

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

**APPLICATION OF EARTHSTONE OPERATING, LLC,
FOR A HORIZONTAL SPACING UNIT AND
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO**

Case No. 23368

PREHEARING STATEMENT

Earthstone Operating, LLC (“Earthstone”), OGRID No. 331165, through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

APPEARANCES

APPLICANT

Earthstone Operating, LLC

ATTORNEY

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APPLICANT’S STATEMENT OF THE CASE

In Case No. 23368, Earthstone seeks an order (1) establishing a standard 323.63 acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 34, Township 18 South, Range 33 East, NMPM, and Lot 1 (NE/4 NE/4 equivalent), SE/4 NE/4, and the E/2 SE/4 of Section

3, Township 19 South, Range 33 East, NMPM, all in Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. Earthstone proposes and dedicates to the HSU, the **Skylark 34-3 Fed Com 1BS 4H Well** and the **Skylark 34-3 Fed Com 2BS 8H Well**, as initial wells to be drilled to a sufficient depth to test the Bone Spring formation. The proposed wells will be orthodox in location.

Earthstone proposes the **Skylark 34-3 Fed Com 1BS 4H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 27-T18S-R33E, NMPM, Lea County, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 3-T19S-R33E, NMPM, Lea County.

Earthstone proposes the **Skylark 34-3 Fed Com 2BS 8H Well**, an oil well, to be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 27-T18S-R33E, NMPM, Lea County, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 3-T19S-R33E, NMPM, Lea County.

APPLICANT’S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Matt Solomon	Approx. 10 min	Approx. 6
Geologist: Jason Asmus	Approx. 10 min	Approx. 5

PROCEDURAL MATTERS

Earthstone requests that, for purposes of the hearings, Case Nos. 23369, 23370 and 23371 be consolidated with Case No. 23368 as they involve units within the same sections. No protests or objections have been filed and Earthstone does not anticipate any at this time; consequently, Earthstone plans to conduct the hearing by affidavit.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

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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 190161

QUESTIONS

Operator: Earthstone Operating, LLC 1400 Woodloch Forest; Ste 300 The Woodlands, TX 77380	OGRID: 331165
	Action Number: 190161
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	20