUPERVISION/ENGINEERING	\$ 41,000
1420/200	DIRECTION DRILLING/SURVEYING	\$ 173,000	1432/270	ADMINISTRATIVE/OVERHEAD	\$ -
1420/250	INSURANCE	\$ 10,000	1432/280	PIT REMEDIATION	\$ 18,667
1420/280	SUPERVISION/ENGINEERING	\$ 56,000	1432/280	MISCELLANEOUS	\$ 12,500
1420/270	ADMINISTRATIVE/OVERHEAD	\$ 5,000	1432/310	FRESH WATER TRANSFER	\$ 14,000
1420/315	PARTS	\$ 15,000	1432/350	COMMUNICATIONS	\$ 2,400
1420/350	COMMUNICATIONS	\$ 7,000	1432/412	ARTIFICIAL LIFT	\$ 50,000
1420/360	CONTINGENCY	\$ 42,500	1432/417	FRAC INCIDENTAL	\$ -
			1432/300	CONTINGENCY	\$ 83,257
			<b>COMPLETION INTANGIBLE TOTAL</b>		<b>\$ 2,684,131</b>
DRILLING INTANGIBLE TOTAL		\$ 2,132,000	COMPLETION TANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1433/300	VALVES/CONNECTIONS/FITTINGS	\$ 45,000
			1433/220	FLOWLINE	\$ 6,000
			1433/370	TUBING	\$ 165,000
			1433/380	PUMPING UNIT	\$ -
			1433/400	WELLHEAD EQUIPMENT	\$ 50,000
			1433/410	DOWNHOLE ARTIFICIAL LIFT EQUIP	\$ 325,000
			1433/412	SURFACE ARTIFICIAL LIFT EQUIP	\$ 92,500
			1433/417	FRAC INCIDENTAL	\$ -
			<b>COMPLETION TANGIBLE TOTAL</b>		<b>\$ 683,500</b>
DRILLING TANGIBLE		AMOUNT	FACILITIES INTANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1430/310	CONDUCTOR CASING	\$ 30,000	1450/20	LOCATION AND ROADS	\$ 13,500
1430/320	SURFACE CASING	\$ 130,000	1450/90	FUEL, POWER & WATER	\$ 1,000
1430/330	INTERMEDIATE CASING	\$ 363,000	1450/110	TRUCKING/VACUUM TRUCK	\$ 15,200
1430/340	DRILLING LINERS	\$ -	1450/170	EQUIPMENT/TOOL RENTAL	\$ 59,000
1430/350	PRODUCTION CASING	\$ 454,000	1450/195	CONTRACT LABOR	\$ 100,000
1430/400	CASING HANGER/WELLHEAD EQUIP	\$ 55,000	1450/260	SUPERVISION/ENGINEERING	\$ 25,000
1430/405	DOWNHOLE TOOLS	\$ -	1450/270	ADMINISTRATIVE/OVERHEAD	\$ -
			1450/290	MISCELLANEOUS	\$ 10,000
			<b>FACILITIES INTANGIBLE TOTAL</b>		<b>\$ 215,700</b>
DRILLING TANGIBLE TOTAL		\$ 1,032,000	FACILITIES TANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1452/300	VALVES/CONNECTIONS/FITTINGS	\$ 55,000
			1452/315	METER EQUIPMENT	\$ 15,000
			1452/340	SEPARATORS	\$ 115,000
			1452/345	HEATER TREATER	\$ 30,000
			1452/355	GATHERING LINE	\$ -
			1452/360	STOCK TANKS	\$ 90,000
			1452/365	DIAGNOSTIC EQUIPMENT	\$ 70,000
			1452/380	ELECTRICAL EQUIPMENT & SUPPLIES	\$ 50,000
			1452/390	FACILITIES	\$ 45,000
			<b>FACILITIES TANGIBLE TOTAL</b>		<b>\$ 470,000</b>
<b>DRILLING TANGIBLE TOTAL</b>		<b>\$ 1,032,000</b>	<b>FACILITIES TOTAL</b>		<b>\$ 685,700</b>
<b>TOTAL DRILLING COSTS</b>		<b>\$ 3,164,000</b>	<b>TOTAL COMPLETION/FACILITIES COSTS</b>		<b>\$ 4,053,331</b>
			<b>TOTAL ESTIMATED WELL COST</b>		<b>\$ 7,217,331</b>
<b>Operator Approval</b> Prepared By: _____ Date: _____ Approved By: _____ Date: _____		<b>Participant Approval</b> Company: _____ Participant Wt %: _____ Approved By: _____ Date: _____			

Case 23274

Company	Email Contact	Phone Contact
MRC Delaware Resources, LLC	5/18/2022	4/12/2022
	5/23/2022	6/2/2022
	6/2/2022	6/3/2022
	6/3/2022	10/21/2022
	8/31/2022	12/20/2022
	9/7/2022	1/25/2023
	9/13/2022	2/10/2023
	9/14/2022	2/16/2023
	11/2/2022	2/23/2023
	11/9/2022	2/28/2023
	11/17/2022	
	11/18/2022	
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	1/31/2023	
	2/6/2023	
	2/9/2023	
	2/10/2023	
	2/14/2023	
2/15/2023		
2/16/2023		
2/22/2023		

XTO Holdings, LLC	11/9/2022 11/14/2022 11/30/2022 12/21/2022 12/22/2022 1/6/2023 1/9/2023 1/10/2023 1/12/2023 1/18/2023 2/1/2023 2/7/2023 2/8/2023 2/17/2023 2/20/2023 2/21/2023 2/22/2023 2/24/2023 2/28/2023	10/26/2022 11/7/2022 12/21/2022 2/24/2023 2/28/2023
PBEX, LLC	12/21/2022 12/22/2022	

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## **Exhibit B**

OCD Case 23274  
(Thunderball Fed Com Unit)  
Earthstone Operating, LLC  
Self-Affirmed Statement of  
Jason Asmus

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4) Exhibit B-3 1 <sup>st</sup> Bone Spring Sand Structure (SSTVD) Contour Interval	7
5) Exhibit B-4 2 <sup>nd</sup> Bone Spring Sand Structure (SSTVD) Contour Interval	8
6) Exhibit B-5 3 <sup>rd</sup> Bone Spring Sand Structure (SSTVD) Contour Interval	9
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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. 23274

SELF-AFFIRMED STATEMENT  
OF JASON ASMUS

1. I am a geologist with Earthstone Operating, LLC (“Earthstone”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division (“Division”).

2. I have a Masters in Geology and 10 years of experience in the petroleum industry. My experience has focused on exploration and asset exploitation related to carbonate and siliciclastic reservoirs of both conventional and unconventional nature. A copy of my resume is attached as **Exhibit B-1**.

3. I am familiar with the geological matters that pertain to the above-referenced case.

4. **Exhibit B-2** is a location map of the proposed horizontal spacing unit comprised of the E/2 of Section 23, Township 19 South, Range 34 East, Lea County, New Mexico (“Unit”).

5. **Exhibits B-3, B-4 and B-5** are structure maps for the top of the 1<sup>st</sup> Bone Spring Sand, 2<sup>nd</sup> Bone Spring Sand and 3<sup>rd</sup> Bone Spring Sand formations in subsea TVD with contour intervals of 25 ft. Map control points are shown in red. Approximate wellbore paths for the proposed **Thunderball 23 Fed 1BS Com 1H, Thunderball 23 Fed 1BS Com 2H, Thunderball 23 Fed 3BS Com 3H, Thunderball 23 Fed 3BS Com 4H, Thunderball 23 Fed 2BS Com 5H,** and **Thunderball 23 Fed 2BS Com 6H** are represented by orange dashed lines. These maps consistently demonstrate that the formation is gently dipping to the south to southeast in this area.



I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells. Each map also identifies the location of a three well cross-section running from A-A', which penetrate each targeted interval and are in proximity to the proposed wells. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

6. The maps also identify three (3) wells penetrating the targeted intervals used to construct structural cross-sections from A to A'. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

7. **Exhibit B-6** is a structural cross-section using the representative wells identified on **Exhibits B-3** through **B-5**. This exhibit contains gamma ray and resistivity logs. The proposed landing zones for the wells are labeled on the exhibit. This cross-section demonstrates the target intervals are continuous across the Unit.

8. **Exhibit B-7** is a gun barrel, or cross-sectional view of the proposed development plan for this Unit. This shows vertical and horizontal spacing between proposed wells.

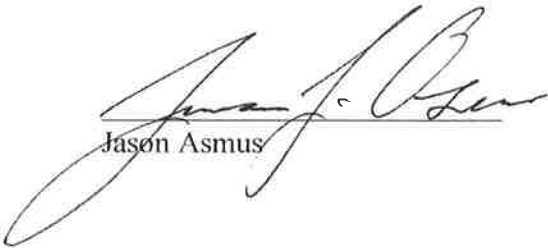
9. In my opinion, a stand-up orientation for the wells is appropriate to properly develop the subject acreage because of an established directional pattern and the known fracture orientation in this portion of the trend. Stand-up orientation is also supported by a study of the production of stand-up versus laydown orientation in the area, with stand-up well results being significantly better.

10. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute equally to the production of the wells.

11. In my opinion, the granting of Earthstone's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

12. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

13. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

  
Jason Asmus

2/28/2023  
Date



# JASON J. ASMUS

Midland, TX | 419-308-7778 | jasonasmus20@gmail.com

[www.linkedin.com/in/jasonasmus](http://www.linkedin.com/in/jasonasmus)

## **GEOLOGIST: Enhancing field development and conceptualizing actionable exploration prospects**

Ardent geoscientist with extensive regional exploration and field development expertise related to carbonate, siliciclastic, and mudrock reservoirs across the Permian Basin. Proven track record of delivering comprehensive geologic analyses as part of multi-disciplinary collaboration efforts yielding actionable and economic exploration prospects, field development strategies, and asset acquisitions. Proficient with a diverse range of software and large data sets relating to geologic mapping and modelling, advanced well log evaluation, seismic and geophysical interpretation, wellbore geosteering, drilling and completions engineering, data analytics. Adept written/oral technical communicator with strong leadership and problem-solving skills, and a passion for driving personal and cultural innovation and growth.

## **COMPETENCIES & SKILLS**

### **TECHNICAL COMPETENCIES**

Data Analysis | 2D/3D Geological Mapping and Modeling | Conventional & Unconventional Reservoirs | Sequence Stratigraphy  
Rock Mechanics | Advanced Petrophysics & Log Analysis | Seismic Interpretation | Source Rock Oil Maturity | Enhanced Oil Recovery  
Geosteering | Well Planning & Regulatory | Drilling, Completions & Production Operations | Mergers, Acquisitions & Divestitures  
Prospect Generation | Competitor Monitoring & Analysis | Life Cycle Field Development

### **PROFESSIONAL COMPETENCIES**

Independent and Critical Thinking | Problem Solving | Interpersonal Skills | Time Management | Written and Oral Communication skills  
Innovative | Technical Presentation skills | Multi-Disciplinary Collaboration | Team Leadership | Continued Education

### **SOFTWARE**

Petra | Kingdom | Spotfire | ArcGIS | IHS Markit | Enverus | Microsoft Office Suite | IHS Market  
State & Federal databases (e.g. TRRC, NMOCD, CRC, CONTINUUM) | Outlook | StarSteer | OFM

## **PROFESSIONAL EXPERIENCE**

**Senior Geologist, Earthstone Energy, Midland, TX** 03/2022 – Present  
Senior geologist tasked with delivering actionable and economic field development strategies and asset acquisitions across the Delaware Basin as part of a multi-disciplinary team

**Exploration Geologist, Cimarex Energy Co., Denver, CO** 06/2019 – 09/2020  
Senior exploration geologist for Permian Basin New Ventures and Asset Evaluation Team. Conceptualized and advanced regional and local exploration prospects across legacy (including EOR) and unproven (wildcat) fields and trend areas of Permian Basin utilizing diverse software and datasets including Petra, Kingdom, ArcGIS, Spotfire, 2D/3D seismic/geophysical, advanced petrophysics, core and cuttings, mud and sample logs and formation and completion tests

- Generated actionable, high rate of return exploration prospects grounded in meticulous technical analyses detailing geologic concept, reservoir-source-trap attributes, risk factors, and life cycle development and production potential (Delaware Basin Province - San Andres, Yeso Group, Strawn, Wolfcamp, Bone Spring, Brushy Canyon; Midland Basin Province - Clearfork, Spraberry, Dean, Wolfcamp, Cisco, Canyon, Strawn, Devonian; Central Basin Platform Province - Clearfork, Wichita-Albany, Devonian, Silurian)
- Proficiently evaluated and integrated large data sets from multiple sources into pitch book portfolios
- Furnished hierarchized profit ranking of A&D portfolios to executive management via presenting executive summaries and recommendation proposals in collaboration with engineers, geophysicist, petrophysicist, landman, and corporate finance/planning
- Championed development and implementation of innovative geological workflows resulting in expedited prospect identification and risk mitigation
- Provide geological expertise & economic analysis on business development opportunities such as land acquisitions, corporate mergers, acreage trades, and land divestitures
- Geological mentor for young professionals and geoscience interns within both Permian and Anadarko region offices (provided in-person & remote guidance to four young professionals and one intern within Permian office)

**Geologist, Cimarex Energy Co., Midland, TX** 01/2015 – 06/2019  
Lead exploitation geologist for Delaware Basin Wolfcamp and Bone Spring asset teams comprising 100,000+ acres

- Implemented aggressive 6+ multi-rig horizontal drilling programs exceeding 40 wells per year and \$600MM D&C capital and oversaw all aspects of well planning and permitting to operational drilling and completion
- Maximized formation targets and drilling locations, increased total potential reserve estimates, and reduced finding costs through exploitation of breakthroughs in reservoir characterization, and drilling and completions technology

ExB-1-4

- Advanced implementation of best practices for future horizontal development patterns (surface and subsurface), exploratory step-out tests, multi-well pilot projects, and injection SWD's by utilizing all applicable geologic, completions, and production data
- Enhanced the accuracy and detail of geologic evaluation and recommendation proposals via iterative generation of key geologic maps including structure, isopach, net pay, lithologic, mechanical properties, OOIP, OGIP, & GOR; in addition to, integration and evaluation of 2D & 3D Seismic (time/depth amplitude, coherency/incoherency and Young's Modulus & Poisson's Ratios from inversions)
- Conducted proposal-interpretation-application of advanced petrophysical logs, rock and fluid data (i.e. whole core, SWC, and thin-section based facies integration with sequence stratigraphic framework; digital image logs (FMI, OBMI, Quanta GEO), nuclear magnetic resonance and combinable magnetic resonance logs, litho scanner, elemental spectroscopy log, and dipole sonic logs for analysis of lithologic and geomechanical rock facies and associated fluids and porosity; Mohr's circle rock mechanics analysis, Core and cuttings analysis; PVT and DST Fluid Sampling)
- Promoted operational efficiencies and field development strategies (both near and long term) via daily review of drilling and completions, as well as flow back results with multi-disciplinary team members
- Monitored and evaluated competitor activity (leasing, drilling, targeting, completions, and production)
- Ensured successful and economic project execution by providing weekly updates to senior and executive management entailing development timelines, project execution summaries and go forward recommendations based on pre, and post, D&C results
- Generated recommendations for over 50 non-operated well proposals by assessing geologic attributes and expected economic return
- Geologic mentor to young professionals and geoscience interns

**Geologist, Cimarex Energy Co., Midland, TX**

02/2016 – 08/2016

Lead geologist for multi-disciplinary Acquisition and Divestiture team as part of special assignment within Permian Basin Region

- Augmented clarity of executive management on strategic acquisition and divestiture opportunities by presenting comprehensive value and risk assessments within geologic context
- Generated and presented evaluation portfolios of 54 real-time, and 41 look-back competitor acquisition opportunities to region and executive management

**Project Geologist, EOG Resources, Inc., Midland, TX**

11/2012 – 12/2014

Lead exploitation geologist for Delaware Basin Bone Spring and Wolfcamp shales, and Midland Basin Wolfcamp shale asset teams

- Oversaw D&C planning and execution, science acquisition and analyses of a multi-rig horizontal drilling program for Wolfcamp and Leonard shale assets across Midland and Delaware Basin leaseholds consisting of 15 Midland Basin Wolfcamp wells, 20 Delaware Basin Leonard Shale wells, and 9 Delaware Basin Wolfcamp shale wells totaling \$300MM in capital budget
- Generated recommendations for over 20 non-operated well proposals by assessing geologic attributes and expected economic return
- Monitored and evaluated competitor activity (leasing, drilling, targeting, completions, and production)
- Optimized near-, and long-term field development strategies within Wolfcamp and Bone Spring prospects through identification of key geomechanical rock properties impacting 3D well spacing and targeting, completions designs, and production volumes

**EDUCATION AND PROFESSIONAL MEMBERSHIPS****Master of Science: Geology cum laude**

12/2012

*Western Michigan University, Kalamazoo, MI*

Thesis Title: Characterizing the Internal Architecture of Upper Bone Spring Limestone Turbidites and Mass-Transport Deposits (MTDs) Utilizing High-Resolution Image Log Technology; Thesis Advisor: Dr. G.M. Grammer

**Bachelor of Science: Geology cum laude**

05/2010

*Western Michigan University, Kalamazoo, MI*

- American Association of Petroleum Geologists (AAPG)
- West Texas Geological Society (WTGS)
- Society for Sedimentary Geology (SEPM)
- Geological Society of America (GSA)

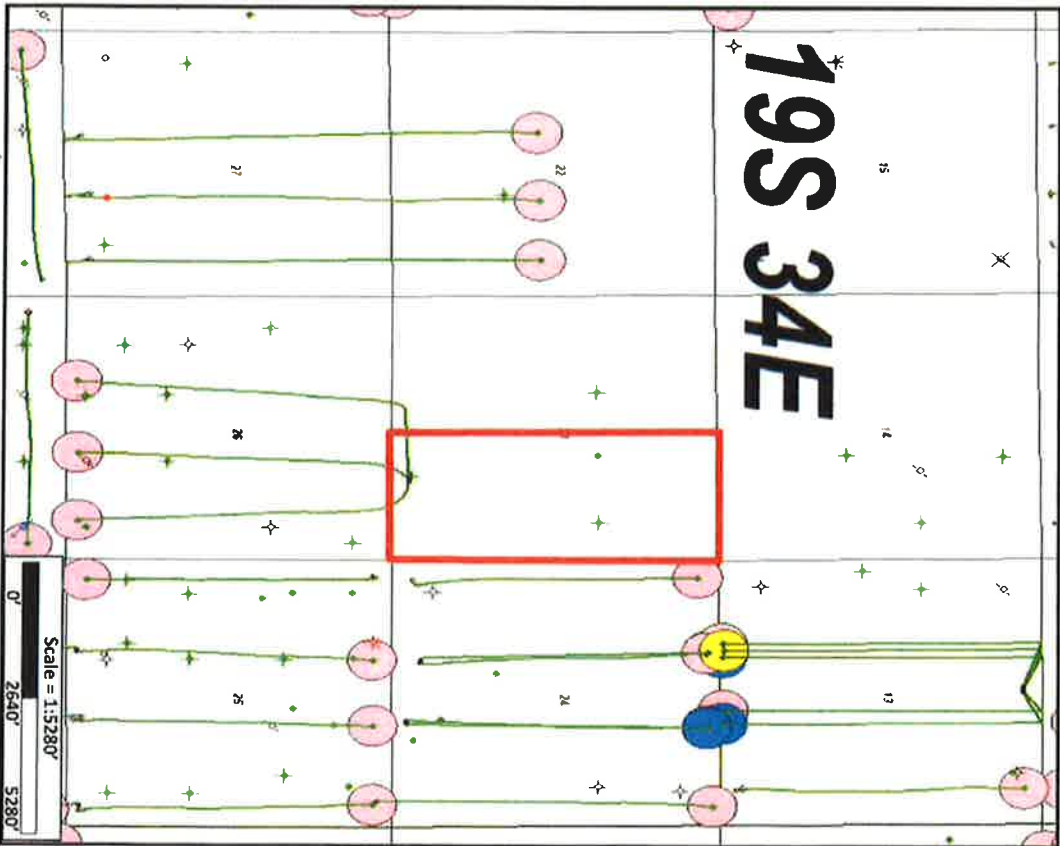
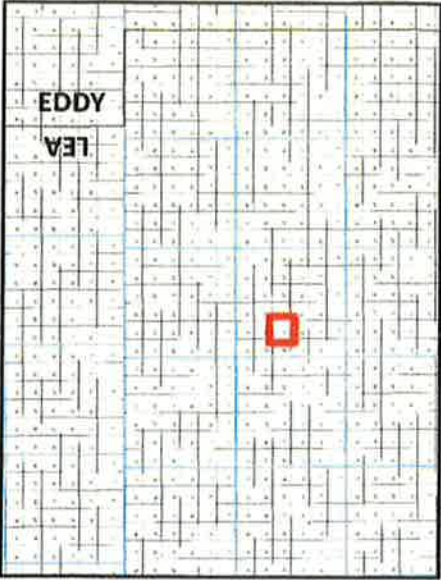
**ADVANCED PROFESSIONAL TRAINING AND DEVELOPMENT**

- Guadalupe Mountains Field Course: XEC
- Geophysics for Subsurface Professionals: Nautilus (N080)
- Mudstone Diagenesis Hedberg Research Conf.: SEPM-AAPG
- Log Analysis of Hydrocarbon-Bearing Shales: PPDC
- Petrophysical Evaluation of Mudstone Reservoirs: AAPG
- Applied Subsurface Geological Mapping: SCA
- Well Log Sequence Stratigraphy: EOG
- Shale Field Course: EOG
- The Bakken Petroleum System: Nautilus (M271)
- Tectonic Controls on Basin Dev. and Petrol. Syst.: Nautilus (F005)
- Geological Interpretation of Well Logs: Nautilus (F003)
- Structural Geology for Petrol. Exploration: Nautilus (M016)
- Distribution and Geometry of Potential Carbonate Reservoir Facies, Great Bahama Bank: WMU-OSU
- Capitan Shelf Margin, Gulf PDB-04 Core: PBS-SEPM
- YPE Field Trip Guadalupe Mountains, TX & NM: PBS-SEPM

ExB-1-5

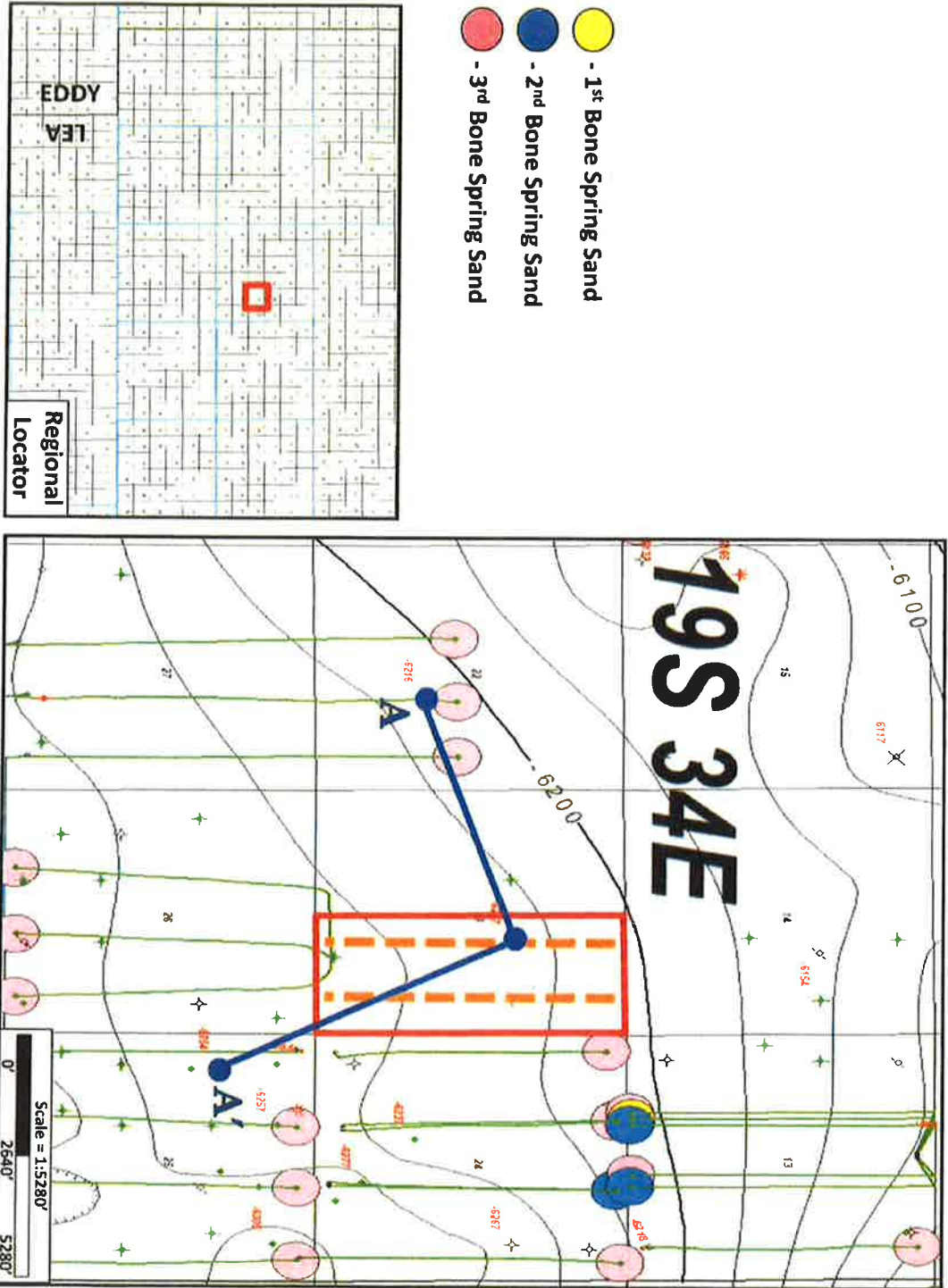
# Exhibit B-2 Locator Map

- - 1<sup>st</sup> Bone Spring Sand
- - 2<sup>nd</sup> Bone Spring Sand
- - 3<sup>rd</sup> Bone Spring Sand



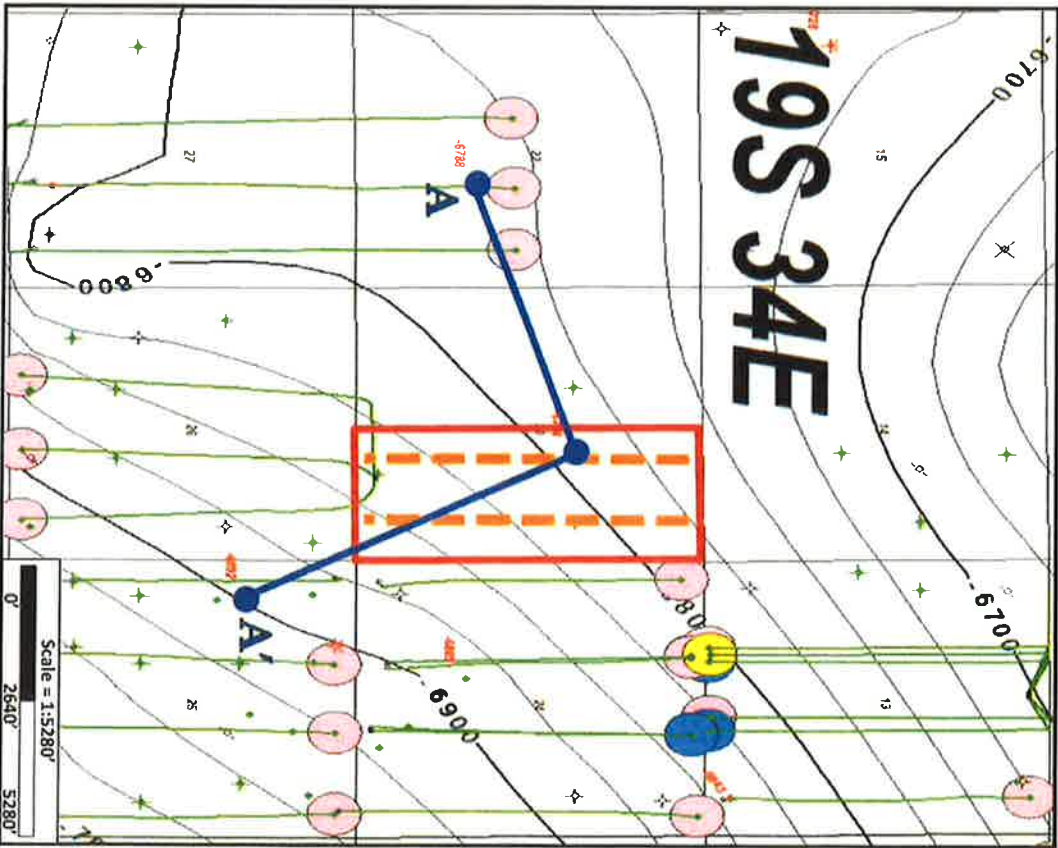
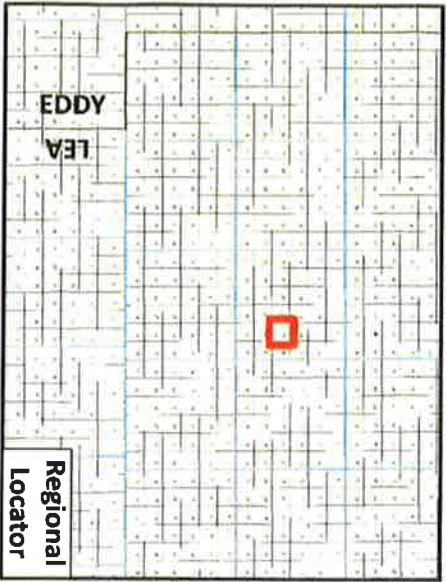


# Exhibit B-4 2nd Bone Spring Sand Structure (SSTVD): Contour Interval = 25'

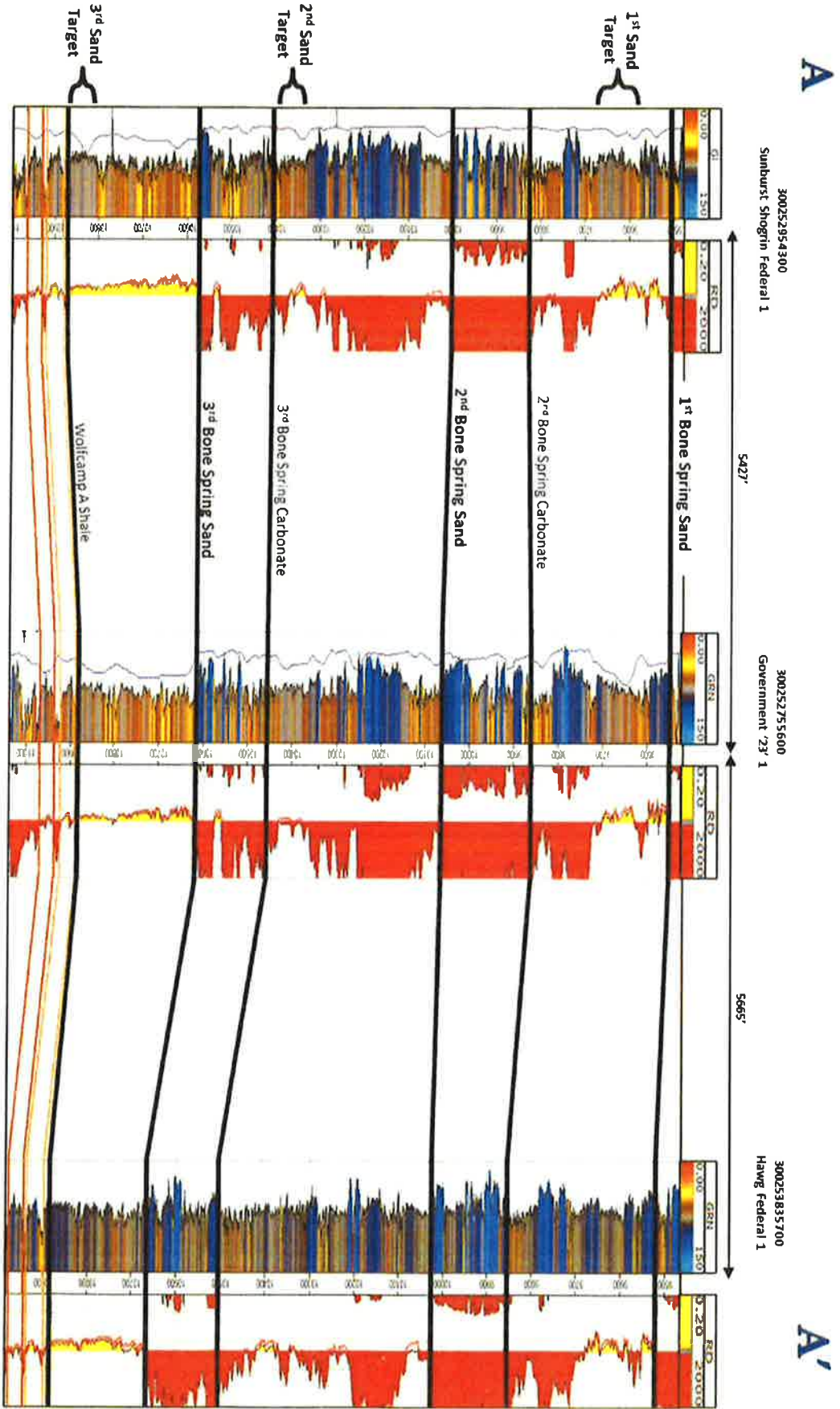


# Exhibit B-5 3<sup>rd</sup> Bone Spring Sand Structure (SSTVD): Contour Interval = 25'

- - 1<sup>st</sup> Bone Spring Sand
- - 2<sup>nd</sup> Bone Spring Sand
- - 3<sup>rd</sup> Bone Spring Sand



# Exhibit B-6 Structural Cross Section A-A': 1st - 2nd - 3rd Bone Spring Sand



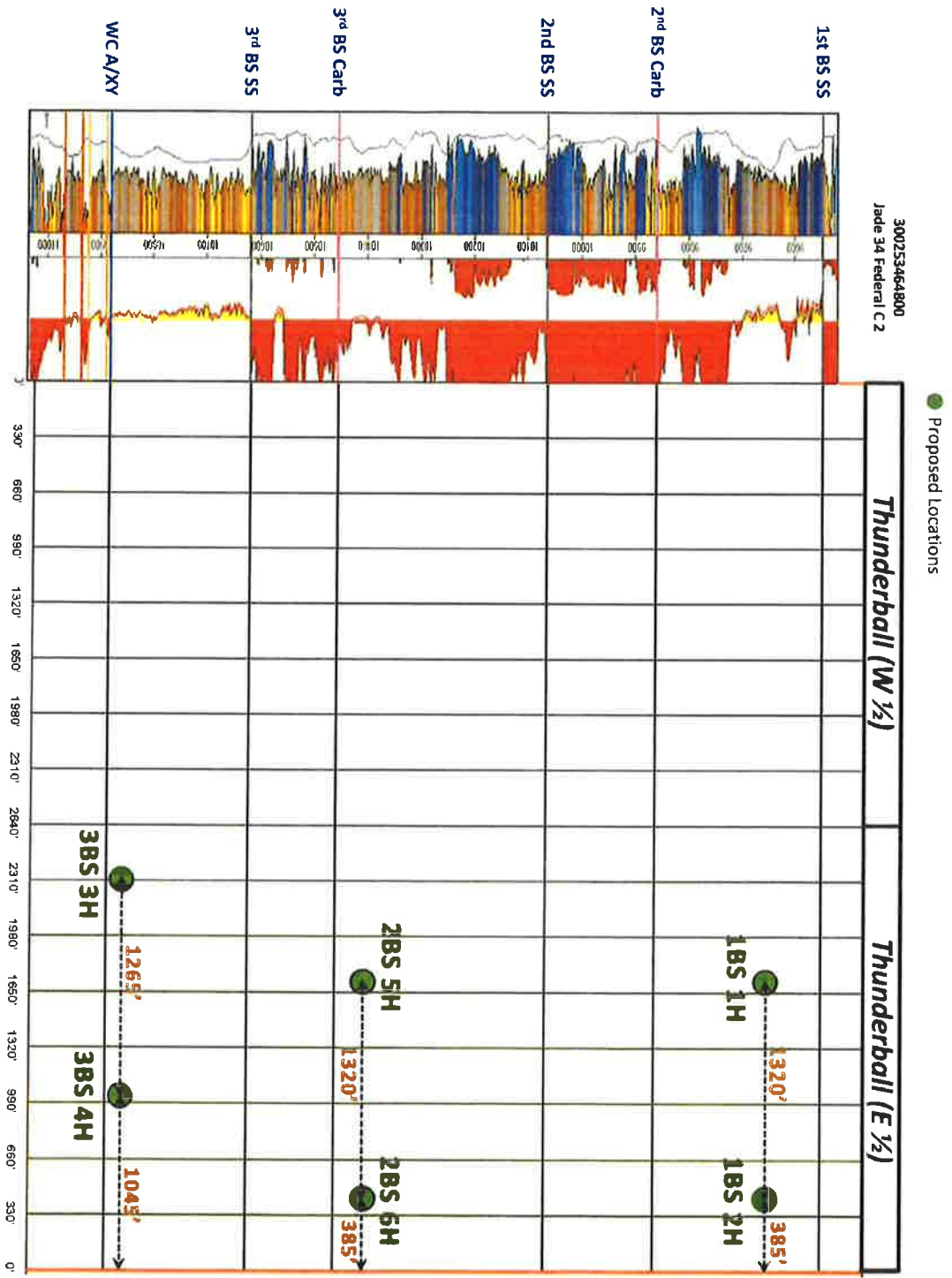
A

A'





# Exhibit B-7 Gun Barrel Development Proposal



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## **Exhibit C**

OCD Case 23274  
(Thunderball Fed Com Unit)  
Earthstone Operating, LLC  
Affidavit of  
Ernest L. Padilla

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EMAIL ADDRESS  
[padillalawnm@outlook.com](mailto:padillalawnm@outlook.com)

TELEPHONE  
505-988-7577

FACSIMILE  
505-988-7592

December 7, 2022

**CERTIFIED MAIL/RETURN RECEIPT REQUESTED**

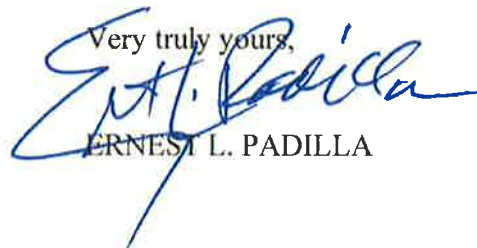
**TO: ALL INTEREST OWNERS**

**Re: NMOCD Case Numbers#23274 In the Matter of the Application of Earthstone Operating, LLC for compulsory pooling in Lea County, New Mexico.**

Ladies and Gentlemen:

This letter will advise that Earthstone Operating, LLC, has filed an application with the New Mexico Oil Conservation Division seeking an order for compulsory pooling, in Lea County, New Mexico as referenced above. A copy of this application is enclosed.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. This hearing will be conducted on January 5, 2023 at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: [OCD.Hearings@emnrd.nm.gov](mailto:OCD.Hearings@emnrd.nm.gov). Nonetheless, to stay informed as to any changes for hearing procedures you should consult the OCD website for further instructions. You are not required to attend these hearings, but as an owner of an interest or offset operator that may be affected, you may appear and present testimony. Failure to appear at the time and become a party of record will preclude you from challenging these applications at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

Very truly yours,  
  
ERNEST L. PADILLA

ELP:jbg

cc: Earthstone Operating, LLC

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

APPLICATION OF EARTHSTONE OPERATING,  
LLC FOR COMPULSORY POOLING IN  
LEA COUNTY, NEW MEXICO

CASE NO. 23274

APPLICATION FOR COMPULSORY POOLING

EARTHSTONE OPERATING, LLC (OGRIG#173413) applies for an order pooling all mineral interests within the Lea Bonespring Pool (Pool Code 37570) underlying E2 of Section 23, Township 19 south, Range 34 East, Lea County, New Mexico. In support of this application, Applicant states:

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2. Applicant seeks to dedicate the above referenced horizontal spacing unit to the following six initial wells:

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- C. Thunderball 23 Fed 2BS Com 5H**  
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- D. Thunderball 23 Fed 2BS Com 6H**  
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- E. Thunderball 23 Fed 3BS Com 3H**  
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4. The requested pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should



be pooled and Applicant should be designated the operator of these proposed horizontal wells and the proposed spacing unit.

**WHEREFORE**, Applicant, requests after notice and hearing, the Division enter its order:

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PADILLA LAW FIRM, P.A.

By: /s/ Ernest L. Padilla  
Ernest L. Padilla  
P.O. Box 2523  
Santa Fe, New Mexico 87504  
(505) 988-7577  
[padillalawnm@outlook.com](mailto:padillalawnm@outlook.com)

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One Lincoln Centre  
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Dallas, TX 75240

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EXC-2-6

PADILLA LAW FIRM, P.A.

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SANTA FE, NM 87505

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TELEPHONE  
505-988-7577

FACSIMILE  
505-988-7592

December 15, 2022

**CERTIFIED MAIL/RETURN RECEIPT REQUESTED**

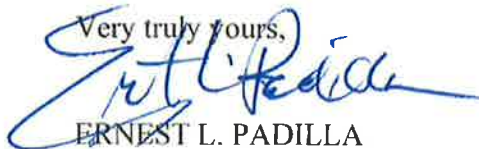
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ELP:jbg

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Ernest L. Padilla  
P.O. Box 2523  
Santa Fe, New Mexico 87504  
(505) 988-7577  
[padillalawnm@outlook.com](mailto:padillalawnm@outlook.com)



Armstrong Energy Corporation	PO Box 1973 Roswell, New Mexico 88202
Scolado, LLC	PO Box 660 Artesia, New Mexico 88211
Celia Goodrich Stivason	9500 Harritt Rd #97, Lakeside, CA 92040
Shannon Titzel	1800 Rogers Park Court, Anchorage, AK 99508
Peter Balog, Trustee of the Balog Family Trust, dated 8/15/2002	3822 Locarno Drive, Anchorage, AK 99508
Cargoil and Gas Company, LLC	P.O. Box 29450, Santa Fe, New Mexico 87592
Lenox Mineral Title Holdings, Inc.	420 Throckmorton St., Suite 1150, Fort Worth, TX, 76102
Shogoiil and Gas Company II, LLC	P.O. Box 29450, Santa Fe, New Mexico 87592
Valorie Faye Walker, Trustee of the Jack V. Walker Revocable Trust, dated 5/21/1981	2341 Scarborough Dr, Anchorage, AK 99504

<u>ORRI Owners</u>	<u>Certified Mail Article #</u>	<u>Returned Dated</u>
Armstrong Energy Corporation PO Box 1973 Roswell, NM 88202	7020 2450 0002 1363 5691	
Scolado, LLC PO Box 660 Artesia, NM 88211	7020 2450 0002 1363 5707	
Celia Goodrich Stivason 9500 Harritt Rd #97 Lakeside, CA 92040	7020 2450 0002 1363 5714	
Shannon Titzel 1800 Rogers Park Court Anchorage, AK 99508	7020 2450 0002 1363 5721	
Peter Balog, Trst. Balog Family Trust dated 8/15/2002 3822 Locarno Dr. Anchorage, AK 99508	7020 2450 0002 1363 5738	
Cargoil and Gas Company, LLC PO Box 29450 Santa Fe, NM 87592	7020 2450 0002 1363 5745	
Lenox Mineral Title Holdings, Inc. 420 Throckmorton St. Ste. 1150 Fort Worth, TX 76102	7020 2450 0002 1363 5752	
Shogoil and Gas Company II, LLC PO Box 29450 Santa Fe, NM 87592	7020 2450 0002 1363 5769	
Valorie Fay Walker, Trst. Jack V. Walker Rev. Trst, dated 5/21/1981 2341 Scarborough Drive Anchorage, AK 99504	7020 2450 0002 1363 5776	

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

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**WI OWNER LISTING**

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MRC Explorers Resources, LLC	One Lincoln Center 5400 LBJ Freeway, Ste. 1500, Dallas, TX 75240



**ORRI OWNER LISTING**

Armstrong Energy Corporation	PO Box 1973 Roswell, New Mexico 88202
Scolado, LLC	PO Box 660 Artesia, New Mexico 88211
Celia Goodrich Stivason	9500 Harritt Rd #97, Lakeside, CA 92040
Shannon Titzel	1800 Rogers Park Court, Anchorage, AK 99508
Peter Balog, Trustee of the Balog Family Trust, dated 8/15/2002	3822 Locarno Drive, Anchorage, AK 99508
Cargoil and Gas Company, LLC	P.O. Box 29450, Santa Fe, New Mexico 87592
Lenox Mineral Title Holdings, Inc.	420 Throckmorton St., Suite 1150, Fort Worth, TX, 76102
Shogoil and Gas Company II, LLC	P.O. Box 29450, Santa Fe, New Mexico 87592
Valorie Faye Walker, Trustee of the Jack V. Walker Revocable Trust, dated 5/21/1981	2341 Scarborough Dr, Anchorage, AK 99504

<u>WI Owners</u>	<u>Certified Mail Article #</u>	<u>Date Received</u>
XTO Holdings, LLC 22777 Springwoods Village Parkway Spring, TX 77389	7020 2450 0002 1363 5684	12/12/2022
PBEX, LLC 223 W. Wall Street Midland, TX 79701	7020 2450 0002 1363 5677	12/12/2022
MRC Delaware Resources, LLC One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	7020 2450 0002 1363 5660	12/14/2022
MRC Explorers Resources, LLC One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	7020 2450 0002 1363 5653	12/14/2022
MRC Spiral Resources, LLC One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	7020 2450 0002 1363 5646	12/14/2022

<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature  <input checked="" type="checkbox"/> <i>W. J. Holland</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery          12-12-2022</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p>	
1. Article Addressed to: XTO Holdings, LLC 22777 Springwoods Village Pkwy Spring, TX 77389		3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500) <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
2. Article Number (Transfer from service label) 7020 2450 0002 1363 5684		PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt	

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Domestic Mail Only	
For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Certified Mail Fee \$ 4.00 Extra Services & Fees (check box, add fees as appropriate) <input checked="" type="checkbox"/> Return Receipt (hardcopy) \$ 3.25 <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	Postmark Here
Postage \$ .97 Total Postage and \$ 7.82 Sent To XTO Holdings, LLC 22777 Springwoods Village Pkwy Spring, TX 77389	
PS Form 3800	

7020 2450 0002 1363 5684

<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature  <input checked="" type="checkbox"/> <i>P. B. Ex</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery          12-12-2022</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p>	
1. Article Addressed to: PBEX, LLC 223 W. Wall Street Midland, TX 79701		3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500) <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
2. Article Number (Transfer from service label) 7020 2450 0002 1363 5677		PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt	

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For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Certified Mail Fee \$ 4.00 Extra Services & Fees (check box, add fees as appropriate) <input checked="" type="checkbox"/> Return Receipt (hardcopy) \$ 3.25 <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	Postmark Here
Postage \$ .97 Total Postage and \$ 7.82 Sent To PBEX, LLC 223 W. Wall Street Midland, TX 79701	
PS Form 3800	

7020 2450 0002 1363 5677

<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature  <input checked="" type="checkbox"/> _____ <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery          DEC 14 2022</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p>	
1. Article Addressed to: MRC Delaware Resources, LLC One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240		3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500) <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
2. Article Number (Transfer from service label) 7020 2450 0002 1363 5660		PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt	

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For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
Certified Mail Fee \$ 4.00 Extra Services & Fees (check box, add fees as appropriate) <input checked="" type="checkbox"/> Return Receipt (hardcopy) \$ 3.25 <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	Postmark Here
Postage \$ .97 Total Postage and \$ 7.82 Sent To MRC Delaware Resources, LLC One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	
PS Form 3800	

7020 2450 0002 1363 5660



<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____</p>	
<p>1. Article Addressed to:</p> <p>MRC Explorers Resources, LLC One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240</p>		<p>3. Service Type</p> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500) <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<p>2. Article Number (Transfer from service label)</p> <p>7020 2450 0002 1363 5653</p>		<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p> <p style="text-align: right;">Domestic Return Receipt</p>	

7020 2450 0002 1363 5653

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For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
<p>Certified Mail Fee \$ 4.00</p> <p>Extra Services &amp; Fees (check box, add fees as appropriate)</p> <input checked="" type="checkbox"/> Return Receipt (hardcopy) \$ 3.25 <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____ <p>Postage \$ .57</p> <p>Total Postage on _____ \$ 7.82</p>	<p>Postmark Here</p>
<p>Sent To: MRC Explorers Resources, LLC One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240</p> <p>Street and Apt. No. City, State, ZIP+4</p>	
PS Form 3800, July 2015 PSN 7530-02-000-9053	

<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____</p>	
<p>1. Article Addressed to:</p> <p>MRC Spiral Resources, LLC One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240</p>		<p>3. Service Type</p> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500) <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<p>2. Article Number (Transfer from service label)</p> <p>7020 2450 0002 1363 5646</p>		<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p> <p style="text-align: right;">Domestic Return Receipt</p>	

7020 2450 0002 1363 5646

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For delivery information, visit our website at <a href="http://www.usps.com">www.usps.com</a>	
<b>OFFICIAL USE</b>	
<p>Certified Mail Fee \$ 4.00</p> <p>Extra Services &amp; Fees (check box, add fees as appropriate)</p> <input checked="" type="checkbox"/> Return Receipt (hardcopy) \$ 3.25 <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____ <p>Postage \$ .57</p> <p>Total Postage on _____ \$ 7.82</p>	<p>Postmark Here</p>
<p>Sent To: MRC Spiral Resources, LLC One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240</p> <p>Street and Apt. No. City, State, ZIP+4</p>	
PS Form 3800, July 2015 PSN 7530-02-000-9053	

<u>ORRI Owners</u>	<u>Certified Mail Article #</u>	<u>Date Received</u>
Armstrong Energy Corporation PO Box 1973 Roswell, NM 88202	7020 2450 0002 1363 5691	12/22/2022
Scolado, LLC PO Box 660 Artesia, NM 88211	7020 2450 0002 1363 5707	signed not date stamped
Celia Stivason 9500 Harritt Rd #97 Lakeside, CA 92040	7020 2450 0002 1363 5714	12/19/2022
Shannon Titzel 1800 Rogers Park Court Anchorage, AK 99508	7020 2450 0002 1363 5721	not signed or dated stamped not returned
Peter Balog, Trst. Balog Family Trust dated 8/15/2002 3822 Locarno Dr. Anchorage, AK 99508	7020 2450 0002 1363 5738	returned
Cargoil and Gas Company, LLC PO Box 29450 Santa Fe, NM 87592	7020 2450 0002 1363 5745	no green card or envelope return
Lenox Mineral Title Holdings, Inc. 420 Throckmorton St. Ste. 1150 Fort Worth, TX 76102	7020 2450 0002 1363 5752	signed not date stamped
Shogoil and Gas Company II, LLC PO Box 29450 Santa Fe, NM 87592	7020 2450 0002 1363 5769	signed not date stamped
Valorie Fay Walker, Trst. Jack V. Walker Rev. Trst, dated 5/21/1981 PO Box 102256 Anchorage, AK 99510	7020 2450 0002 1363 5776	not signed or date stamped
Personal Address for Valorie Walker, Trustee 2341 Scarborough Drive Anchorage, AK 99504		



**SENDER: COMPLETE THIS SECTION**

- Complete Items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Armstrong Energy Corporation  
 PO Box 1973  
 Roswell, NM 88202

2. Article Number (Transfer from service label)  
 020 2450 0002 1363 5691

PS Form 3811, July 2015 PSN 7630-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *V. Alvarado*  Agent  Addressee

B. Received by (Printed Name)  
 V. Alvarado

C. Date of Delivery  
 12-22-22

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
 Certified Mail Restricted Delivery  Return Receipt for Merchandise  
 Collect on Delivery  Signature Confirmation™  
 Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery  
 Insured Mail  Signature Confirmation Restricted Delivery (over \$500)  
 Insured Mail Restricted Delivery (over \$500)

Domestic Return Receipt

1695 6962 0000 1363 5691 7020 2450 0002 1363 5691

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**OFFICIAL USE**

Certified Mail Fee  
 \$

Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$  
 Return Receipt (electronic) \$  
 Certified Mail Restricted Delivery \$  
 Adult Signature Required \$  
 Adult Signature Restricted Delivery \$

Postage  
 \$

Total Postage on  
 \$

Sent To  
 Armstrong Energy Corporation  
 PO Box 1973  
 Roswell, NM 88202

Street and Apt. No. Roswell, NM 88202

City, State, ZIP+4

PS Form 3800, April 2015 PSN 7630-02-000-9053 See reverse for instructions

**SENDER: COMPLETE THIS SECTION**

- Complete Items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Scolado, LLC  
 PO Box 660  
 Artesia, NM 88211

2. Article Number (Transfer from service label)  
 020 2450 0002 1363 5707

PS Form 3811, July 2015 PSN 7630-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *Thomas Scollado*  Agent  Addressee

B. Received by (Printed Name)  
 THOMAS SCOLLADO

C. Date of Delivery  
 12/22/22

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
 Certified Mail Restricted Delivery  Return Receipt for Merchandise  
 Collect on Delivery  Signature Confirmation™  
 Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery  
 Insured Mail  Signature Confirmation Restricted Delivery (over \$500)  
 Insured Mail Restricted Delivery (over \$500)

Domestic Return Receipt

1695 6962 0000 1363 5707 7020 2450 0002 1363 5707

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**OFFICIAL USE**

Certified Mail Fee  
 \$

Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$  
 Return Receipt (electronic) \$  
 Certified Mail Restricted Delivery \$  
 Adult Signature Required \$  
 Adult Signature Restricted Delivery \$

Postage  
 \$

Total Postage on  
 \$

Sent To  
 Scolado, LLC  
 PO Box 660  
 Artesia, NM 88211

Street and Apt. No. Artesia, NM 88211

City, State, ZIP+4

PS Form 3800, April 2015 PSN 7630-02-000-9053 See reverse for instructions

**SENDER: COMPLETE THIS SECTION**

- Complete Items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Celia Goodrich Stivason  
 9500 Harritt Rd #97  
 Lakeside, CA 92040

2. Article Number (Transfer from service label)  
 7020 2450 0002 1363 5714

PS Form 3811, July 2015 PSN 7630-02-000-9053

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X *R. Heppel*  Agent  Addressee

B. Received by (Printed Name)  
 R. Heppel

C. Date of Delivery  
 05/12/23

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Adult Signature  Priority Mail Express®  
 Adult Signature Restricted Delivery  Registered Mail™  
 Certified Mail®  Registered Mail Restricted Delivery  
 Certified Mail Restricted Delivery  Return Receipt for Merchandise  
 Collect on Delivery  Signature Confirmation™  
 Collect on Delivery Restricted Delivery  Signature Confirmation Restricted Delivery  
 Insured Mail  Signature Confirmation Restricted Delivery (over \$500)  
 Insured Mail Restricted Delivery (over \$500)

Domestic Return Receipt

1695 6962 0000 1363 5714 7020 2450 0002 1363 5714

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**OFFICIAL USE**

Certified Mail Fee  
 \$

Extra Services & Fees (check box, add fee as appropriate)  
 Return Receipt (hardcopy) \$  
 Return Receipt (electronic) \$  
 Certified Mail Restricted Delivery \$  
 Adult Signature Required \$  
 Adult Signature Restricted Delivery \$

Postage  
 \$

Total Postage on  
 \$

Sent To  
 Celia Goodrich Stivason  
 9500 Harritt Rd #97  
 Lakeside, CA 92040

Street and Apt. No. Lakeside, CA 92040

City, State, ZIP+4

PS Form 3800, April 2015 PSN 7630-02-000-9053 See reverse for instructions



<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature: <b>X</b> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____</p>	
<p>1. Article Addressed to:</p> <p>Shannon Titzel 1800 Rogers Park Court Anchorage, AK 99508</p>		<p>3. Service Type</p> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500) <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<p>2. Article Number (Transfer from service label)</p> <p>9590 9402 5941 0062 9307 11 <i>gzzzz</i></p> <p>7020 2450 0002 1363 5721</p>		<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt</p>	

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<p>Certified Mail Fee \$ _____</p> <p>Extra Services &amp; Fees (check box, add fee as appropriate)</p> <input type="checkbox"/> Return Receipt (hardcopy) \$ _____ <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____ <p>Postage \$ _____</p> <p>Total Postage on \$ _____</p>	<p>Postmark Here</p>
<p>Sent To: Shannon Titzel 1800 Rogers Park Court Anchorage, AK 99508</p> <p>Street and Apt. No. _____ City, State, ZIP+4 _____</p> <p>PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions</p>	

7020 2450 0002 1363 5721

<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature: <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____</p>	
<p>1. Article Addressed to:</p> <p>Cargoil and Gas Company, LLC PO Box 29450 Santa Fe, NM 87592</p>		<p>3. Service Type</p> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500) <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<p>2. Article Number (Transfer from service label)</p> <p>9590 9402 5941 0062 9306 98 <i>gzzzz</i></p> <p>7020 2450 0002 1363 5745</p>		<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt</p>	

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<p>Certified Mail Fee \$ _____</p> <p>Extra Services &amp; Fees (check box, add fee as appropriate)</p> <input type="checkbox"/> Return Receipt (hardcopy) \$ _____ <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____ <p>Postage \$ _____</p> <p>Total Postage on \$ _____</p>	<p>Postmark Here</p>
<p>Sent To: Lenox Mineral Title Holdings, Inc. 420 Throckmorton St. Ste. 1150 Fort Worth, TX 76102</p> <p>Street and Apt. No. _____ City, State, ZIP+4 _____</p> <p>PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions</p>	

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<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>	
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature: <b>X</b> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____</p>	
<p>1. Article Addressed to:</p> <p>Valorie Fay Walker, Trst. Jack V Walker Rev. Trst, dated 5/21/1981 2341 Scarborough Drive Anchorage, AK 99504</p>		<p>3. Service Type</p> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Signature Confirmation Restricted Delivery (over \$500) <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<p>2. Article Number (Transfer from service label)</p> <p>9590 9402 5941 0062 9306 67 <i>gzzzz</i></p> <p>7020 2450 0002 1363 5776</p>		<p>PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt</p>	

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<p>Certified Mail Fee \$ _____</p> <p>Extra Services &amp; Fees (check box, add fee as appropriate)</p> <input type="checkbox"/> Return Receipt (hardcopy) \$ _____ <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____ <p>Postage \$ _____</p> <p>Total Postage on \$ _____</p>	<p>Postmark Here</p>
<p>Sent To: Valorie Fay Walker, Trst. Jack V Walker Rev. Trst, dated 5/21/1981 2341 Scarborough Drive Anchorage, AK 99504</p> <p>Street and Apt. No. _____ City, State, ZIP+4 _____</p> <p>PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions</p>	

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<b>SENDER: COMPLETE THIS SECTION</b>		<b>COMPLETE THIS SECTION ON DELIVERY</b>																	
<ul style="list-style-type: none"> <li>Complete Items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>		<p>A. Signature  <input checked="" type="checkbox"/> <i>T. G. [Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p>																	
<p>1. Article Addressed to:</p> <p>Shogoil and Gas Company II, LLC          PO Box 29450          Santa Fe, NM 87592</p>		<p>D. Is delivery address different from Item 1? <input type="checkbox"/> Yes          If YES, enter delivery address below: <input type="checkbox"/> No</p>																	
<p>2. Article Number (Transfer from service label)          9590 9402 5941 0062 9306 74</p>		<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input checked="" type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>		<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
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<p>Postage</p> <p>Total Postage and</p>	
<p>Sent To</p> <p>Street and Apt. No</p> <p>City, State, ZIP+4®</p>	<p>Shogoil and Gas Company II, LLC          PO Box 29450          Santa Fe, NM 87592</p>
PS Form 3800, April 2012 PSN 7530-02-000-9053	

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<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage or	\$

Postmark  
Here

Peter Balog, Trst. Balog Family Trust  
dated 8/15/2002 3822 Locarno Dr.  
Anchorage, AK 99508

**CERTIFIED MAIL**

Padilla Law Firm, P.A.  
Ernest L. Padilla  
PO Box 2523  
Santa Fe, NM 87504



7020 2450 0002 1363 5738



Peter Balog, Trst. Balog Family Trust  
dated 8/15/2002 3822 Locarno Dr.  
Anchorage, AK 99508

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POSTAL SERVICE

AN 12/16

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# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement therefor for a period of 1 issue(s).

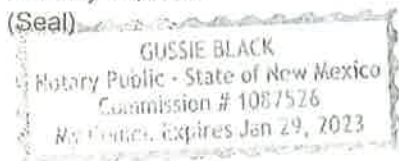
Beginning with the issue dated  
December 20, 2022  
and ending with the issue dated  
December 20, 2022.

  
\_\_\_\_\_  
Publisher

Sworn and subscribed to before me this  
20th day of December 2022.

  
\_\_\_\_\_  
Business Manager

My commission expires  
January 29, 2023  
(Seal)

  
GUSSIE BLACK  
Notary Public - State of New Mexico  
Commission # 1087526  
My Comm. Expires Jan 29, 2023

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

JOANN GALLEGOS  
PADILLA LAW FIRM, P.A.  
PO BOX 2523  
SANTA FE  
SANTA FE, NM 87504

## LEGAL NOTICE December 20, 2022

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. A hearing will be conducted on January 5, 2023 at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: [OCD.Hearings@emnr.nm.gov](mailto:OCD.Hearings@emnr.nm.gov).  
Nonetheless, to stay informed as to any changes to hearing procedures you should consult the OCD website for further instructions. You are not required to attend these hearings, but as an owner of an interest or offset operator that may be affected, you may appear and present testimony. Failure to appear at the time and become a party of record will preclude you from challenging these applications at a later time. If you intend to attend the hearing and present testimony or evidence, you must enter your appearance and serve the Division, counsel for the Applicant, and other parties with a pre-hearing statement at least four business days before the scheduled hearing date in accordance with Division Rule 1211.

**STATE OF NEW MEXICO:**  
All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: XTO Holdings, LLC, PBEX, LLC, MRC Delaware Resources, LLC, MRC Explorers Resources, LLC, MRC Spiral Resources, LLC, Armstrong Energy Corporation, Scolado, LLC, Cella Goodrich Stivason, Shannon Titzel, Peter Balog, Trustee of the Balog Family Trust, date 8/15/2002, Cargoil and Gas Company, LLC, Lenox Mineral Title Holdings, Inc., Shogoli and Gas Company II, LLC, Valerie Faye Walker, Trustee of the Jack V. Walker Revocable Trust, dated 5/21/1981

**Case No. 23274:** Applicant seeks an order pooling all mineral interests within the Lea Bonespring Pool (Pool Code 37570) underlying E2 of Section 23, Township 19 south, Range 34 East, Lea County, New Mexico, on the following wells listed below. These wells are located approximately 16 miles southwest of Hobbs, New Mexico.

**A. Thunderball 23 Fed 1BS Com 1H**

To be drilled from a proposed surface hole location in the NW4NE4 of Section 26-19S- 34E and a proposed bottom hole location in the NW4NE4 of Section 23-19S-34E. The well will have a target interval within the 1st Bone Spring formation, drilled horizontally with a Total Vertical Depth of 15,000' to a Measured Depth of approximately 5,400'. This well will target the 1st Bone Spring zone with dedicated acreage consisting of the E2 of Section 23.

**B. Thunderball 23 Fed 1BS Com 2H**

To be drilled from a proposed surface hole location in the NW4NE4 of Section 26-19S- 34E and a proposed bottom hole location in the NE4NE4 of Section 23-19S-34E. The well will have a target interval within the 1st Bone Spring formation, drilled horizontally with a Total Vertical Depth of 15,000' to a Measured Depth of approximately 5,400'. This well will target the 1st Bone Spring zone with dedicated acreage consisting of the E2 of Section 23.

**C. Thunderball 23 Fed 2BS Com 5H**

To be drilled from a proposed surface hole location in the NW4NE4 of Section 23-19S- 34E and a proposed bottom hole location in the NW4NE4 of Section 23-19S-34E. The well will have a target interval within the 2nd Bone Spring formation, drilled horizontally with a Total Vertical Depth of 15,750' to a Measured Depth of approximately 5,400'. This well will target the 2nd Bone Spring zone with dedicated acreage consisting of the E2E2 of Section 23.

**D. Thunderball 23 Fed 2BS Com 6H**

To be drilled from a proposed surface hole location in the NW4NE4 of Section 23-19S- 34E and a proposed bottom hole location in the NE4NE4 of Section 23-19S-34E. The well will have a target interval within the 2nd Bone Spring formation, drilled horizontally with a Total Vertical Depth of 15,750' to a Measured Depth of approximately 5,400'. This well will target the 2nd Bone Spring zone with dedicated acreage consisting of the E2E2 of Section 23.

**E. Thunderball 23 Fed 3BS Com 3H**

To be drilled from a proposed surface hole location in the NW4NE4 of Section 23-19S- 34E and a proposed bottom hole location in the NE4NE4 of Section 23-19S-34E. The well will have a target interval within the 3rd Bone Spring formation, drilled horizontally with a Total Vertical Depth of 16,500' to a Measured Depth of approximately 5,400'. This well will target the 3rd Bone Spring zone with dedicated acreage consisting of the E2E2 of Section 23.

**F. Thunderball 23 Fed 3BS Com 4H**

To be drilled from a proposed surface hole location in the NW4NE4 of Section 23-19S- 34E and a proposed bottom hole location in the NE4NE4 of Section 23-19S-34E. The well will have a target interval within the 3rd Bone Spring formation, drilled horizontally with a Total Vertical Depth of 16,500' to a Measured Depth of approximately 5,400'. This well will target the 3rd Bone Spring zone with dedicated acreage consisting of the E2E2 of Section 23.

#00274030



**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23274</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: February 28, 2023</b>	
Applicant	Earthstone Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Earthstone Operating, LLC (331165)
Applicant's Counsel:	Padilla Law Firm
Case Title:	Application of Earthstone Operating, LLC, for compulsory pooling in Lea County, New Mexico.
Entries of Appearance/Intervenors:	Michael Feldewert/MRC & XTO
Well Family	Thunderball Fed Com Unit
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Lea; Bone Spring Pool (37570)
Well Location Setback Rules:	Standard
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	quarter-quarter sections
Orientation:	South to North
Description: TRS/County	Township 19 South, Range 34 East, Section 23
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes, Standard Horizontal Spacing Unit.
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes, W2E2 Section 23, T19S-R34E
Proximity Defining Well: if yes, description	<b>Thunderball Fed Com 324H</b> will be completed 275' from the W2E2/E2E2 qtr-qtr lines.
Applicant's Ownership in Each Tract	Exhibit A-3 pages 23-24
<b>Well(s)</b>	
Well #1	<b>Thunderball Fed Com 113H:</b> 30-025-50423 SHL: 617' FNL & 1682' FEL of Section 26-19S-34E BHL: 50' FNL & 1705' FEL of Section 23-19S-34E Completion Target: Bone Spring, 1st Bench Well Orientation: South to North Completion Located expected: Standard

Well #2	<p><b>Thunderball Fed Com 114H:</b> 30-025-50424                  SHL: 617' FNL &amp; 1592' FEL of 26-19S-34E                  BHL: 50' FNL &amp; 385' FEL of Section 23-19S-34E                  Completion Target: Bone Spring, 1st Bench                  Well Orientation: South to North                  Completion Located expected: Standard</p>
Well #3	<p><b>Thunderball Fed Com 323H:</b> 30-025-50425                  SHL: 617' FNL &amp; 1742' FEL of Section 26-19S-34E                  BHL: 50' FNL &amp; 2,310' FEL of Section 23-19S-34E                  Completion Target: Bone Spring, 3rd Bench                  Well Orientation: South to North                  Completion Located expected: Standard</p>
Well #4	<p><b>Thunderball Fed Com 324H:</b> 30-025-50426                  SHL: 617' FNL &amp; 1,652' FEL of 26-19S-34E                  BHL: 50' FNL &amp; 1,045' FEL of Section 23-19S-34E                  Completion Target: Bone Spring, 3rd Bench                  Well Orientation: South to North                  Completion Located expected: Standard</p>
Well #5	<p><b>Thunderball Fed Com 223H:</b> 30-025-50427                  SHL: 617' FNL &amp; 1,712' FEL of Section 26-19S-34E                  BHL: 50' FNL &amp; 1,705' FEL of Section 23-19S-34E                  Completion Target: Bone Spring, 2nd Bench                  Well Orientation: South to North                  Completion Located expected: Standard</p>
Well #6	<p><b>Thunderball Fed Com 224H:</b> 30-025-50428                  SHL: 617' FNL &amp; 1,622' FEL of Section 26-19S-34E                  BHL: 50' FNL &amp; 385' FEL of Section 23-19S-34E                  Completion Target: Bone Spring, 2nd Bench                  Well Orientation: South to North                  Completion Located expected: Standard</p>
Horizontal Well First and Last Take Points	Exhibit A-2 C-102's pages 5-22
Completion Target (Formation, TVD and MD)	Exhibit A-2 C-102's pages 5-22
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$7,500
Production Supervision/Month \$	\$750
Justification for Supervision Costs	See Exhibit
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit C pages 2-12
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C pages 18-25
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C page 26



**Ownership Determination**

Land Ownership Schematic of the Spacing Unit	Exhibit A pages 23-24
Tract List (including lease numbers and owners)	Exhibit A pages 23-24
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	
Pooled Parties (including ownership type)	Exhibit A pages 25-26
Unlocatable Parties to be Pooled	None
Ownership Depth Severance (including percentage above & below)	None

**Joinder**

Sample Copy of Proposal Letter	Exhibit A pages 25-26
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A pages 23-24
Chronology of Contact with Non-Joined Working Interests	Exhibit A pages 33-34
Overhead Rates In Proposal Letter	Exhibit A pages 25-26
Cost Estimate to Drill and Complete	Exhibit A pages 27-32
Cost Estimate to Equip Well	Exhibit A pages 27-32
Cost Estimate for Production Facilities	Exhibit A pages 27-32

**Geology**

Summary (including special considerations)	Exhibit B pages 1-3
Spacing Unit Schematic	Exhibit B page 6
Gunbarrel/Lateral Trajectory Schematic	Exhibit B page 11
Well Orientation (with rationale)	Exhibit B pages 6-9
Target Formation	Exhibit B page 10
HSU Cross Section	Exhibit B page 10
Depth Severance Discussion	n/a

**Forms, Figures and Tables**

C-102	Exhibit A pages 5-22
Tracts	Exhibit A pages 23-24
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A pages 23-24
General Location Map (including basin)	Exhibit B page 6
Well Bore Location Map	Exhibit B page 6
Structure Contour Map - Subsea Depth	Exhibit B pages 6-9
Cross Section Location Map (including wells)	Exhibit B page 10
Cross Section (including Landing Zone)	Exhibit B page 10

**Additional Information**

Special Provisions/Stipulations

**CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.**

Printed Name (Attorney or Party Representative):

ERNEST L. PADILLA

Signed Name (Attorney or Party Representative):

Ernest L. Padilla

Date:

2/28/2023