

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

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

Case Nos. 23372, 23373, 23374, and 23375

**NOTICE OF FILING:  
REVISED COMPULSORY POOLING CHECKLISTS**

Earthstone Operating, LLC, (“Earthstone”) through its undersigned attorneys, hereby submits for filing in the above-referenced cases Revised Compulsory Pooling Checklists for Case Nos. 23372-75, attached hereto as Exhibit R-1 for Case No. 23372, Exhibit R-2 for Case No. 23373, Exhibit R-3 for Case No. 23374, and Exhibit R-5 for Case No. 23375. After a hearing before the Oil Conservation Division on March 2, 2023, it was determined that revised compulsory pooling checklists should be submitted, and Earthstone files said Checklists accordingly.

Respectfully submitted,

ABADIE & SCHILL, PC

*/s/ Darin C. Savage*

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**Attorneys for Earthstone Operating, LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on March 7, 2023:

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*Attorneys for MRC Permian Company*

*/s/ Darin C. Savage*

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Darin C. Savage

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

| <b>Case: 23372</b>  | <b>APPLICANT'S RESPONSE</b>   |
|---|---|
| <b>Date: March 2, 2023</b>  |   |
| Applicant   | <b>Earthstone Operating, LLC</b>  |
| Designated Operator & OGRID (affiliation if applicable)   | <b>Earthstone Operating, LLC (331165)</b>   |
| Applicant's Counsel:  | Darin C. Savage, Abadie & Schill  |
| Case Title:   | APPLICATION OF EARTHSTONE OPERATING, LLC,<br>FOR A HORIZONTAL SPACING UNIT AND<br>COMPULSORY POOLING, LEA COUNTY, NEW MEXICO  |
| Entries of Appearance/Intervenors:  | None  |
| Well Family   | DeLorean  |
| <b>Formation/Pool</b>   |   |
| Formation Name(s) or Vertical Extent:   | Bone Spring Formation   |
| Primary Product (Oil or Gas):   | Oil   |
| Pooling this vertical extent:   | Bone Spring Formation   |
| Pool Name and Pool Code:  | Mescalero Escarpe; Bone Spring [45793]  |
| Well Location Setback Rules:  | Statewide Rules apply   |
| <b>Spacing Unit</b>   |   |
| Type (Horizontal/Vertical)  | Horizontal  |
| Size (Acres)  | 320.0   |
| Building Blocks:  | quarter-quarter sections  |
| Orientation:  | West to East  |
| Description: TRS/County   | N/2 N/2 of Sections 9 and 10, Township 19 South, Range 33<br>East, NMPM, Lea County, New Mexico   |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u> | 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  | No  |
| Applicant's Ownership in Each Tract   | See Exhibit A-2   |
| <b>Well(s)</b>  |   |
| Well #1   | <u>DeLorean 9-10 Fed 1BS Com 1H</u> (API pending)<br>SHL: Unit D: 1,278' FNL & 343' FWL of Section 9, 19S-R33E<br>BHL: Unit A: 660' FNL & 100' FEL of Section 10, 19S-33E<br>Completion Target: Bone Spring<br>Well Orientation: West to East<br>Laydown, Standard location |
| Horizontal Well First and Last Take Points  | <u>DeLorean 9-10 Fed 1BS Com 1H</u><br>FTP: 100' FWL, 660' FNL, Section 9, 19S-R33E<br>LTP: 100' FEL, 660' FNL, Section 10, 19S-33E   |
| Completion Target (Formation, TVD and MD)   | Bone Spring; TVD: apprx. 8968'; TMD: apprx. 19,500'; Exhibit A  |

**EXHIBIT  
R-1**

|  |  |
|--|--|
| Well #2  | DeLorean 9-10 Fed 2BS Com 5H (API Pending)<br>SHL: Unit D: 1,306' FNL & 354' FWL of Section 9, 19S-R33E<br>BHL: Unit A: 660' FNL & 100' FEL of Section 10, 19S-33E<br>Completion Target: Bone Spring<br>Well Orientation: West to East<br>Laydown, Standard location |
| Horizontal Well First and Last Take Points   | DeLorean 9-10 Fed 2BS Com 5H<br>FTP: 100' FWL, 660' FNL, Section 9, 19S-R33E<br>LTP: 100' FEL, 660' FNL, Section 10, 19S-33E   |
| Completion Target (Formation, TVD and MD)  | Bone Spring; TVD: apprx. 9953'; TMD: apprx. 20,500'; Exhibit A   |
|  |  |
| <b>AFE Capex and Operating Costs</b>   |  |
| Drilling Supervision/Month \$  | \$7,500  |
| Production Supervision/Month \$  | \$750  |
| Justification for Supervision Costs  | See Exhibit A  |
| Requested Risk Charge  | 200%   |
| <b>Notice of Hearing</b>   |  |
| Proposed Notice of Hearing   | Exhibit C, C-1   |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibit C-2  |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit C-3  |
| <b>Ownership Determination</b>   |  |
| Land Ownership Schematic of the Spacing Unit   | Exhibit A-2  |
| Tract List (including lease numbers and owners)  | Exhibit A-2  |
| 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-2  |
| Unlocatable Parties to be Pooled   | Exhibit A, Para 13 (None)  |
| Ownership Depth Severance (including percentage above & below)   | N/A  |
| <b>Joinder</b>   |  |
| Sample Copy of Proposal Letter   | Exhibit A-3  |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit A-2  |
| Chronology of Contact with Non-Joined Working Interests  | Exhibit A-4  |
| Overhead Rates In Proposal Letter  | Exhibit A-3  |
| Cost Estimate to Drill and Complete  | Exhibit A-3  |
| Cost Estimate to Equip Well  | Exhibit A-3  |
| Cost Estimate for Production Facilities  | Exhibit A-3  |
| <b>Geology</b>   |  |
| Summary (including special considerations)   | Exhibit B  |
| Spacing Unit Schematic   | Exhibits B-1, B-2  |
| Gunbarrel/Lateral Trajectory Schematic   | Exhibit B-7  |
| Well Orientation (with rationale)  | Exhibits B, B-1, B-2   |
| Target Formation   | Exhibits A, B, B-3, B-4  |
| HSU Cross Section  | Exhibit B-7  |

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|--|---|
| Depth Severance Discussion   | N/A   |
| <b>Forms, Figures and Tables</b>   |   |
| C-102  | Exhibit A-1                                     |
| Tracts   | Exhibits A-1, A-2,                              |
| Summary of Interests, Unit Recapitulation (Tracts)   | Exhibit A-2                                     |
| General Location Map (including basin)   | Exhibit A-2                                     |
| Well Bore Location Map   | Exhibits B-1, B-2                               |
| Structure Contour Map - Subsea Depth   | Exhibit B-1                                     |
| Cross Section Location Map (including wells)   | Exhibits B-3, B-4, B-7                          |
| Cross Section (including Landing Zone)   | Exhibits B-3, B-4, B-7                          |
| <b>Additional Information</b>  |   |
| Special Provisions/Stipulations  |   |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |   |
| <b>Printed Name</b> (Attorney or Party Representative):  | Darin C. Savage                                 |
| <b>Signed Name</b> (Attorney or Party Representative):   | /s/ <i>Darin Savage</i>                         |
| <b>Date:</b>   | Orig date: 02.28.2023; Date revised: 03.05.2023 |

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

| <b>Case: 23373</b>   | <b>APPLICANT'S RESPONSE</b>   |
|--|---|
| <b>Date: March 2, 2023</b>   |   |
| Applicant  | <b>Earthstone Operating, LLC</b>  |
| Designated Operator & OGRID (affiliation if applicable)  | <b>Earthstone Operating, LLC (331165)</b>   |
| Applicant's Counsel:   | Darin C. Savage, Abadie & Schill, PC  |
| Case Title:  | APPLICATION OF EARTHSTONE OPERATING, LLC,<br>FOR A HORIZONTAL SPACING UNIT AND<br>COMPULSORY POOLING, LEA COUNTY, NEW MEXICO  |
| Entries of Appearance/Intervenors:   | MRC Permian Company   |
| Well Family  | DeLorean  |
| <b>Formation/Pool</b>  |   |
| Formation Name(s) or Vertical Extent:  | Bone Spring Formation   |
| Primary Product (Oil or Gas):  | Oil   |
| Pooling this vertical extent:  | Bone Spring Formation   |
| Pool Name and Pool Code:   | Mescalero Escarpe; Bone Spring [45793]  |
| Well Location Setback Rules:   | Statewide Rules apply   |
| <b>Spacing Unit</b>  |   |
| Type (Horizontal/Vertical)   | Horizontal  |
| Size (Acres)   | 320.0   |
| Building Blocks:   | quarter-quarter sections  |
| Orientation:   | West to East  |
| Description: TRS/County  | N/2 S/2 of Sections 9 and 10, Township 19 South, Range 33<br>East, NMPM, Lea County, New Mexico   |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is</u><br>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   | No  |
| Applicant's Ownership in Each Tract  | See Exhibit A-2   |
| <b>Well(s)</b>   |   |
| Well #1  | DeLorean 9-10 Fed 1BS Com 3H (API Pending)<br>SHL: Unit E: 2,640' FNL & 425' FWL of Section 9, 19S-R33E<br>BHL: Unit I: 1980' FSL & 100' FEL of Section 10, 19S-33E<br>Completion Target: Bone Spring<br>Well Orientation: West to East<br>Laydown, Standard location |
| Horizontal Well First and Last Take Points   | DeLorean 9-10 Fed 1BS Com 3H<br>FTP: 100' FWL, 1980' FSL, Section 9, 19S-R33E<br>LTP: 100' FEL, 1980' FSL, Section 10, 19S-33E  |
| Completion Target (Formation, TVD and MD)  | Bone Spring; Mescalero Escarpe; Bone Spring [45793]; TVD:<br>apprx. 9018'; TMD: apprx. 19,500'  |

**EXHIBIT  
R-2**

|  |   |
|--|---|
| Well #2  | DeLorean 9-10 Fed 2BS Com 7H (API Pending)<br>SHL: 2,611' FSL & 425' FWL of Section 9, 19S-R33E<br>BHL: 1980' FSL & 100' FEL of Section 10, 19S-33E Completion<br>Target: Bone Spring<br>Well Orientation: West to East<br>Laydown, Standard location |
| Horizontal Well First and Last Take Points   | DeLorean 9-10 Fed 2BS Com 7H<br>FTP: 100' FWL, 1980' FSL, Section 9, 19S-R33E<br>LTP: 100' FEL, 1980' FSL, Section 10, 19S-33E  |
| Completion Target (Formation, TVD and MD)  | Bone Spring; Mescalero Escarpe; Bone Spring [45793]; TVD: approx. 9983'; TMD: approx. 20,500'   |
| <b>AFE Capex and Operating Costs</b>   |   |
| Drilling Supervision/Month \$  | \$7,500   |
| Production Supervision/Month \$  | \$750   |
| Justification for Supervision Costs  | See Exhibit A   |
| Requested Risk Charge  | 200%  |
| <b>Notice of Hearing</b>   |   |
| Proposed Notice of Hearing   | Exhibit C, C-1  |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibit C-2   |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit C-3   |
| <b>Ownership Determination</b>   |   |
| Land Ownership Schematic of the Spacing Unit   | Exhibit A-2   |
| Tract List (including lease numbers and owners)  | Exhibit A-2   |
| 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-2   |
| Unlocatable Parties to be Pooled   | Exhibit A, Para 13 (None)   |
| Ownership Depth Severance (including percentage above & below)   | N/A   |
| <b>Joinder</b>   |   |
| Sample Copy of Proposal Letter   | Exhibit A-3   |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit A-2   |
| Chronology of Contact with Non-Joined Working Interests  | Exhibit A-4   |
| Overhead Rates In Proposal Letter  | Exhibit A-3   |
| Cost Estimate to Drill and Complete  | Exhibit A-3   |
| Cost Estimate to Equip Well  | Exhibit A-3   |
| Cost Estimate for Production Facilities  | Exhibit A-3   |
| <b>Geology</b>   |   |
| Summary (including special considerations)   | Exhibit B   |
| Spacing Unit Schematic   | Exhibits B-1, B-2   |
| Gunbarrel/Lateral Trajectory Schematic   | Exhibit B-7   |
| Well Orientation (with rationale)  | Exhibits B, B-1, B-2  |
| Target Formation   | Exhibits A, B, B-3, B-4   |
| HSU Cross Section  | Exhibit B-7   |
| Depth Severance Discussion   | N/A   |

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|--|---|
| <b>Forms, Figures and Tables</b>   |   |
| C-102  | Exhibit A-1                                     |
| Tracts   | Exhibits A-1, A-2,                              |
| Summary of Interests, Unit Recapitulation (Tracts)   | Exhibit A-2                                     |
| General Location Map (including basin)   | Exhibit A-2                                     |
| Well Bore Location Map   | Exhibits B-1, B-2                               |
| Structure Contour Map - Subsea Depth   | Exhibit B-1                                     |
| Cross Section Location Map (including wells)   | Exhibits B-3, B-4, B-7                          |
| Cross Section (including Landing Zone)   | Exhibits B-3, B-4, B-7                          |
| <b>Additional Information</b>  |   |
| Special Provisions/Stipulations  |   |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |   |
| <b>Printed Name</b> (Attorney or Party Representative):  | Darin C. Savage                                 |
| <b>Signed Name</b> (Attorney or Party Representative):   | /s/ <i>Darin Savage</i>                         |
| <b>Date:</b>   | Orig date: 02.28.2023; Date revised: 03.05.2023 |

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

|   |  |
|---|--|
| <b>Case: 23374</b>  | <b>APPLICANT'S RESPONSE</b>  |
| <b>Date: March 2, 2023</b>  |  |
| Applicant   | Earthstone Operating, LLC  |
| Designated Operator & OGRID (affiliation if applicable)   | Earthstone Operating, LLC (331165)   |
| Applicant's Counsel:  | Darin C. Savage, Abadie & Schill   |
| Case Title:   | APPLICATION OF EARTHSTONE OPERATING, LLC,<br>FOR A HORIZONTAL SPACING UNIT AND<br>COMPULSORY POOLING, LEA COUNTY, NEW MEXICO   |
| Entries of Appearance/Intervenors:  | None   |
| Well Family   | DeLorean   |
| <b>Formation/Pool</b>   |  |
| Formation Name(s) or Vertical Extent:   | Bone Spring Formation  |
| Primary Product (Oil or Gas):   | Oil  |
| Pooling this vertical extent:   | Bone Spring Formation  |
| Pool Name and Pool Code:  | Mescalero Escarpe; Bone Spring [45793]   |
| Well Location Setback Rules:  | Statewide Rules apply  |
| <b>Spacing Unit</b>   |  |
| Type (Horizontal/Vertical)  | Horizontal   |
| Size (Acres)  | 320.0  |
| Building Blocks:  | quarter-quarter sections   |
| Orientation:  | West to East   |
| Description: TRS/County   | S/2 N/2 of Sections 9 and 10, Township 19 South, Range 33<br>East, NMPM, Lea County, New Mexico  |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u> | 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  | No   |
| Applicant's Ownership in Each Tract   | See Exhibit A-2  |
| <b>Well(s)</b>  |  |
| Well #1   | DeLorean 9-10 Fed 1BS Com 2H (API Pending)<br>SHL: Unit E: 1,362' FNL & 376' FWL of Section 9, 19S-R33E<br>BHL: Unit H: 1,980' FNL & 100' FEL of Section 10, 19S-33E<br>Completion Target: Bone Spring<br>Well Orientation: West to East<br>Laydown, Standard location |
| Horizontal Well First and Last Take Points  | DeLorean 9-10 Fed 1BS Com 2H<br>FTP: 100' FWL, 1980' FNL, Section 9, 19S-R33E<br>LTP: 100' FEL, 1980' FNL, Section 10, 19S-33E   |
| Completion Target (Formation, TVD and MD)   | Bone Spring; Mescalero Escarpe; Bone Spring [45793]; TVD:<br>apprx. 8998'; TMD: apprx. 19,500'   |

**EXHIBIT  
R-3**

|  |  |
|--|--|
| Well #2  | DeLorean 9-10 Fed 2BS Com 6H (API Pending)<br>SHL: Unit E: 1,334' FNL & 365' FWL of Section 9, 19S-R33E<br>BHL: Unit H: 1,980' FNL & 100' FEL of Section 10, 19S-33E<br>Completion Target: Bone Spring<br>Well Orientation: West to East<br>Laydown, Standard location |
| Horizontal Well First and Last Take Points   | DeLorean 9-10 Fed 2BS Com 6H<br>FTP: 100' FWL, 1980' FNL, Section 9, 19S-R33E<br>LTP: 100' FEL, 1980' FNL, Section 10, 19S-33E   |
| Completion Target (Formation, TVD and MD)  | Bone Spring; Mescalero Escarpe; Bone Spring [45793]; TVD: apprx. 9988'; TMD: apprx. 20,500'  |
| <b>AFE Capex and Operating Costs</b>   |  |
| Drilling Supervision/Month \$  | \$7,500  |
| Production Supervision/Month \$  | \$750  |
| Justification for Supervision Costs  | See exhibit  |
| Requested Risk Charge  | 200%   |
| <b>Notice of Hearing</b>   |  |
| Proposed Notice of Hearing   | Exhibit C, C-1   |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibit C-2  |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit C-3  |
| <b>Ownership Determination</b>   |  |
| Land Ownership Schematic of the Spacing Unit   | Exhibit A-2  |
| Tract List (including lease numbers and owners)  | Exhibit A-2  |
| 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-2  |
| Unlocatable Parties to be Pooled   | Exhibit A, Para 12 (None)  |
| Ownership Depth Severance (including percentage above & below)   | N/A  |
| <b>Joinder</b>   |  |
| Sample Copy of Proposal Letter   | Exhibit A-3  |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit A-2  |
| Chronology of Contact with Non-Joined Working Interests  | Exhibit A-4  |
| Overhead Rates In Proposal Letter  | Exhibit A-3  |
| Cost Estimate to Drill and Complete  | Exhibit A-3  |
| Cost Estimate to Equip Well  | Exhibit A-3  |
| Cost Estimate for Production Facilities  | Exhibit A-3  |
| <b>Geology</b>   |  |
| Summary (including special considerations)   | Exhibit B  |
| Spacing Unit Schematic   | Exhibits B-1, B-2  |
| Gunbarrel/Lateral Trajectory Schematic   | Exhibit B-7  |
| Well Orientation (with rationale)  | Exhibits B, B-1, B-2   |
| Target Formation   | Exhibits A, B, B-3, B-4  |
| HSU Cross Section  | Exhibit B-7  |
| Depth Severance Discussion   | N/A  |

|  |   |
|--|---|
| <b>Forms, Figures and Tables</b>   |   |
| C-102  | Exhibit A-1                                     |
| Tracts   | Exhibits A-1, A-2,                              |
| Summary of Interests, Unit Recapitulation (Tracts)   | Exhibit A-2                                     |
| General Location Map (including basin)   | Exhibit A-2                                     |
| Well Bore Location Map   | Exhibits B-1, B-2                               |
| Structure Contour Map - Subsea Depth   | Exhibit B-1                                     |
| Cross Section Location Map (including wells)   | Exhibits B-3, B-4, B-7                          |
| Cross Section (including Landing Zone)   | Exhibits B-3, B-4, B-7                          |
| <b>Additional Information</b>  |   |
| Special Provisions/Stipulations  |   |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |   |
| <b>Printed Name</b> (Attorney or Party Representative):  | Darin C. Savage                                 |
| <b>Signed Name</b> (Attorney or Party Representative):   | /s/ <i>Darin Savage</i>                         |
| <b>Date:</b>   | Orig date: 02.28.2023; Date revised: 03.05.2023 |

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

| <b>Case: 23375</b>  | <b>APPLICANT'S RESPONSE</b>  |
|---|--|
| <b>Date: March 2, 2023</b>  |  |
| Applicant   | <b>Earthstone Operating, LLC</b>   |
| Designated Operator & OGRID (affiliation if applicable)   | <b>Earthstone Operating, LLC (331165)</b>  |
| Applicant's Counsel:  | Darin C. Savage - Abadie & Schill, PC  |
| Case Title:   | APPLICATION OF EARTHSTONE OPERATING, LLC, FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO   |
| Entries of Appearance/Intervenors:  | MRC Permian Company  |
| Well Family   | DeLorean   |
| <b>Formation/Pool</b>   |  |
| Formation Name(s) or Vertical Extent:   | Bone Spring Formation  |
| Primary Product (Oil or Gas):   | Oil  |
| Pooling this vertical extent:   | Bone Spring Formation  |
| Pool Name and Pool Code:  | Mescalero Escarpe; Bone Spring [45793]   |
| Well Location Setback Rules:  | Statewide Rules apply  |
| <b>Spacing Unit</b>   |  |
| Type (Horizontal/Vertical)  | Horizontal   |
| Size (Acres)  | 320.0  |
| Building Blocks:  | quarter-quarter sections   |
| Orientation:  | West to East   |
| Description: TRS/County   | S/2 S/2 of Sections 9 and 10, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico   |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u> | 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  | No   |
| Applicant's Ownership in Each Tract   | See Exhibit A-2  |
| <b>Well(s)</b>  |  |
| Well #1   | DeLorean 9-10 Fed 1BS Com 4H (API Pending)<br>SHL: Unit M: 600' FSL & 225' FWL of Section 9, 19S-R33E<br>BHL: Unit P: 660' FSL & 100' FEL of Section 10, 19S-33E<br>Completion Target: Bone Spring<br>Well Orientation: West to East<br>Laydown, Standard location |
| Horizontal Well First and Last Take Points  | DeLorean 9-10 Fed 1BS Com 4H<br>FTP: 100' FWL, 660' FSL, Section 9, 19S-R33E<br>LTP: 100' FEL, 660' FSL, Section 10, 19S-33E   |
| Completion Target (Formation, TVD and MD)   | Bone Spring; Mescalero Escarpe; Bone Spring [45793]; TVD: apprx. 9043'; TMD: apprx. 19,500'  |

|  |  |
|--|--|
| Well #2  | DeLorean 9-10 Fed 2BS Com 88H (API Pendin)<br>SHL: Unit M: 630' FSL & 225' FWL of Section 9, 19S-R33E<br>BHL: Unit P: 660' FSL & 100' FEL of Section 10, 19S-33E<br>Completion Target: Bone Spring<br>Well Orientation: West to East<br>Laydown, Standard location |
| Horizontal Well First and Last Take Points   | DeLorean 9-10 Fed 2BS Com 88H<br>FTP: 100' FWL, 660' FSL, Section 9, 19S-R33E<br>LTP: 100' FEL, 660' FSL, Section 10, 19S-33E  |
| Completion Target (Formation, TVD and MD)  | Bone Spring; Mescalero Escarpe; Bone Spring [45793]; TVD: approx. 9983'; TMD: approx. 20,500'  |
| <b>AFE Capex and Operating Costs</b>   |  |
| Drilling Supervision/Month \$  | \$7,500  |
| Production Supervision/Month \$  | \$750  |
| Justification for Supervision Costs  | See Exhibit A  |
| Requested Risk Charge  | 200%   |
| <b>Notice of Hearing</b>   |  |
| Proposed Notice of Hearing   | Exhibit C, C-1   |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibit C-2  |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit C-3  |
| <b>Ownership Determination</b>   |  |
| Land Ownership Schematic of the Spacing Unit   | Exhibit A-2  |
| Tract List (including lease numbers and owners)  | Exhibit A-2  |
| 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-2  |
| Unlocatable Parties to be Pooled   | Exhibit A, Para 12 (None)  |
| Ownership Depth Severance (including percentage above & below)   | N/A  |
| <b>Joinder</b>   |  |
| Sample Copy of Proposal Letter   | Exhibit A-3  |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit A-2  |
| Chronology of Contact with Non-Joined Working Interests  | Exhibit A-4  |
| Overhead Rates In Proposal Letter  | Exhibit A-3  |
| Cost Estimate to Drill and Complete  | Exhibit A-3  |
| Cost Estimate to Equip Well  | Exhibit A-3  |
| Cost Estimate for Production Facilities  | Exhibit A-3  |
| <b>Geology</b>   |  |
| Summary (including special considerations)   | Exhibit B  |
| Spacing Unit Schematic   | Exhibits B-1, B-2  |
| Gunbarrel/Lateral Trajectory Schematic   | Exhibit B-7  |
| Well Orientation (with rationale)  | Exhibits B, B-1, B-2   |
| Target Formation   | Exhibits A, B, B-3, B-4  |
| HSU Cross Section  | Exhibit B-7  |

|  |   |
|--|---|
| Depth Severance Discussion   | N/A   |
| <b>Forms, Figures and Tables</b>   |   |
| C-102  | Exhibit A-1                                     |
| Tracts   | Exhibits A-1, A-2,                              |
| Summary of Interests, Unit Recapitulation (Tracts)   | Exhibit A-2                                     |
| General Location Map (including basin)   | Exhibit A-2                                     |
| Well Bore Location Map   | Exhibits B-1, B-2                               |
| Structure Contour Map - Subsea Depth   | Exhibit B-1                                     |
| Cross Section Location Map (including wells)   | Exhibits B-3, B-4, B-7                          |
| Cross Section (including Landing Zone)   | Exhibits B-3, B-4, B-7                          |
| <b>Additional Information</b>  |   |
| Special Provisions/Stipulations  |   |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |   |
| <b>Printed Name</b> (Attorney or Party Representative):  | Darin C. Savage                                 |
| <b>Signed Name</b> (Attorney or Party Representative):   | /s/ <i>Darin Savage</i>                         |
| <b>Date:</b>   | Orig date: 02.28.2023; Date revised: 03.05.2023 |