

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

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

Case No. 23274

PRE HEARING STATEMENT

This Pre-hearing Statement is submitted by EARTHSTONE OPERATING, LLC, by and through its undersigned counsel, Ernest L. Padilla, PADILLA LAW FIRM, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT:	EARTHSTONE OPERATING, LLC
ATTORNEY:	Ernest L. Padilla Padilla Law Firm, P.A. P.O. Box 2523 Santa Fe, NM 87504 (505) 988-7577 padillalawnm@outlook.com
OPPOSITION OR OTHER PARTY:	MRC PERMIAN COMPANY MRC DELAWARE RESOURCES, LLC
ATTORNEY:	Michael H. Feldewert Adam G. Rankin Julia Broggi Paula M. Vance Post Office Box 2208 Santa Fe, New Mexico 87504 TEL: (505) 988-4421 FAX: (505) 983-6043 mfeldewert@hollandhart.com agrarkin@hollandhart.com jbroggi@hollandhart.com pmvance@hollandhart.com

STATEMENT OF CASE

APPLICANT:

Earthstone Operating, LLC seeks a compulsory pooling order to drill the following wells:

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 1 st 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.

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 1 st 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.

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 2 nd 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.

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 2 nd 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.

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 3 rd 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.

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 3 rd 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.

XTO has withdrawn its objection for an affidavit hearing.

MRC Permian Company and MRC DELAWARE RESOURCES, LLC have objected to an affidavit hearing and has requested a status conference, citing collision and subsurface trespass.

OPPOSITION OR OTHER PARTY:

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Matt Soloman Landman	20 minutes	Est. 5-8
Jason Asmus Geology	20 minutes	Est. 5-8

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
------------------	------------------	-----------------

PROCEDURAL MATTERS

None.

Respectfully submitted:

PADILLA LAW FIRM, P.A.

/s/ Ernest L. Padilla

Ernest L. Padilla
 Attorney for E.G.L. Resources, Inc.
 PO Box 2523
 Santa Fe, New Mexico 87504
 505-988-7577
padillalawnm@outlook.com

CERTIFICATE OF SERVICE

I hereby certify that the foregoing pleading was electronically mailed to the following:

Michael Feldewert	mfeldewert@hollandhart.com
Adam G. Rankin	agrarkin@hollandhart.com
Julia Broggi	jbroggi@hollandhart.com
Paula M. Vance	pmvance@hollandhart.com

on this 23rd day of February, 2023.

/s/ Ernest L. Padilla
 Ernest L. Padilla

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

QUESTIONS

Action 189853

QUESTIONS

Operator: Earthstone Operating, LLC 1400 Woodloch Forest; Ste 300 The Woodlands, TX 77380	OGRID: 331165
	Action Number: 189853
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<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>