

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

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

**CASE NO. 23364**

**NOTICE OF SUPPLEMENTAL EXHIBITS**

In accordance with the Division's request at the March 2, 2023 hearing in this matter, Earthstone Operating, LLC ("Earthstone"), is providing: (1) the Supplemental Self-Affirmed Statement of Jason Asmus (Exhibit B-5), which provides information regarding the status of the existing First Bone Spring well within the proposed spacing unit; and (2) Updated Compulsory Pooling Checklist.

Respectfully submitted,

HINKLE SHANOR, LLP

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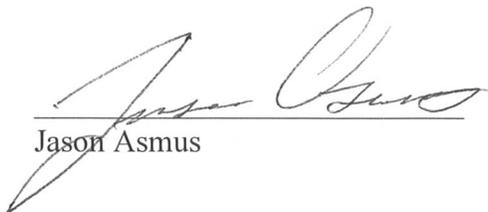
**SUPPLEMENTAL SELF-AFFIRMED  
STATEMENT OF JASON ASMUS**

1. I am a geologist for Earthstone Operating, LLC (“Earthstone”). I previously submitted a self-affirmed statement in this matter.

2. At the March 2, 2023, hearing, the Division requested that Earthstone provide supplemental information regarding the status of the existing First Bone Spring well that is shown within the proposed spacing unit on Earthstone Exhibit B-1.

3. The existing well shown within the proposed spacing unit on Exhibit B-1 is a plugged and abandoned slant vertical well (Python 3 Federal #5, API # 30-025-35475) that had previously produced from the First Bone Spring formation. However, the well will not impact Earthstone’s proposed development.

4. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

  
Jason Asmus

3/6/2023  
Date

**Earthstone Operating, LLC  
Case No. 23364  
Exhibit B-5**

# COMPULSORY POOLING APPLICATION CHECKLIST

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

| Case: 23364  | APPLICANT'S RESPONSE   |
|--|--|
| Date   | March 2, 2023  |
| Applicant  | Earthstone Operating, LLC  |
| Designated Operator & OGRID (affiliation if applicable)  | OGRID No. 331165   |
| 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 # ---)<br>SHL: 240' FNL & 740' FEL (Unit A), Section 34, T19S, R33E<br>BHL: 50' FSL & 2130' FEL (Unit O), Section 3, T20S, R33E<br>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>   |  |

|  |                                       |                                      |             |
|--|---------------------------------------|--------------------------------------|-------------|
| Drilling Supervision/Month \$  | \$7,500.00                            | Received by OGD: 3/8/2023 8:36:03 AM | Page 4 of 5 |
| 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>  |                                       |                                      |             |

|  |                   |             |
|--|-------------------|-------------|
| Received by: <i>OCD</i> 3/8/2023 8:36:03 AM<br>Special Provisions/Stipulations                                   | N/A               | Page 5 of 5 |
| <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    |