

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

**APPLICATION OF EARTHSTONE  
OPERATING, LLC TO EXTEND TIME  
TO COMMENCE DRILLING OPERATIONS,  
LEA COUNTY, NEW MEXICO.**

**Case No. \_\_\_\_\_  
Order No. R-22739**

**APPLICATION**

Earthstone Operating, LLC (“Earthstone”) (OGRID No. 331165) files this application with the Oil Conservation Division (“Division”) requesting a one-year extension of time to commence drilling the wells authorized by Order No. R-22739. In support of its application, Earthstone states the following.

1. The Division issued Order No. R-22739 in Case No. 23478 on June 7, 2023, approving a 285-acre, more or less, standard horizontal spacing unit comprised of Lots 1 through 4 (W/2 W/2 equivalent) of Sections 7 and 18, Township 21 South, Range 35 East, Lea County, New Mexico (“Unit”), and designating Earthstone as operator of the Unit.

2. The Order further pooled all uncommitted interests within the Bone Spring formation in the Wilson; Bone Spring pool (Code 64560) underlying the Unit and dedicated the Unit to the Outland 18-7 State Com 111H and Outland 18-7 State Com 221H wells (collectively “Wells”).

3. The Order requires Earthstone to commence drilling the Wells within one (1) year of the date of the Order unless Earthstone obtains a time extension from the Division Director for good cause shown.

4. Earthstone’s overall development plans in the immediate area would be best served by co-developing the Wells with adjacent lands to prevent waste (i.e. parent-child effects), and

drilling in the adjacent tracts has been delayed by limited rig availability. As a result, Earthstone's ability to commence drilling the Wells has been delayed.

5. Good cause exists for the requested extension.

6. Accordingly, Earthstone requests that the Division extend the deadline to commence drilling the Wells to June 7, 2025.

WHEREFORE, Earthstone requests that this application be set for hearing on May 2, 2024, and after notice and hearing, the Division extend the deadline for Earthstone to commence drilling the Wells until June 7, 2025.

Respectfully submitted,

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