

**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. 24272**

**PRE-HEARING STATEMENT**

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

**APPEARANCES**

**APPLICANT**

Earthstone Operating, LLC

**ATTORNEYS**

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**INTERESTED PARTIES**

None.

**ATTORNEYS**

**STATEMENT OF THE CASE**

Earthstone seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the E/2 E/2 of Section 25, Township 20 South, Range 34 East, Lea County, New Mexico, for purposes of obtaining a communitization agreement from the Bureau of Land Management. The Unit will be dedicated to the **Lea South 25 Fed Com 2BS 14H** well, which will be drilled from a surface hole location in the SE/4 SE/4 (Unit P) to a bottom hole location in the NE/4 NE/4 (Unit A).

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

The wells are located approximately 25 miles west of Hobbs, New Mexico.

**PROPOSED EVIDENCE**

<b>Witness</b>	<b>Occupation</b>	<b>Estimated Time</b>	<b>Exhibits</b>
Mark Hajdik	Landman	Affidavit	Approx. 5
Chris Reudelhuber	Geologist	Affidavit	Approx. 3

**PROCEDURAL MATTERS**

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

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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

QUESTIONS

Action 323199

**QUESTIONS**

Operator: Earthstone Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 331165
	Action Number: 323199
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

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