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. 23714 ORDER NO. R-22271-A

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on September 7, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Earthstone Operating, LLC ("Operator") submitted an application ("Application") requesting an extension to drill the well(s) as required by Order R-22271 as amended ("Order").
- 2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
- 3. Operator has demonstrated good cause to extend the deadlines in the Order.
- 4. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 6. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 7. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

<u>ORDER</u>

- 8. The period to drill the well(s) is extended until September 2, 2023.
- 9. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend the Order for good cause shown.

- 10. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
- 11. The remaining provisions of the Order remain in force or effect.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Date: <u>9/20/2023</u>

DYLAN M FUGE DIRECTOR DMF/hat