

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

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
EARTHSTONE OPERATING, LLC**

**CASE NO. 23364  
ORDER NO. R-22640-A**

**NUNC PRO TUNC ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having determined that an error occurred in Order R-22640 in this matter, which requires correction, issues the following *Nunc Pro Tunc* Order.


**FINDINGS OF FACT**

1. Order R-22640, issued April 16, 2023, (“Order”) contains an error in the attached Checklist.

**ORDER**

2. Exhibit A of the Order is corrected to reflect most recent Checklist:
3. The corrections are effective *nunc pro tunc* as of the date of the Order.
4. All other provisions of the Order remain in full force and effect.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**

  
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**DYLAN FUGE**  
**DIRECTOR**  
DMF/hat

**Date:** 5/14/2023

## Exhibit A

<b>COMPULSORY POOLING APPLICATION CHECKLIST</b>		Page 3 of 5
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>		
<b>Case: 23364</b>	<b>APPLICANT'S RESPONSE</b>	
<b>Date</b>	March 2, 2023	
Applicant	Earthstone Operating, LLC	
Designated Operator & OGRID (affiliation if applicable)	<b>OGRID No. 331165</b>	
Applicant's Counsel:	Hinkle Shanor LLP	
Case Title:	Application of Earthstone Operating, LLC for Compulsory Pooling, Lea County, New Mexico	
Entries of Appearance/Intervenors:	None	
Well Family	Jade	
<b>Formation/Pool</b>		
Formation Name(s) or Vertical Extent:	Bone Spring	
Primary Product (Oil or Gas):	Oil	
Pooling this vertical extent:	Bone Spring	
Pool Name and Pool Code:	Teas; Bone Spring Pool (Code 58960)	
Well Location Setback Rules:	Statewide	
<b>Spacing Unit</b>		
Type (Horizontal/Vertical)	Horizontal	
Size (Acres)	319.95 acres	
Building Blocks:	quarter-quarter	
Orientation:	North/South	
Description: TRS/County	W/2 E/2 of Section 34, Township 19 South, Range 33 East, and Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 3, Township 20 South, Range 33 East, Lea County	
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes	
<b>Other Situations</b>		
Depth Severance: Y/N. If yes, description	No	
Proximity Tracts: If yes, description	No	
Proximity Defining Well: if yes, description	N/A	
Applicant's Ownership in Each Tract	Exhibit A-3	
<b>Well(s)</b>		
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed	
Well #1	Jade 34-3 Fed 1BS Com 11H (API # ---) SHL: 240' FNL & 740' FEL (Unit A), Section 34, T19S, R33E BHL: 50' FSL & 2130' FEL (Unit O), Section 3, T20S, R33E Completion Target: Bones Spring (Approx. 9,266' TVD)	
Horizontal Well First and Last Take Points	Exhibit A-2	
Completion Target (Formation, TVD and MD)	Exhibit A-4	
<b>AFE Capex and Operating Costs</b>		

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Production Supervision/Month \$	\$750.00	
Justification for Supervision Costs	Exhibit A	
Requested Risk Charge	200%	
<b>Notice of Hearing</b>		
Proposed Notice of Hearing	Exhibit A-1	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4	
<b>Ownership Determination</b>		
Land Ownership Schematic of the Spacing Unit	Exhibit A-3	
Tract List (including lease numbers and owners)	Exhibit A-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A	
Pooled Parties (including ownership type)	Exhibit A-3	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	N/A	
<b>Joinder</b>		
Sample Copy of Proposal Letter	Exhibit A-4	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5	
Overhead Rates In Proposal Letter	Exhibit A-4	
Cost Estimate to Drill and Complete	Exhibit A-4	
Cost Estimate to Equip Well	Exhibit A-4	
Cost Estimate for Production Facilities	Exhibit A-4	
<b>Geology</b>		
Summary (including special considerations)	Exhibit B	
Spacing Unit Schematic	Exhibit B-1	
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4	
Well Orientation (with rationale)	Exhibit B	
Target Formation	Exhibit B	
HSU Cross Section	Exhibit B-3	
Depth Severance Discussion	N/A	
<b>Forms, Figures and Tables</b>		
C-102	Exhibit A-2	
Tracts	Exhibit A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3	
General Location Map (including basin)	Exhibit B-1	
Well Bore Location Map	Exhibit B-1	
Structure Contour Map - Subsea Depth	Exhibit B-2	
Cross Section Location Map (including wells)	Exhibit B-3	
Cross Section (including Landing Zone)	Exhibit B-3	
<b>Additional Information</b>		

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<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>		
Printed Name (Attorney or Party Representative):	Dana S. Hardy	
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy	
Date:		3/7/2023

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