

**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. 23270

HEARING EXHIBITS

Compulsory Pooling Checklist

- | | |
|-----------|---|
| Exhibit A | Self-Affirmed Statement of Matt Solomon |
| A-1 | Application & Proposed Notice of Hearing |
| A-2 | C-102s |
| A-3 | Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation |
| A-4 | Sample Well Proposal Letter & AFEs |
| A-5 | Chronology of Contact |
| Exhibit B | Self-Affirmed Statement of Jason Asmus |
| B-1 | Resume of Jason Asmus |
| B-2 | Location Map |
| B-3 | Second Bone Spring Sand Structure Map |
| B-4 | Third Bone Spring Harkey Sand Structure Map |
| B-5 | Third Bone Spring Sand Structure Map |
| B-6 | Second Bone Spring Sand Structural Cross-Section |
| B-7 | Third Bone Spring Harkey Sand and Third Bone Spring Sand Structural Cross-Section |
| B-8 | Gun Barrel Development Proposal |
| Exhibit C | Self-Affirmed Statement of Dana S. Hardy |
| C-1 | Sample Notice Letter to All Interested Parties |

- C-2 Chart of Notice to All Interested Parties
- C-3 Copies of Certified Mail Receipts and Returns
- C-4 Affidavit of Publication of December 22, 2022

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

Case: 23270	APPLICANT'S RESPONSE
Date:	January 5, 2023
Applicant	Earthstone Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID # 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:	Tap Rock Operating, LLC
Well Family	Jade 34-3 Fed Com
Formation/Pool	
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:	Teas; Bone Spring Pool (Code 58960)
Well Location Setback Rules:	Standard
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	638.71
Building Blocks:	quarter-quarter
Orientation:	North/South
Description: TRS/County	E/2 of Section 34, Township 19 South, Range 33 East, and Lots 1 and 2, S/2 NE/4, and SE/4 (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, Standard.
Other Situations	
Depth Severance: Y/N. If yes, description	Yes, there is a depth severance in the Bone Spring Formation and Applicant seeks to pool interests from the top of the Second Bone Spring Formation at a stratigraphic equivalent of approximately 9,730' TVD as shown on the Jade Federal #1 well log (API # 3002534390000) to the base of the Third Bone Spring Formation.
Proximity Tracts: If yes, description	Yes, the completed interval of the Jade 34-3 Fed HYK Com 19H well will be located within 330' of the quarter-quarter section line separating the W/2 E/2 and the E/2 E/2 of Sections 34 and 3 to allow for the creation of a 638.71-acre standard horizontal spacing unit.
Proximity Defining Well: if yes, description	Jade 34-3 Fed HKY Com 19H
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	

Well #1	Jade 34-3 Fed 2BS Com 9H (API # ---) SHL: 240' FNL & 680' FEL (Unit A), Section 34, T19S, R33E BHL: 50' FSL & 810' FEL (Unit P), Section 3, T20S, R33E Completion Target: Second Bone Spring (Approx. 10,161' TVD)
Well #2	Jade 34-3 Fed 2BS Com 18H (API # ---) SHL: 240' FNL & 710' FEL (Unit A), Section 34, T19S, R33E BHL: 50' FSL & 2,130' FEL (Unit O), Section 3, T20S, R33E Completion Target: Second Bone Spring (Approx. 10,171' TVD)
Well #3	Jade 34-3 Fed HKY Com 19H (API # ---) SHL: 110' FNL & 710' FEL (Unit A), Section 34, T19S, R33E BHL: 50' FSL & 1,470' FEL (Unit O), Section 3, T20S, R33E Completion Target: Third Bone Spring, Harkey (Approx. 10,481' TVD)
Well #4	Jade 34-3 Fed 3BS Com 21H (API # ---) SHL: 110' FNL & 740' FEL (Unit A), Section 34, T19S, R33E BHL: 50' FSL & 2130' FEL (Unit O), Section 3, T20S, R33E Completion Target: Third Bone Spring, (Approx. 10,786' TVD)
Well #5	Jade 34-3 Fed 3BS Com 22H (API # ---) SHL: 110' FNL & 650' FEL (Unit A), Section 34, T19S, R33E BHL: 50' FSL & 810' FEL (Unit P), Section 3, T20S, R33E Completion Target: Third Bone Spring, (Approx. 10,780' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,500
Production Supervision/Month \$	\$750
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
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)	Exhibit A-3
Joinder	
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
Best Estimate to Drill and Complete	Exhibit A-4

Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-8
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	Exhibit A
Forms, Figures and Tables	
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-2
Well Bore Location Map	Exhibit B-3, B-4, B-5
Structure Contour Map - Subsea Depth	Exhibit B-3, B-4, B-5
Cross Section Location Map (including wells)	Exhibit B-6, B-7
Cross Section (including Landing Zone)	Exhibit B-6, B-7
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	<i>Dana S. Hardy</i>
Date:	1/3/2023

**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. 23270

**SELF-AFFIRMED STATEMENT
OF MATT SOLOMON**

1. I am a Senior Landman with Earthstone Operating, LLC (“Earthstone”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of Earthstone’s Application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit. Therefore, I do not expect any opposition at hearing.

4. Earthstone applies for an order pooling all uncommitted interests from the top of the Second Bone Spring Formation to the base of the Bone Spring Formation underlying a 638.71-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Section 34, Township 19 South, Range 33 East, and Lots 1 and 2, S/2 NE/4, and SE/4 (E/2 equivalent) of irregular Section 3, Township 20 South, Range 33 East, Lea County, New Mexico (“Unit”).

5. The Unit will be dedicated to the following wells (“Wells”), which will be completed in the Teas; Bone Spring Pool (Code 58960):

- **Jade 34-3 Fed 2BS Com 9H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a

**Earthstone Operating, LLC
Case No. 23270
Exhibit A**

proposed bottom hole location in the SE/4 SE/4 (Unit P) of Section 3, Township 20 South, Range 33 East;

- **Jade 34-3 Fed 2BS Com 18H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 3, Township 20 South, Range 33 East;
- **Jade 34-3 Fed HKY Com 19H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 3, Township 20 South, Range 33 East;
- **Jade 34-3 Fed 3BS Com 21H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 3, Township 20 South, Range 33 East; and
- **Jade 34-3 Fed 3BS Com 22H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SE/4 SE/4 (Unit P) of Section 3, Township 20 South, Range 33 East.

6. The completed interval of the Jade 34-3 Fed HKY Com 19H well will be located within 330' of the quarter-quarter section line separating the W/2 E/2 and the E/2 E/2 of Sections 34 and 3 to allow for the creation of a 638.71-acre standard horizontal spacing unit.

7. There is a depth severance in the Bone Spring Formation in the Unit. Accordingly, Applicant seeks to pool interests from the top of the Second Bone Spring Formation at a

stratigraphic equivalent of approximately 9,730' TVD as shown on the Jade Federal #1 well log (API # 300253439000) to the base of the Third Bone Spring Formation.

8. **Exhibit A-2** contains the C-102s for the Wells.

9. **Exhibit A-3** contains a plat that identifies ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Earthstone seeks to pool highlighted in yellow. All of the parties are locatable.

10. Earthstone has conducted a diligent search of all county public records including phone directories and computer databases.

11. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to the working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

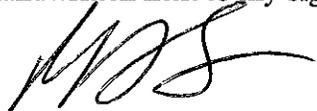
12. In my opinion, Earthstone made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.

13. Earthstone requests overhead and administrative rates of \$7,500.00 per month while the Wells are being drilled and \$750.00 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Earthstone and other operators in the vicinity.

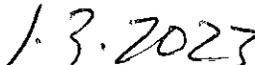
14. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

15. In my opinion, the granting of Earthstone's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

16. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. 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.



Matt Solomon



Date

**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. 23270

APPLICATION

Pursuant to NMSA 1978, § 70-2-17, Earthstone Operating, LLC (OGRID No. 331165) (“Earthstone” or “Applicant”) applies for an order pooling all uncommitted interests from the top of the Second Bone Spring Formation to the base of the Bone Spring Formation underlying a 638.71-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Section 34, Township 19 South, Range 33 East, and Lots 1 and 2, S/2 NE/4, and SE/4 (E/2 equivalent) of irregular Section 3, Township 20 South, Range 33 East, Lea County, New Mexico (“Unit”). In support of this application, Earthstone states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following wells (“Wells”)
 - a. The **Jade 34-3 Fed 2BS Com 9H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SE/4 SE/4 (Unit P) of Section 3, Township 20 South, Range 33 East;
 - b. The **Jade 34-3 Fed 2BS Com 18H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 3, Township 20 South, Range 33 East;

**Earthstone Operating, LLC
Case No. 23270
Exhibit A-1**

- c. The **Jade 34-3 Fed HKY Com 19H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 3, Township 20 South, Range 33 East;
 - d. The **Jade 34-3 Fed 3BS Com 21H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 3, Township 20 South, Range 33 East; and
 - e. The **Jade 34-3 Fed 3BS Com 22H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SE/4 SE/4 (Unit P) of Section 3, Township 20 South, Range 33 East.
- 3. The completed intervals of the Wells will be orthodox.
 - 4. The completed interval of the Jade 34-3 Fed HKY Com 19H well will be located within 330' of the quarter-quarter section line separating the W/2 E/2 and the E/2 E/2 of Sections 34 and 3 to allow for the creation of a 638.71-acre standard horizontal spacing unit.
 - 5. There is a depth severance in the Bone Spring Formation in the Unit. Accordingly, Applicant seeks to pool interests from the top of the Second Bone Spring Formation at a stratigraphic equivalent of approximately 9,730' TVD as shown on the Jade Federal #1 well log (API # 300253439000) to the base of the Third Bone Spring Formation.
 - 6. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

7. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 5, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- E. Approving the actual operating charged and costs of supervision while drilling and after completion, together with a provision adjusting the rated pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com
ypena@hinklelawfirm.com
Counsel for Earthstone Operating, LLC

Application of Earthstone Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant applies for an order pooling all uncommitted interests from the top of the Second Bone Spring Formation to the base of the Bone Spring Formation underlying a 638.71-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Section 34, Township 19 South, Range 33 East, and Lots 1 and 2, S/2 NE/4, and SE/4 (E/2 equivalent) of irregular Section 3, Township 20 South, Range 33 East, Lea County, New Mexico (“Unit”). The Unit will be dedicated to the following proposed wells (“Wells”): the **Jade 34-3 Fed 2BS Com 9H** and **Jade 34-3 Fed 3BS Com 22H** wells, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SE/4 SE/4 (Unit P) of Section 3, Township 20 South, Range 33 East; and the **Jade 34-3 Fed 2BS Com 18H**, **Jade 34-3 Fed HKY Com 19H**, and **Jade 34-3 Fed 3BS Com 21H** wells, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 3, Township 20 South, Range 33 East. The completed intervals of the Wells will be orthodox. Due to a depth severance, Applicant seeks to pool interests from the top of the Second Bone Spring Formation at a stratigraphic equivalent of approximately 9,730’ TVD to the base of the Third Bone Spring Formation. The completed interval of the Jade 34-3 Fed HKY Com 19H well will be located within 330’ of the quarter-quarter section line separating the W/2 E/2 and the E/2 E/2 of Sections 34 and 3 to allow for the creation of a 638.71-acre standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 30 miles southwest of Hobbs, New Mexico.

DISTRICT I
 1825 N. French Dr., Hobbs, NM 88240
 Phone (575) 393-8161 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
 1226 S. St. Francis Dr., Santa Fe, NM 87505
 Phone (505) 478-3480 Fax: (505) 478-3482

State of New Mexico
 Energy, Minerals and Natural Resources Department

Case No. 23270
 Exhibit A-2

Form C-102
 Revised August 1, 2011

Submit one copy to appropriate
 District Office

OIL CONSERVATION DIVISION
 1226 South St. Francis Dr.
 Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 58960	Pool Name TEAS; BONE SPRING
Property Code 323001	Property Name JADE 34-3 FED 2BS COM	Well Number 9H
OGRID No. 372137	Operator Name EARTHSTONE OPERATING LLC	Elevation 3582'

Surface Location

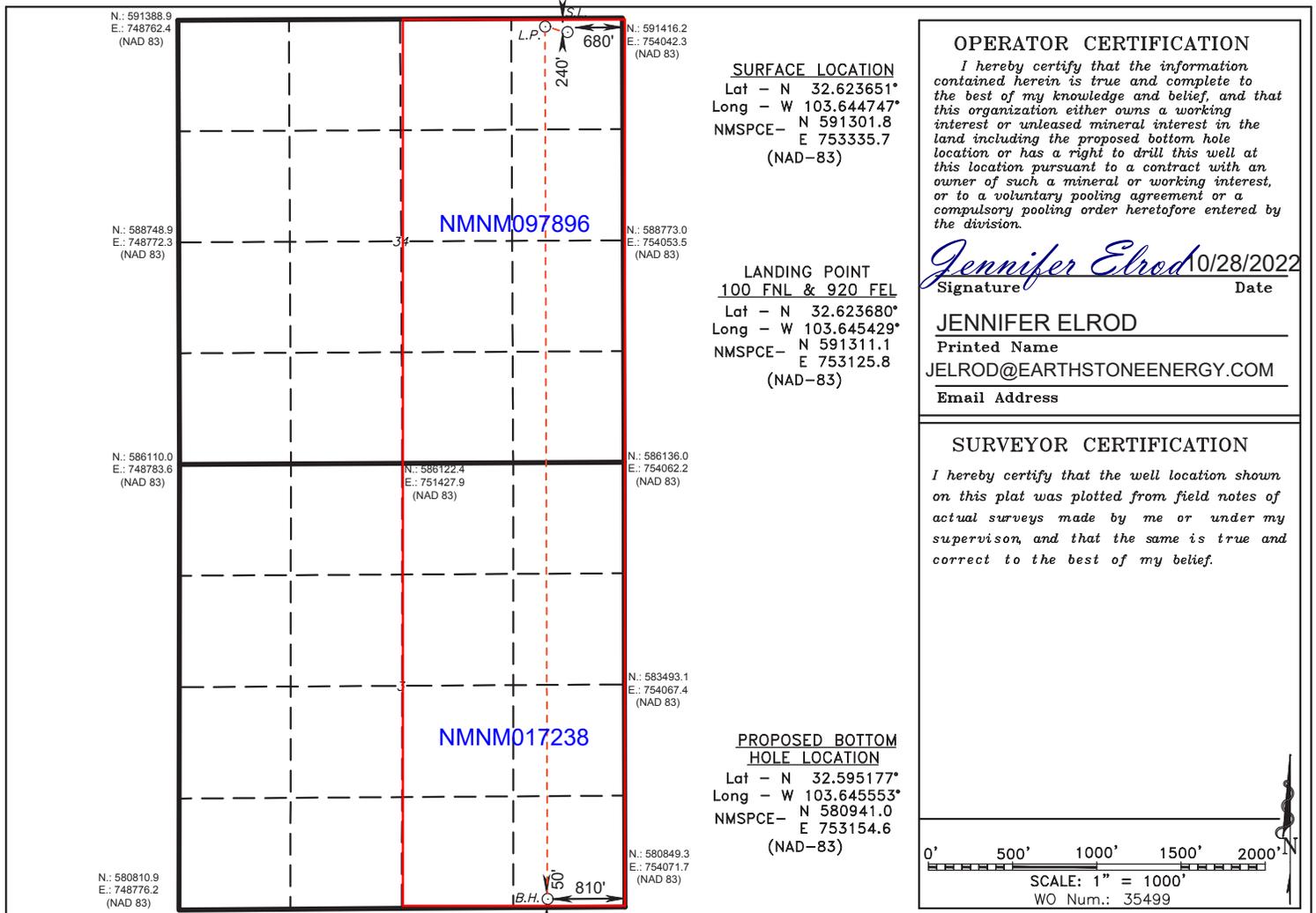
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
A	34	19 S	33 E		240	NORTH	680	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
P	3	20 S	33 E		50	SOUTH	810	EAST	LEA

Dedicated Acres 639	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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 1226 South St. Francis Dr.
 Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		58960	TEAS; BONE SPRING
Property Code	Property Name		Well Number
323001	JADE 34-3 FED 2BS COM		18H
OGRID No.	Operator Name		Elevation
372137	EARTHSTONE OPERATING, LLC		3580'

Surface Location

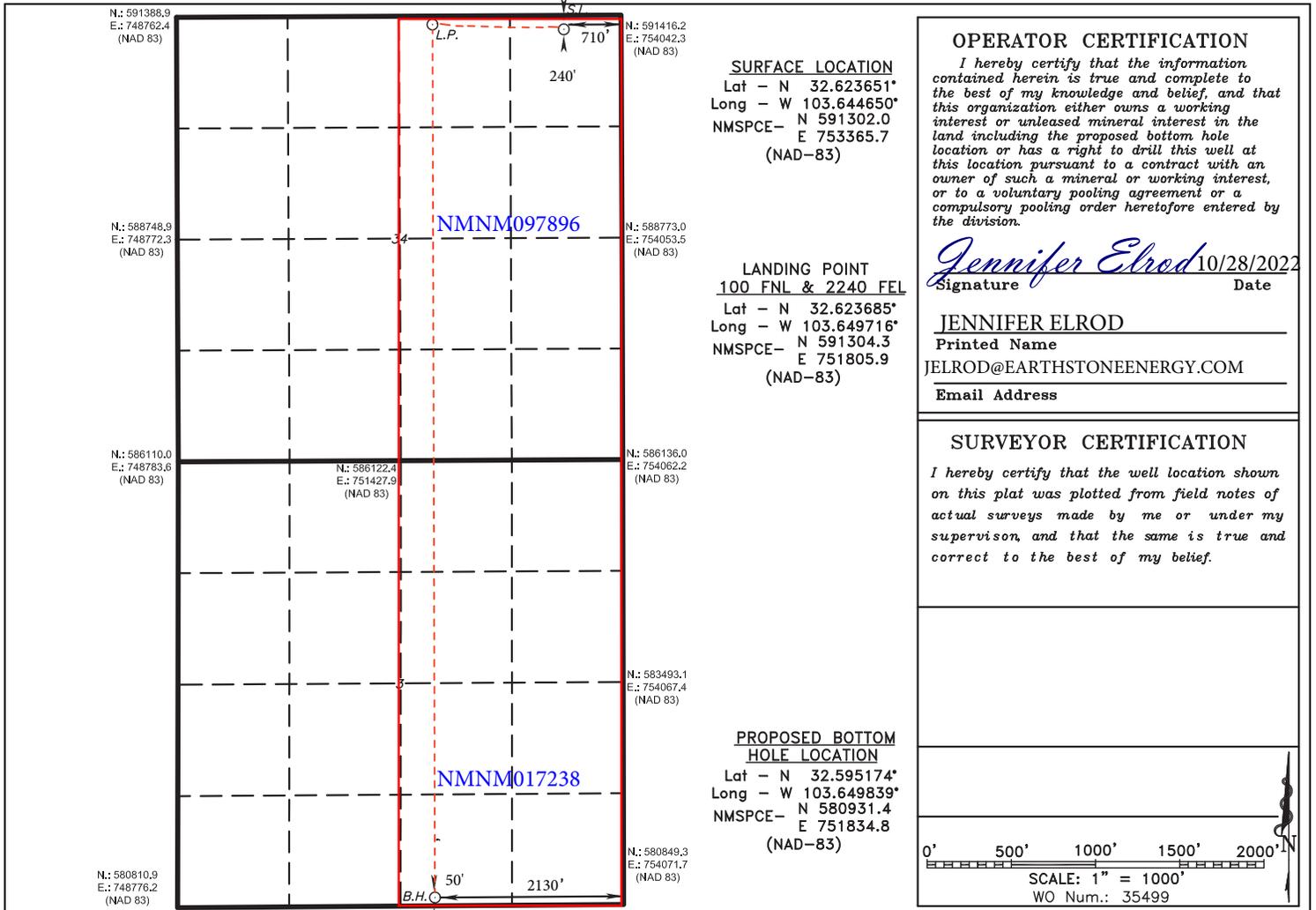
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
A	34	19 S	33 E		240	NORTH	710	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
O	3	20 S	33 E		50	SOUTH	2130	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
639			

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State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised August 1, 2011

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 Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 58960	Pool Name TEAS; BONE SPRING
Property Code 323001	Property Name JADE 34-3 FED HKY COM	Well Number 19H
OGRID No. 372137	Operator Name EARTHSTONE OPERATING, LLC	Elevation 3579'

Surface Location

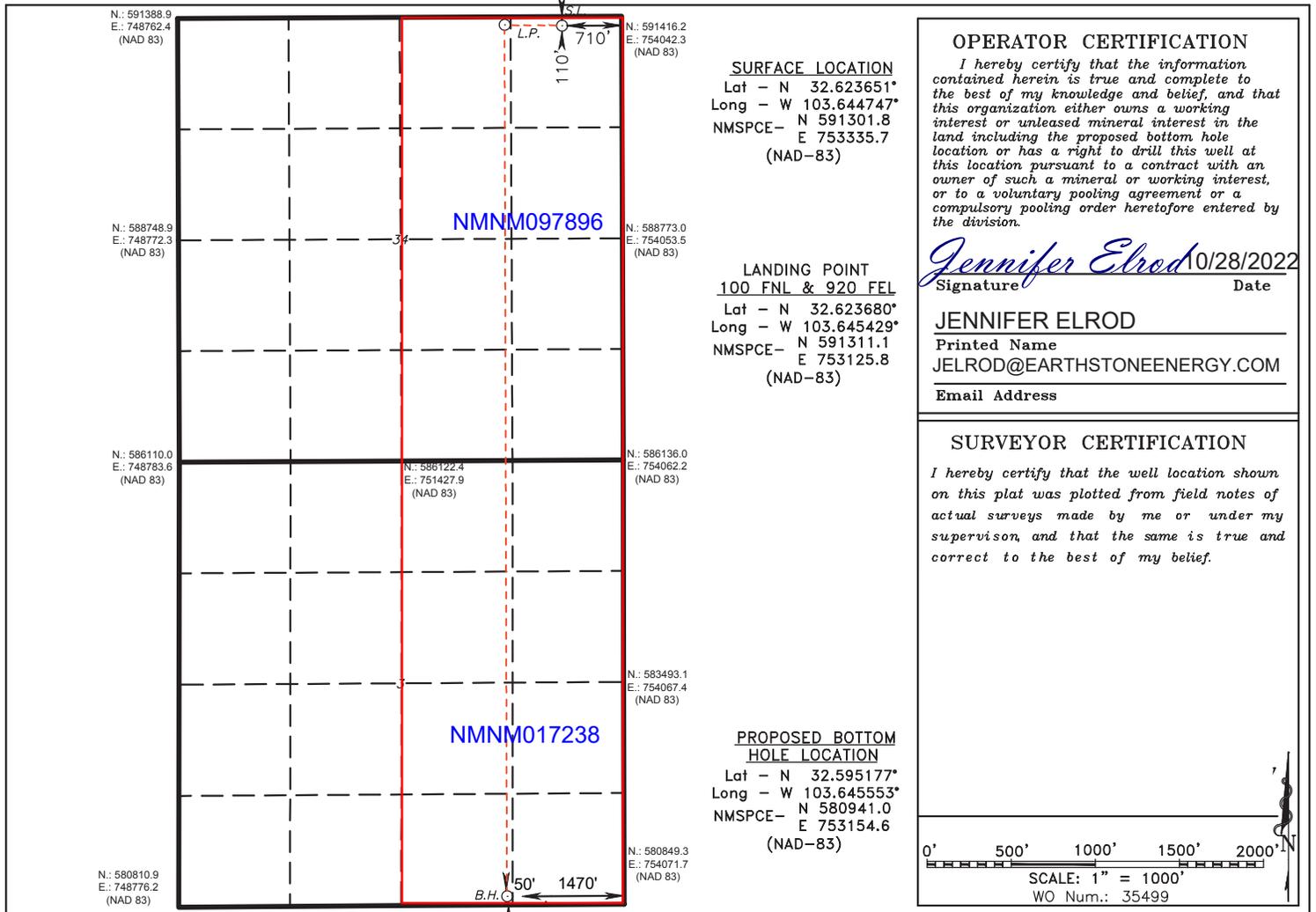
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
A	34	19 S	33 E		110	NORTH	710	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
P	3	20 S	33 E		50	SOUTH	1470	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
639			

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 Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION
 1226 South St. Francis Dr.
 Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number		Pool Code	Pool Name
		58960	TEAS; BONE SPRING
Property Code	Property Name		Well Number
323001	JADE 34-3 FED 3BS COM		21H
OGRID No.	Operator Name		Elevation
372137	EARTHSTONE OPERATING, LLC.		3579'

Surface Location

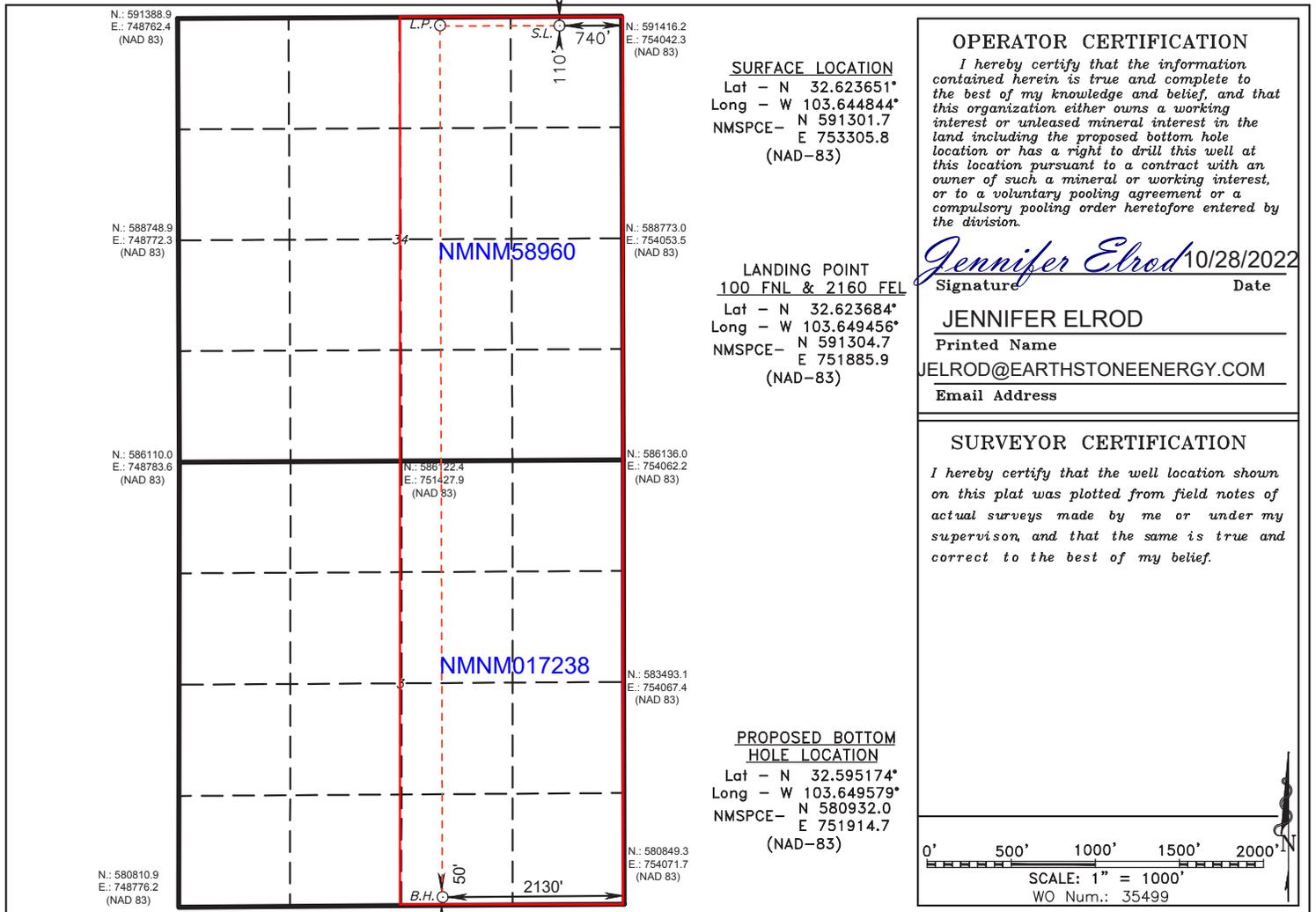
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
A	34	19 S	33 E		110	NORTH	740	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
O	3	20 S	33 E		50	SOUTH	2130	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
639			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



DISTRICT I
 1825 N. French Dr., Hobbs, NM 88240
 Phone (575) 393-8161 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
 1226 S. St. Francis Dr., Santa Fe, NM 87505
 Phone (505) 478-3480 Fax: (505) 478-3482

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised August 1, 2011

Submit one copy to appropriate
 District Office

OIL CONSERVATION DIVISION
 1226 South St. Francis Dr.
 Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 58960	Pool Name TEAS; BONE SPRING
Property Code 323001	Property Name JADE 34-3 FED 3BS COM	Well Number 22H
OGRID No. 372137	Operator Name EARTHSTONE OPERATING LLC	Elevation 3579'

Surface Location

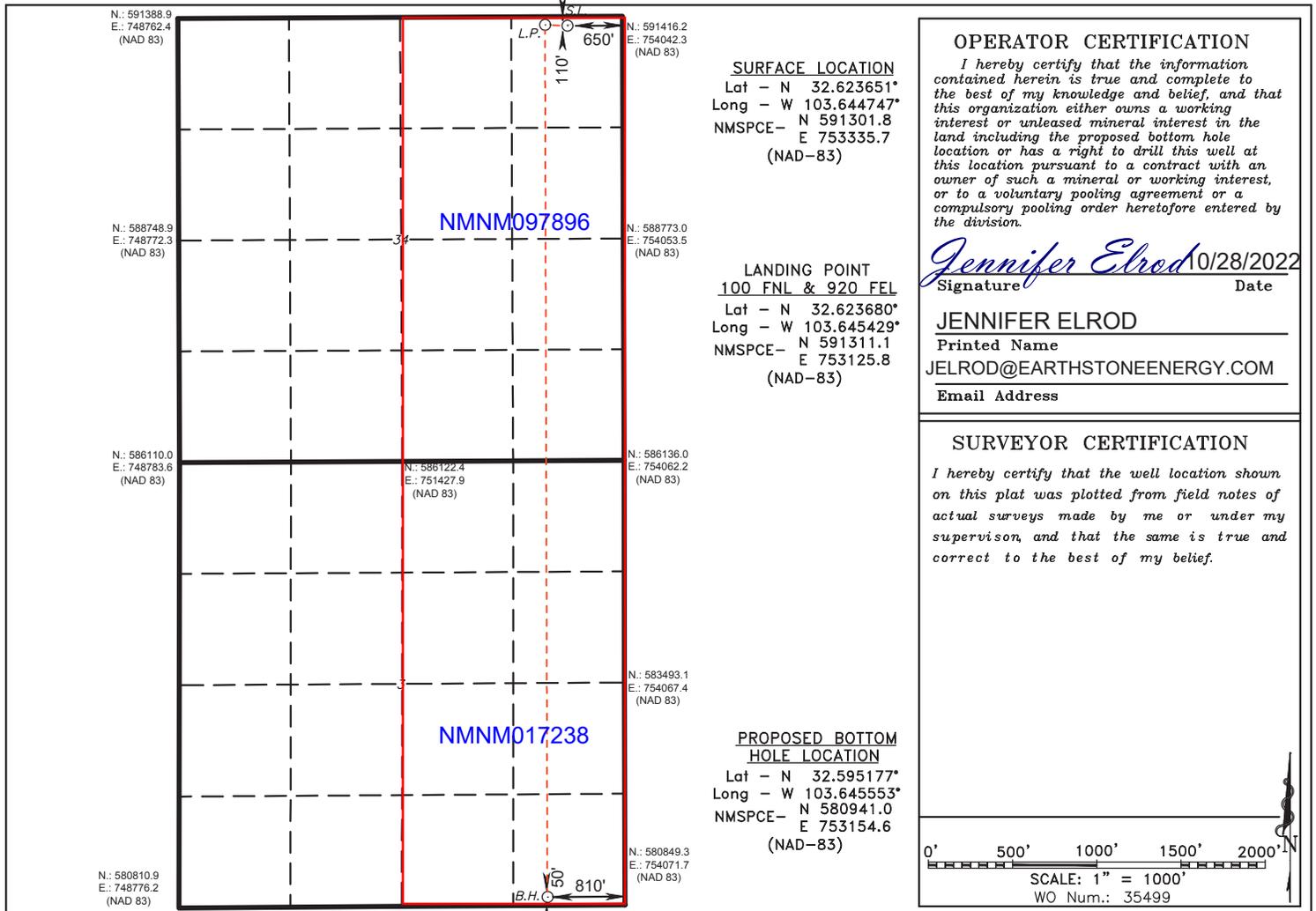
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
A	34	19 S	33 E		110	NORTH	650	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
P	3	20 S	33 E		50	SOUTH	810	EAST	LEA

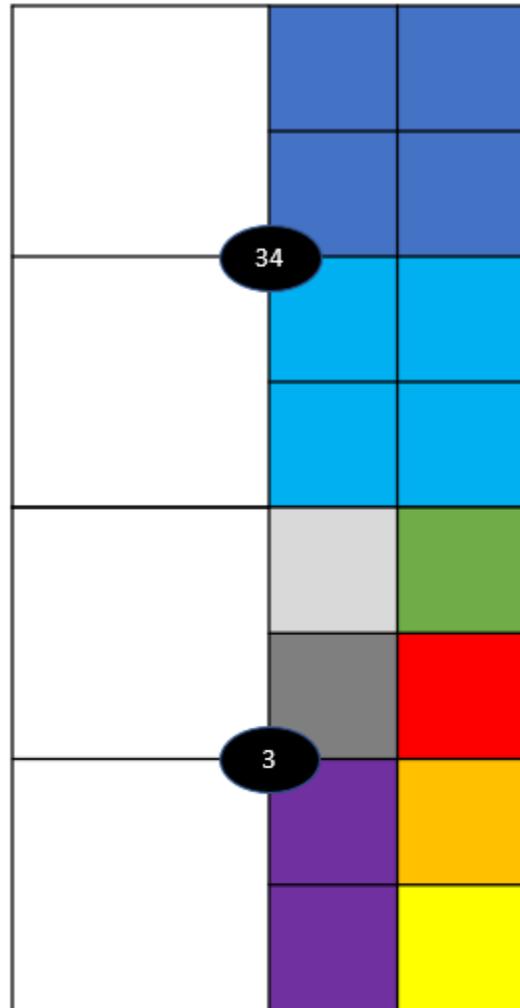
Dedicated Acres 639	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



Jade 34-3 Fed 2BS Com 9H
Jade 34-3 Fed 2BS Com 18H
Jade 34-3 Fed HKY Com 19H
Jade 34-3 Fed 3BS Com 21H
Jade 34-3 Fed 3BS Com 22H

Lot 1-2, S2NE, SE of Section 34, Township 19 South – Range 33 East
E2 of Section 3, Township 20 South – Range 33 East
Lea County New Mexico



- | | |
|---|---|
|  Tract 1 |  Tract 5 |
|  Tract 2 |  Tract 6 |
|  Tract 3 |  Tract 7 |
|  Tract 4 |  Tract 8 |
| |  Tract 9 |

Earthstone Operating, LLC
Case No. 23270
Exhibit A-3

TRACT 1 OWNERSHIP (NM-97896)

Earthstone Permian LLC	58.304444%
Devon Energy Production	12.000000%
FR Energy, LLC	22.000000%
Timothy R. MacDonald	0.146667%
Maverick Oil & Gas Corporation	0.048889%
Marathon Oil Permian, LLC	<u>7.500000%</u>
	100.000000%

TRACT 2 OWNERSHIP (NM-97896)

Earthstone Permian LLC	29.051111%
Legacy Reserves Operating, LP	29.250000%
Devon Energy Production	12.000000%
FR Energy, LLC	22.000000%
Timothy R. MacDonald	0.149167%
Maverick Oil & Gas Corporation	0.049722%
Marathon Oil Permian, LLC	<u>7.500000%</u>
	100.000000%

TRACT 3 OWNERSHIP (NM-17238)

Earthstone Permian LLC	69.979115%
COG Operating LLC	30.000000%
Timothy R. MacDonald	0.012531%
Maverick Oil & Gas Corporation	<u>0.008354%</u>
	100.000000%

TRACT 4 OWNERSHIP (NM-17238)

Earthstone Permian LLC	69.979115%
COG Operating LLC	30.000000%
Timothy R. MacDonald	0.012531%
Maverick Oil & Gas Corporation	<u>0.008354%</u>
	100.000000%

TRACT 5 OWNERSHIP (NM-17238)

Earthstone Permian LLC	28.000000%
COG Operating LLC	30.000000%
Tap Rock Resources, LLC	24.979500%
Marshall & Winston, Inc.	14.000000%
JD Murchison Interests, Inc.	2.320500%
MEC Petroleum Corp.	<u>0.700000%</u>
	100.000000%

TRACT 6 OWNERSHIP (NM-17238)

Earthstone Permian LLC	28.000000%
COG Operating LLC	30.000000%
Tap Rock Resources, LLC	24.979500%
Marshall & Winston, Inc.	14.000000%
JD Murchison Interests, Inc.	2.320500%
MEC Petroleum Corp.	<u>0.700000%</u>
	100.000000%

TRACT 7 OWNERSHIP (NM-17238)

Earthstone Permian LLC	69.979115%
COG Operating LLC	30.000000%
Timothy R. MacDonald	0.012531%
Maverick Oil & Gas Corporation	<u>0.008354%</u>
	100.000000%

TRACT 8 OWNERSHIP (NM-17238)

Earthstone Permian LLC	69.979115%
COG Operating LLC	30.000000%
Timothy R. MacDonald	0.012531%
Maverick Oil & Gas Corporation	<u>0.008354%</u>
	100.000000%

TRACT 9 OWNERSHIP (NM-17238)

Earthstone Permian LLC	69.979115%
COG Operating LLC	30.000000%
Timothy R. MacDonald	0.012531%
Maverick Oil & Gas Corporation	<u>0.008354%</u>
	100.000000%

SPACING UNIT OWNERSHIP

Earthstone Permian LLC	51.575591%
Devon Energy Production Co. L.P.	6.001782%
FR Energy, LLC	11.003267%
Marathon Oil Permian, LLC	3.751114%
Legacy Reserves Operating, LP	7.314672%
Maverick Oil & Gas Corporation	0.027791%
Timothy R. MacDonald	0.078677%
COG Operating LLC	14.995546%
JD Murchison Interests, Inc.	0.290149%
Marshall & Winston, Inc.	1.750520%
MEC Petroleum Corp.	0.087526%
Tap Rock Resources, LLC	3.123365%

PARTIES TO POOL

- Devon Energy Production Co. L.P.
- FR Energy, LLC
- Marathon Oil Permian, LLC
- Legacy Reserves Operating, LP
- Maverick Oil & Gas Corporation
- Timothy R. MacDonald
- JD Murchison Interests, Inc.
- Marshall & Winston, Inc.
- MEC Petroleum Corp.
- Tap Rock Resources, LLC



EARTHSTONE Operating, LLC
1400 Woodloch Forest Drive, Suite 300
The Woodlands, TX 77380
Office: 281-298-4246
Fax: 832-823-0478

October 26, 2022

VIA FED-X

Devon Energy Production Company, L.P.
333 W. Sheridan Avenue
Oklahoma City, OK 73102

**Re: Jade 34-3 Fed 2BS Com 9H
Jade 34-3 Fed 2BS Com 18H
Jade 34-3 Fed HKY Com 19H
Jade 34-3 Fed 3BS Com 21H
Jade 34-3 Fed 3BS Com 22H
E2 of Sections 34-T19S-R33E and Lots 1-2, S2NE, and SE of Section 3-T20S-R33E
Lea County, New Mexico**

Dear Working Interest Partner:

Earthstone Operating, LLC ("Earthstone") proposes to drill and operate the subject wells to test the Bone Spring formation. Enclosed find an Authority for Expenditure ("AFE") for each well reflecting estimated costs to drill, test, complete, and equip the well.

In connection with the above, please note the following:

- **Jade 34-3 Fed 2BS Com 9H:** to be drilled from a proposed surface hole location of 240' FNL & 680' FEL of Section 34-19S-33E to a proposed bottom hole location of 50' FSL & 810' FEL of Section 3-20S-33E with an expected TVD of 10,161' and expected MD of 20,400'.
- **Jade 34-3 Fed 2BS Com 18H:** to be drilled from a proposed surface hole location of 240' FNL & 710' FEL of Section 34-19S-33E to a proposed bottom hole location of 50' FSL & 2,130' FEL of Section 3-20S-33E with an expected TVD of 10,171' and expected MD of 20,400'.
- **Jade 34-3 Fed HKY Com 19H:** to be drilled from a proposed surface hole location of 110' FNL & 710' FEL of Section 34-19S-33E to a proposed bottom hole location of 50' FSL & 1,470' FEL of Section 3-20S-33E with an expected TVD of 10,481' and expected MD of 20,600'.
- **Jade 34-3 Fed 3BS Com 21H:** to be drilled from a proposed surface hole location of 110' FNL & 740' FEL of Section 34-19S-33E to a proposed bottom hole location of 50' FSL & 2130' FEL of Section 3-20S-33E with an expected TVD of 10,786' and expected MD of 20,900'.
- **Jade 34-3 Fed 3BS Com 22H:** to be drilled from a proposed surface hole location of 110' FNL & 650' FEL of Section 34-19S-33E to a proposed bottom hole location of 50' FSL & 810' FEL of Section 3-20S-33E with an expected TVD of 10,780' and expected MD of 20,900'.

**Earthstone Operating, LLC
Case No. 23270
Exhibit A-4**

Earthstone hereby proposes the creation of a 638.71 acre working interest unit consisting of the E2 of Section 34-Township 19 South, Range 33 East and Lots 1-2, S2NE, and SE of Section 3-Township 20 South, Range 33 East, to be governed by a modified 1989 AAPL Model Form Operating Agreement. Said Operating Agreement contains the following general provisions:

- Limited to the top of the second bench of the Bone Spring to the base of the Bone Spring.
- 100/300 non-consent penalties
- \$7,500/\$750 fixed drilling and production overhead rates
- Earthstone Operating, LLC named as Operator

Please indicate your election in the space provided below and return one copy of this letter to the undersigned. Should you elect to participate, please also sign, and return one copy of each AFE.

Please feel free to contact the undersigned with any questions or concerns.

Sincerely,

Matt Solomon
 Senior Landman
 713-379-3083
msolomon@earthstonenergy.com

Devon Energy Production Company, L.P. hereby elects to:

- _____ Participate for its proportionate share in the drilling & completion of the **Jade 34-3 Fed 2BS Com 9H**.
 _____ Non-consent/farmout/assign its interest in **Jade 34-3 Fed 2BS Com 9H**, subject to acceptable terms.
- _____ Participate for its proportionate share in the drilling & completion of the **Jade 34-3 Fed 2BS Com 18H**.
 _____ Non-consent/farmout/assign its interest in the **Jade 34-3 Fed 2BS Com 18H**, subject to acceptable terms.
- _____ Participate for its proportionate share in the drilling & completion of the **Jade 34-3 Fed HKY Com 19H**.
 _____ Non-consent/farmout/assign its interest in the **Jade 34-3 Fed HKY Com 19H**, subject to acceptable terms.
- _____ Participate for its proportionate share in the drilling & completion of the **Jade 34-3 Fed 3BS Com 21H** .
 _____ Non-consent/farmout/assign its interest in the **Jade 34-3 Fed 3BS Com 21H**, subject to acceptable terms.
- _____ Participate for its proportionate share in the drilling & completion of the **Jade 34-3 Fed 3BS Com 22H**.
 _____ Non-consent/farmout/assign its interest in the **Jade 34-3 Fed 3BS Com 22H**, subject to acceptable terms.

Devon Energy Production Company, L.P.

By: _____
 Name: _____
 Title: _____
 Date: _____

EXHIBIT "A"

Attached to and made a part of that certain Model Form Recording Supplement to Operating Agreement and Financing Statement dated November 1, 2022, by and among Earthstone Operating, LLC, as Operator, and Devon Energy Production Company, L.P., et al. as Non-Operators.

I. CONTRACT AREA:

E2 of Section 34, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and Lots 1-2, S2NE, SE of Section 3, Township 20 South, Range 33 East, N.M.P.M. Lea County, New Mexico

II. DEPTH RESTRICTIONS:

Limited from the top of the 2nd Bench of the Bone Spring Formation to the base of the Bone Spring Formation.

III. ADDRESS OF THE PARTIES:

Earthstone Operating, LLC
1400 Woodloch Forest Drive, Suite 300
The Woodlands, Texas 77380

Devon Energy Production Company, L.P.
333 W. Sheridan Avenue
Oklahoma City, OK 73102

FR Energy, LLC
55 Waugh Drive, Suite 1200
Houston, TX 77007

Timothy R. MacDonald
3003 Paleo Point
College Station, TX 77845

Maverick Oil & Gas Corporation
1001 W. Wall St.
Midland, TX 79701

Marathon Oil Permian, LLC
990 Town and Country Blvd.
Houston, TX 77024

Legacy Reserves Operating, LP
15 Smith Road, Suite 3000
Midland, TX 79705

COG Operating LLC
600 W. Illinois Avenue
Midland, TX 79701

Tap Rock Resources, LLC
523 Park Point Drive, Ste. 200
Golden, CO 80401

Marshall & Winston, LLC
P.O. Box 50880
Midland, TX 79710-0880

Murchison Oil and Gas, LLC
7250 Dallas Parkway, Ste. 1400
Plano, TX 75024

MEC Petroleum Corp.
P.O. Box 11265
Midland, TX 79702

IV. OIL AND GAS LEASES SUBJECT TO THIS AGREEMENT

Lessor: United States of America, Department of the Interior, Bureau of Land Management
Lessee: Penwell Energy, Inc.
Date: December 1, 1996
Recorded: Book 763, Page 45, Lea County New Mexico
Serial #: NMNM – 97896
Tracts: Insofar and only insofar as the lease covers:
E2 Sec 34 – T19S-R33E

Lessor: United States of America, Department of the Interior, Bureau of Land Management
Lessee: Eva G. Manning
Date: December 1, 1972
Recorded: Book 1974, Page 872, Lea County New Mexico
Serial #: NM - 17238
Tracts: Insofar and only insofar as the lease covers:
Lots 1-2, S2NE, SE of Section 3, T20S-R33E

V. BURDENS ON PRODUCTION

Burdens filed of public record as of the effective date of this agreement.



EARTHSTONE
Operating, LLC

Earthstone Operating, LLC
Statement of Estimated Well Cost

Well Name: Jade 34-3 Fed Com 2BS 9H	Project Description: 7 WELL PAD. Estimate is for the drilling of a 2.0 mile 2nd Bone Spring Sand lateral in Lea County, NM. 13-3/8" Surface casing will be set at 1,300' MD. The 1st intermediate section will be a 12-1/4" hole drilled to 3,400' MD with 10-3/4" casing set. The 2nd Intermediate section will be 9-7/8" drilled through the Capitan Reef and 8-5/8" Casing set at 5,400' MD. A production interval will be drilled with OBM as a 7-7/8" curve, and 7-7/8" lateral to TD at approximately 21,500 MD', ~10,400' VS. 5.5" production casing will be run to surface. Scheduled as 26 days to Rig Release.
Field Name: Hat Mesa	
Location: Lea Co., NM	
AFE #: 22 - WC - XX	

DRILLING INTANGIBLE			COMPLETION INTANGIBLE			
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	
1420/10	LEASE / STAKE / PERMIT	\$ 6,000	1432/10	LEASE / STAKE / PERMIT	\$ 2,500	
1420/16	INSPECTION	\$ 10,000	1432/20	LOCATION AND ROADS	\$ 10,000	
1420/20	LOCATION AND ROADS	\$ 50,000	1432/70	COMPLETION/WORKOVER RIG	\$ 46,400	
1420/25	SURFACE DAMAGES	\$ 22,500	1432/90	FUEL, POWER & WATER	\$ 308,000	
1420/30	RIG MOBILIZATION	\$ 50,000	1432/110	TRUCKING/VACUUM TRUCK	\$ 15,000	
1420/50	DAYWORK	\$ 868,000	1432/120	DRILLING/COMPLETION FLUIDS	\$ 3,500	
1420/80	BITS/ REAMERS	\$ 108,000	1432/130	CEMENT AND PUMP SERVICE	\$ -	
1420/90	FUEL, POWER & WATER	\$ 415,000	1432/150	ELECTRIC LOGGING/PERFORATING	\$ 352,800	
1420/110	TRUCKING/VACUUM TRUCK	\$ 55,000	1432/170	EQUIPMENT/TOOL RENTALS	\$ 490,680	
1420/120	DRILLING/COMPLETION FLUIDS	\$ 385,000	1432/171	COMPLETION HOUSING	\$ 19,600	
1420/130	CEMENT AND PUMP SERVICE	\$ 300,000	1432/180	WELL STIMULATION	\$ 3,316,600	
1420/140	CASING CREWS AND TOOLS	\$ 60,000	1432/181	WELL TEST SERVICES	\$ 100,800	
1420/150	ELECTRIC LOGGING/PERFORATING	\$ -	1432/183	DIAGNOSTIC SERVICES	\$ 60,000	
1420/160	MUD LOGGING	\$ 35,000	1432/190	SICKLINE SERVICES	\$ 4,500	
1420/170	EQUIPMENT/TOOL RENTALS	\$ 175,000	1432/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 15,000	
1420/174	DOWNHOLE RENTALS	\$ 112,000	1432/220	WELLHEAD REPAIR & SERVICEMAN	\$ -	
1420/180	WELL STIMULATION / TESTING	\$ -	1432/230	COILED TUBING SERVICES	\$ 18,000	
1420/186	CLOSED LOOP SYS/CUTTINGS DISP	\$ 224,000	1432/250	INSURANCE	\$ 1,700	
1420/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 65,000	1432/260	SUPERVISION/ENGINEERING	\$ 62,000	
1420/200	DIRECTION DRILLING/SURVEYING	\$ 334,000	1432/270	ADMINISTRATIVE/OVERHEAD	\$ -	
1420/250	INSURANCE	\$ 10,000	1432/280	PIT REMEDIATION	\$ 15,714	
1420/260	SUPERVISION/ENGINEERING	\$ 112,000	1432/290	MISCELLANEOUS	\$ 12,500	
1420/270	ADMINISTRATIVE/OVERHEAD	\$ 10,000	1432/310	FRESH WATER TRANSFER	\$ 28,000	
1420/315	PARTS	\$ 15,000	1432/350	COMMUNICATIONS	\$ 3,800	
1420/350	COMMUNICATIONS	\$ 13,000	1432/412	ARTIFICIAL LIFT	\$ 50,000	
1420/300	CONTINGENCY	\$ 69,500	1432/417	FRAC INCIDENTAL	\$ -	
			1432/300	CONTINGENCY	\$ 162,049	
			COMPLETION INTANGIBLE TOTAL		\$ 5,099,144	
			COMPLETION TANGIBLE			
			ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	
			1433/300	VALVES/CONNECTIONS/FITTINGS	\$ 45,000	
			1433/320	FLOWLINE	\$ 5,200	
			1433/370	TUBING	\$ 159,800	
			1433/380	PUMPING UNIT	\$ -	
			1433/400	WELLHEAD EQUIPMENT	\$ 50,000	
			1433/410	DOWNHOLE ARTIFICIAL LIFT EQUIP	\$ 325,000	
			1433/412	SURFACE ARTIFICIAL LIFT EQUIP	\$ 92,500	
			1433/417	FRAC INCIDENTAL	\$ -	
			COMPLETION TANGIBLE TOTAL		\$ 677,500	
			FACILITIES INTANGIBLE			
			ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	
			1450/20	LOCATION AND ROADS	\$ 13,500	
			1450/90	FUEL, POWER & WATER	\$ 1,000	
			1450/110	TRUCKING/VACUUM TRUCK	\$ 16,200	
			1450/170	EQUIPMENT/TOOL RENTAL	\$ 50,000	
			1450/195	CONTRACT LABOR	\$ 100,000	
			1450/260	SUPERVISION/ENGINEERING	\$ 25,000	
			1450/270	ADMINISTRATIVE/OVERHEAD	\$ -	
			1450/290	MISCELLANEOUS	\$ 10,000	
			FACILITIES INTANGIBLE TOTAL		\$ 215,700	
			FACILITIES TANGIBLE			
			ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	
			1452/300	VALVES/CONNECTIONS/FITTINGS	\$ 55,000	
			1452/315	METER EQUIPMENT	\$ 15,000	
			1452/340	SEPARATORS	\$ 115,000	
			1452/345	HEATER TREATER	\$ 45,000	
			1452/355	GATHERING LINE	\$ -	
			1452/360	STOCK TANKS	\$ 110,000	
			1452/365	DIAGNOSTIC EQUIPMENT	\$ 70,000	
			1452/380	ELECTRICAL EQUIPMENT & SUPPLIES	\$ 50,000	
			1452/390	FACILITES	\$ 45,000	
			FACILITIES TANGIBLE TOTAL		\$ 505,000	
			DRILLING TANGIBLE TOTAL	\$ 1,490,000	FACILITIES TOTAL	\$ 720,700

TOTAL DRILLING COSTS	\$ 4,994,000	TOTAL COMPLETION/FACILITIES COSTS	\$ 6,497,344
TOTAL ESTIMATED WELL COST		\$ 11,491,344	

Operator Approval		Participant Approval	
Prepared By:	Date:	Company:	Partipant WI %:
Approved By:	Date:	Approved By:	Date:



EARTHSTONE
Operating, LLC

Earthstone Operating, LLC
Statement of Estimated Well Cost

Well Name: Jade 34-3 Fed Com 2BS 18H	Project Description: 7 WELL PAD. Estimate is for the drilling of a 2.0 mile 2nd Bone Spring Sand lateral in Lea County, NM. 13-3/8" Surface casing will be set at 1,300' MD. The 1st intermediate section will be a 12-1/4" hole drilled to 3,400' MD with 10-3/4" casing set. The 2nd intermediate section will be 9-7/8" drilled through the Capitan Reef and 8-5/8" Casing set at 5,400' MD. A production interval will be drilled with OBM as a 7-7/8" curve, and 7-7/8" lateral to TD at approximately 21,500 MD', ~10,400' VS. 5.5" production casing will be run to surface. Scheduled as 26 days to Rig Release.
Field Name: Hat Mesa	
Location: Lea Co., NM	
AFE #: 22 - WC - XX	

DRILLING INTANGIBLE			COMPLETION INTANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1420/10	LEASE / STAKE / PERMIT	\$ 6,000	1432/10	LEASE / STAKE / PERMIT	\$ 2,500
1420/16	INSPECTION	\$ 10,000	1432/20	LOCATION AND ROADS	\$ 10,000
1420/20	LOCATION AND ROADS	\$ 50,000	1432/70	COMPLETION/WORKOVER RIG	\$ 46,400
1420/25	SURFACE DAMAGES	\$ 22,500	1432/90	FUEL, POWER & WATER	\$ 308,000
1420/30	RIG MOBILIZATION	\$ 50,000	1432/110	TRUCKING/VACUUM TRUCK	\$ 15,000
1420/50	DAYWORK	\$ 868,000	1432/120	DRILLING/COMPLETION FLUIDS	\$ 3,500
1420/80	BITS/ REAMERS	\$ 108,000	1432/130	CEMENT AND PUMP SERVICE	\$ -
1420/90	FUEL, POWER & WATER	\$ 415,000	1432/150	ELECTRIC LOGGING/PERFORATING	\$ 352,800
1420/110	TRUCKING/VACUUM TRUCK	\$ 55,000	1432/170	EQUIPMENT/TOOL RENTALS	\$ 490,680
1420/120	DRILLING/COMPLETION FLUIDS	\$ 385,000	1432/171	COMPLETION HOUSING	\$ 19,600
1420/130	CEMENT AND PUMP SERVICE	\$ 300,000	1432/180	WELL STIMULATION	\$ 3,316,600
1420/140	CASING CREWS AND TOOLS	\$ 60,000	1432/181	WELL TEST SERVICES	\$ 100,800
1420/150	ELECTRIC LOGGING/PERFORATING	\$ -	1432/183	DIAGNOSTIC SERVICES	\$ 60,000
1420/160	MUD LOGGING	\$ 35,000	1432/190	SLICKLINE SERVICES	\$ 4,500
1420/170	EQUIPMENT/TOOL RENTALS	\$ 175,000	1432/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 15,000
1420/174	DOWNHOLE RENTALS	\$ 112,000	1432/220	WELLHEAD REPAIR & SERVICEMAN	\$ -
1420/180	WELL STIMULATION / TESTING	\$ -	1432/230	COILED TUBING SERVICES	\$ 18,000
1420/186	CLOSED LOOP SYS/CUTTINGS DISP	\$ 224,000	1432/250	INSURANCE	\$ 1,700
1420/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 65,000	1432/260	SUPERVISION/ENGINEERING	\$ 62,000
1420/200	DIRECTION DRILLING/SURVEYING	\$ 334,000	1432/270	ADMINISTRATIVE/OVERHEAD	\$ -
1420/250	INSURANCE	\$ 10,000	1432/280	PIT REMEDIATION	\$ 15,714
1420/260	SUPERVISION/ENGINEERING	\$ 112,000	1432/290	MISCELLANEOUS	\$ 12,500
1420/270	ADMINISTRATIVE/OVERHEAD	\$ 10,000	1432/310	FRESH WATER TRANSFER	\$ 28,000
1420/315	PARTS	\$ 15,000	1432/350	COMMUNICATIONS	\$ 3,800
1420/350	COMMUNICATIONS	\$ 13,000	1432/412	ARTIFICIAL LIFT	\$ 50,000
1420/300	CONTINGENCY	\$ 69,500	1432/417	FRAC INCIDENTAL	\$ -
			1432/300	CONTINGENCY	\$ 162,049
			COMPLETION INTANGIBLE TOTAL		\$ 5,099,144
			COMPLETION TANGIBLE		
			ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1433/300	VALVES/CONNECTIONS/FITTINGS	\$ 45,000
			1433/320	FLOWLINE	\$ 5,200
			1433/370	TUBING	\$ 159,800
			1433/380	PUMPING UNIT	\$ -
			1433/400	WELLHEAD EQUIPMENT	\$ 50,000
			1433/410	DOWNHOLE ARTIFICIAL LIFT EQUIP	\$ 325,000
			1433/412	SURFACE ARTIFICIAL LIFT EQUIP	\$ 92,500
			1433/417	FRAC INCIDENTAL	\$ -
			COMPLETION TANGIBLE TOTAL		\$ 677,500
			FACILITIES INTANGIBLE		
			ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1450/20	LOCATION AND ROADS	\$ 13,500
			1450/90	FUEL, POWER & WATER	\$ 1,000
			1450/110	TRUCKING/VACUUM TRUCK	\$ 16,200
			1450/170	EQUIPMENT/TOOL RENTAL	\$ 50,000
			1450/195	CONTRACT LABOR	\$ 100,000
			1450/260	SUPERVISION/ENGINEERING	\$ 25,000
			1450/270	ADMINISTRATIVE/OVERHEAD	\$ -
			1450/290	MISCELLANEOUS	\$ 10,000
			FACILITIES INTANGIBLE TOTAL		\$ 215,700
			FACILITIES TANGIBLE		
			ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1452/300	VALVES/CONNECTIONS/FITTINGS	\$ 55,000
			1452/315	METER EQUIPMENT	\$ 15,000
			1452/340	SEPARATORS	\$ 115,000
			1452/345	HEATER TREATER	\$ 45,000
			1452/355	GATHERING LINE	\$ -
			1452/360	STOCK TANKS	\$ 110,000
			1452/365	DIAGNOSTIC EQUIPMENT	\$ 70,000
			1452/380	ELECTRICAL EQUIPMENT & SUPPLIES	\$ 50,000
			1452/390	FACILITES	\$ 45,000
			FACILITIES TANGIBLE TOTAL		\$ 505,000
			DRILLING TANGIBLE TOTAL		\$ 1,490,000
			FACILITIES TOTAL		\$ 720,700
			TOTAL DRILLING COSTS		\$ 4,994,000
			TOTAL COMPLETION/FACILITIES COSTS		\$ 6,497,344
			TOTAL ESTIMATED WELL COST		\$ 11,491,344

Operator Approval	Participant Approval
Prepared By: _____ Date: _____	Company: _____ Partipant WI %: _____
Approved By: _____ Date: _____	Approved By: _____ Date: _____



EARTHSTONE
Operating, LLC

Earthstone Operating, LLC
Statement of Estimated Well Cost

Well Name: Jade 34-3 Fed Com HKY 19H	Project Description: 7 WELL PAD. Estimate is for the drilling of a 2.0 mile Harkey 3rd Bone Spring Sand lateral in Lea County, NM. 13-3/8" Surface casing will be set at 1,300' MD. The 1st intermediate section will be a 12-1/4" hole drilled to 3,400' MD with 10-3/4" casing set. The 2nd Intermediate section will be 9-7/8" drilled through the Capitan Reef and 8-5/8" Casing set at 5,400' MD. A production interval will be drilled with OBM as a 7-7/8" curve, and 7-7/8" lateral to TD at approximately 22,500 MD', ~10,400' VS. 5.5" production casing will be run to surface. Scheduled as 28 days to Rig Release.
Field Name: Hat Mesa	
Location: Lea Co., NM	
AFE #: 22 - WC - XX	

DRILLING INTANGIBLE			COMPLETION INTANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1420/10	LEASE / STAKE / PERMIT	\$ 6,000	1432/10	LEASE / STAKE / PERMIT	\$ 2,500
1420/16	INSPECTION	\$ 10,000	1432/20	LOCATION AND ROADS	\$ 10,000
1420/20	LOCATION AND ROADS	\$ 50,000	1432/70	COMPLETION/WORKOVER RIG	\$ 46,400
1420/25	SURFACE DAMAGES	\$ 22,500	1432/90	FUEL, POWER & WATER	\$ 308,000
1420/30	RIG MOBILIZATION	\$ 50,000	1432/110	TRUCKING/VACUUM TRUCK	\$ 15,000
1420/50	DAYWORK	\$ 868,000	1432/120	DRILLING/COMPLETION FLUIDS	\$ 3,500
1420/80	BITS/ REAMERS	\$ 108,000	1432/130	CEMENT AND PUMP SERVICE	\$ -
1420/90	FUEL, POWER & WATER	\$ 415,000	1432/150	ELECTRIC LOGGING/PERFORATING	\$ 352,800
1420/110	TRUCKING/VACUUM TRUCK	\$ 55,000	1432/170	EQUIPMENT/TOOL RENTALS	\$ 490,680
1420/120	DRILLING/COMPLETION FLUIDS	\$ 385,000	1432/171	COMPLETION HOUSING	\$ 19,600
1420/130	CEMENT AND PUMP SERVICE	\$ 300,000	1432/180	WELL STIMULATION	\$ 3,316,600
1420/140	CASING CREWS AND TOOLS	\$ 60,000	1432/181	WELL TEST SERVICES	\$ 100,800
1420/150	ELECTRIC LOGGING/PERFORATING	\$ -	1432/183	DIAGNOSTIC SERVICES	\$ 60,000
1420/160	MUD LOGGING	\$ 35,000	1432/190	SUCKLINE SERVICES	\$ 4,500
1420/170	EQUIPMENT/TOOL RENTALS	\$ 175,000	1432/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 15,000
1420/174	DOWNHOLE RENTALS	\$ 112,000	1432/220	WELLHEAD REPAIR & SERVICEMAN	\$ -
1420/180	WELL STIMULATION / TESTING	\$ -	1432/230	COILED TUBING SERVICES	\$ 18,000
1420/186	CLOSED LOOP SYS/CUTTINGS DISP	\$ 224,000	1432/250	INSURANCE	\$ 1,700
1420/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 65,000	1432/260	SUPERVISION/ENGINEERING	\$ 62,000
1420/200	DIRECTION DRILLING/SURVEYING	\$ 334,000	1432/270	ADMINISTRATIVE/OVERHEAD	\$ -
1420/250	INSURANCE	\$ 10,000	1432/280	PIT REMEDIATION	\$ 15,714
1420/260	SUPERVISION/ENGINEERING	\$ 112,000	1432/290	MISCELLANEOUS	\$ 12,500
1420/270	ADMINISTRATIVE/OVERHEAD	\$ 10,000	1432/310	FRESH WATER TRANSFER	\$ 28,000
1420/315	PARTS	\$ 15,000	1432/350	COMMUNICATIONS	\$ 3,800
1420/350	COMMUNICATIONS	\$ 13,000	1432/412	ARTIFICIAL LIFT	\$ 50,000
1420/300	CONTINGENCY	\$ 69,500	1432/417	FRAC INCIDENTAL	\$ -
			1432/300	CONTINGENCY	\$ 162,049
			COMPLETION INTANGIBLE TOTAL		\$ 5,099,144
			COMPLETION TANGIBLE		
			ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1433/300	VALVES/CONNECTIONS/FITTINGS	\$ 45,000
			1433/320	FLOWLINE	\$ 5,200
			1433/370	TUBING	\$ 174,800
			1433/380	PUMPING UNIT	\$ -
			1433/400	WELLHEAD EQUIPMENT	\$ 50,000
			1433/410	DOWNHOLE ARTIFICIAL LIFT EQUIP	\$ 30,000
			1433/412	SURFACE ARTIFICIAL LIFT EQUIP	\$ 92,500
			1433/417	FRAC INCIDENTAL	\$ -
			COMPLETION TANGIBLE TOTAL		\$ 397,500
			FACILITIES INTANGIBLE		
			ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1450/20	LOCATION AND ROADS	\$ 13,500
			1450/90	FUEL, POWER & WATER	\$ 1,000
			1450/110	TRUCKING/VACUUM TRUCK	\$ 16,200
			1450/170	EQUIPMENT/TOOL RENTAL	\$ 50,000
			1450/195	CONTRACT LABOR	\$ 100,000
			1450/260	SUPERVISION/ENGINEERING	\$ 25,000
			1450/270	ADMINISTRATIVE/OVERHEAD	\$ -
			1450/290	MISCELLANEOUS	\$ 10,000
			FACILITIES INTANGIBLE TOTAL		\$ 215,700
			FACILITIES TANGIBLE		
			ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1452/300	VALVES/CONNECTIONS/FITTINGS	\$ 55,000
			1452/315	METER EQUIPMENT	\$ 15,000
			1452/340	SEPARATORS	\$ 115,000
			1452/345	HEATER TREATER	\$ 45,000
			1452/355	GATHERING LINE	\$ -
			1452/360	STOCK TANKS	\$ 110,000
			1452/365	DIAGNOSTIC EQUIPMENT	\$ 70,000
			1452/380	ELECTRICAL EQUIPMENT & SUPPLIES	\$ 50,000
			1452/390	FACILITES	\$ 45,000
			FACILITIES TANGIBLE TOTAL		\$ 505,000
			DRILLING TANGIBLE TOTAL		\$ 1,518,000
			FACILITIES TOTAL		\$ 720,700
			TOTAL DRILLING COSTS		\$ 5,022,000
			TOTAL COMPLETION/FACILITIES COSTS		\$ 6,217,344
			TOTAL ESTIMATED WELL COST		\$ 11,239,344

Operator Approval		Participant Approval	
Prepared By:	Date:	Company:	Partipant WI %:
Approved By:	Date:	Approved By:	Date:



EARTHSTONE
Operating, LLC

Earthstone Operating, LLC
Statement of Estimated Well Cost

Well Name: Jade 34-3 Fed Com 3BS 22H	Project Description: 7 WELL PAD. Estimate is for the drilling of a 2.0 mile 3rd Bone Spring Sand lateral in Lea County, NM. 13-3/8" Surface casing will be set at 1,300' MD. The 1st intermediate section will be a 12-1/4" hole drilled to 3,400' MD with 10-3/4" casing set. The 2nd Intermediate section will be 9-7/8" drilled through the Capitan Reef and 8-5/8" Casing set at 5,400' MD. A production interval will be drilled with OBM as a 7-7/8" curve, and 7-7/8" lateral to TD at approximately 22,500 MD', ~10,400' VS. 5.5" production casing will be run to surface. Scheduled as 28 days to Rig Release.
Field Name: Hat Mesa	
Location: Lea Co., NM	
AFE #: 22 - WC - XX	

DRILLING INTANGIBLE			COMPLETION INTANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1420/10	LEASE / STAKE / PERMIT	\$ 6,000	1432/10	LEASE / STAKE / PERMIT	\$ 2,500
1420/16	INSPECTION	\$ 10,000	1432/20	LOCATION AND ROADS	\$ 10,000
1420/20	LOCATION AND ROADS	\$ 50,000	1432/70	COMPLETION/WORKOVER RIG	\$ 46,400
1420/25	SURFACE DAMAGES	\$ 22,500	1432/90	FUEL, POWER & WATER	\$ 308,000
1420/30	RIG MOBILIZATION	\$ 50,000	1432/110	TRUCKING/VACUUM TRUCK	\$ 15,000
1420/50	DAYWORK	\$ 868,000	1432/120	DRILLING/COMPLETION FLUIDS	\$ 3,500
1420/80	BITS/ REAMERS	\$ 108,000	1432/130	CEMENT AND PUMP SERVICE	\$ -
1420/90	FUEL, POWER & WATER	\$ 415,000	1432/150	ELECTRIC LOGGING/PERFORATING	\$ 352,800
1420/110	TRUCKING/VACUUM TRUCK	\$ 55,000	1432/170	EQUIPMENT/TOOL RENTALS	\$ 490,680
1420/120	DRILLING/COMPLETION FLUIDS	\$ 385,000	1432/171	COMPLETION HOUSING	\$ 19,600
1420/130	CEMENT AND PUMP SERVICE	\$ 300,000	1432/180	WELL STIMULATION	\$ 3,316,600
1420/140	CASING CREWS AND TOOLS	\$ 60,000	1432/181	WELL TEST SERVICES	\$ 100,800
1420/150	ELECTRIC LOGGING/PERFORATING	\$ -	1432/183	DIAGNOSTIC SERVICES	\$ 60,000
1420/160	MUD LOGGING	\$ 35,000	1432/190	SLICKLINE SERVICES	\$ 4,500
1420/170	EQUIPMENT/TOOL RENTALS	\$ 175,000	1432/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 15,000
1420/174	DOWNHOLE RENTALS	\$ 112,000	1432/220	WELLHEAD REPAIR & SERVICEMAN	\$ -
1420/180	WELL STIMULATION / TESTING	\$ -	1432/230	COILED TUBING SERVICES	\$ 18,000
1420/186	CLOSED LOOP SYS/CUTTINGS DISP	\$ 224,000	1432/250	INSURANCE	\$ 1,700
1420/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 65,000	1432/260	SUPERVISION/ENGINEERING	\$ 62,000
1420/200	DIRECTION DRILLING/SURVEYING	\$ 334,000	1432/270	ADMINISTRATIVE/OVERHEAD	\$ -
1420/250	INSURANCE	\$ 10,000	1432/280	PIT REMEDIATION	\$ 15,714
1420/260	SUPERVISION/ENGINEERING	\$ 112,000	1432/290	MISCELLANEOUS	\$ 12,500
1420/270	ADMINISTRATIVE/OVERHEAD	\$ 10,000	1432/310	FRESH WATER TRANSFER	\$ 28,000
1420/315	PARTS	\$ 15,000	1432/350	COMMUNICATIONS	\$ 3,800
1420/350	COMMUNICATIONS	\$ 13,000	1432/412	ARTIFICIAL LIFT	\$ 50,000
1420/300	CONTINGENCY	\$ 69,500	1432/417	FRAC INCIDENTAL	\$ -
			1432/300	CONTINGENCY	\$ 162,049
DRILLING INTANGIBLE TOTAL		\$ 3,504,000	COMPLETION INTANGIBLE TOTAL		\$ 5,099,144

DRILLING TANGIBLE			COMPLETION TANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1430/310	CONDUCTOR CASING	\$ 50,000	1433/300	VALVES/CONNECTIONS/FITTINGS	\$ 45,000
1430/320	SURFACE CASING	\$ 136,000	1433/320	FLOWLINE	\$ 5,200
1430/330	INTERMEDIATE CASING	\$ 618,000	1433/370	TUBING	\$ 174,800
1430/340	DRILLING LINERS	\$ -	1433/380	PUMPING UNIT	\$ -
1430/350	PRODUCTION CASING	\$ 619,000	1433/400	WELLHEAD EQUIPMENT	\$ 50,000
1430/400	CASING HANGER/WELLHEAD EQUIP	\$ 95,000	1433/410	DOWNHOLE ARTIFICIAL LIFT EQUIP	\$ 325,000
1430/405	DOWNHOLE TOOLS	\$ -	1433/412	SURFACE ARTIFICIAL LIFT EQUIP	\$ 92,500
			1433/417	FRAC INCIDENTAL	\$ -
DRILLING TANGIBLE TOTAL		\$ 1,518,000	COMPLETION TANGIBLE TOTAL		\$ 692,500

FACILITIES INTANGIBLE			FACILITIES TANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1450/20	LOCATION AND ROADS	\$ 13,500	1452/300	VALVES/CONNECTIONS/FITTINGS	\$ 55,000
1450/90	FUEL, POWER & WATER	\$ 1,000	1452/315	METER EQUIPMENT	\$ 15,000
1450/110	TRUCKING/VACUUM TRUCK	\$ 16,200	1452/340	SEPARATORS	\$ 115,000
1450/170	EQUIPMENT/TOOL RENTAL	\$ 50,000	1452/345	HEATER TREATER	\$ 45,000
1450/195	CONTRACT LABOR	\$ 100,000	1452/355	GATHERING LINE	\$ -
1450/260	SUPERVISION/ENGINEERING	\$ 25,000	1452/360	STOCK TANKS	\$ 110,000
1450/270	ADMINISTRATIVE/OVERHEAD	\$ -	1452/365	DIAGNOSTIC EQUIPMENT	\$ 70,000
1450/290	MISCELLANEOUS	\$ 10,000	1452/380	ELECTRICAL EQUIPMENT & SUPPLIES	\$ 50,000
			1452/390	FACILITES	\$ 45,000
FACILITIES INTANGIBLE TOTAL		\$ 215,700	FACILITIES TANGIBLE TOTAL		\$ 505,000
FACILITIES TOTAL		\$ 720,700			

TOTAL DRILLING COSTS	\$ 5,022,000	TOTAL COMPLETION/FACILITIES COSTS	\$ 6,512,344
TOTAL ESTIMATED WELL COST		\$ 11,534,344	

Operator Approval		Participant Approval	
Prepared By:	Date:	Company:	Participant WI %:
Approved By:	Date:	Approved By:	Date:

Case 23270

Company	Contact	Date
Devon Energy Production Company	Email	12/1/2022 12/20/2022
FR Energy, LLC	Email	11/14/2022 11/15/2022 11/21/2022 11/28/2022 11/30/2022 12/12/2022 12/20/2022
Maverick Oil and Gas Corporation	Email	11/22/2022 12/20/2022
Legacy Reserves Operating, LLC	Email	11/19/2022 12/1/2022 12/7/2022 12/10/2022
	Phone Calls	4/8/2022 12/1/2022 12/8/2022
Tap Rock Resources, LLC	Email	10/26/2022 11/14/2022 12/2/2022 12/13/2022 12/20/2022 12/21/2022
	Phone Calls	12/21/2022 12/16/2022 12/13/2022
Murchison Oil and Gas, LLC	Email	11/4/2022 11/30/2022 12/2/2022
Timothy R. MacDonald	non-consent letter	11/3/2022
Marathon Oil Permian, LLC	Email	12/20/2022

Earthstone Operating, LLC
Case No. 23270
Exhibit A-5

COG Operating LLC	Email	11/10/2022
		11/15/2022
		11/28/2022
		12/2/2022
		12/6/2022
		12/13/2022
		12/16/2022
		12/20/2022
		12/21/2022
	Phone Calls	12/13/2022
	12/16/2022	
	12/21/2022	
Marshall and Winston, LLC	Email	12/20/2022
MEC Petroleum Corp	Email	11/7/2022
		11/8/2022
		11/9/2022
		12/22/2022

**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. 23270

**SELF-AFFIRMED STATEMENT
OF JASON ASMUS**

1. I am a geologist with Earthstone Operating, LLC (“Earthstone”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division (“Division”).

2. I have a Masters in Geology and 10 years of experience in the petroleum industry. My experience has focused on exploration and asset exploitation related to carbonate and siliciclastic reservoirs of both conventional and unconventional nature. A copy of my resume is attached as **Exhibit B-1**.

3. I am familiar with the geological matters that pertain to the above-referenced case.

4. **Exhibit B-2** is a location map of the proposed horizontal spacing unit comprised of the E/2 of Section 34, Township 19 South, Range 33 East, and Lots 1 and 2, S/2 NE/4, and SE/4 (E/2 equivalent) of irregular Section 3, Township 20 South, Range 33 East, Lea County, New Mexico (“Unit”).

5. **Exhibits B-3, B-4 and B-5** are structure maps for the top of the 2nd Bone Spring Sand, 3rd Bone Spring Harkey Sand and 3rd Bone Spring Sand formations in subsea TVD with contour intervals of 25 ft. Map control points are shown in red. Approximate wellbore paths for the proposed **Jade 34-3 Fed 2BS Com 9H, Jade 34-3 Fed 2BS Com 18H, Jade 34-3 Fed HKY Com 19H, Jade 34-3 Fed 3BS Com 21H and Jade 34-3 Fed 3BS Com 22H** are represented by

**Earthstone Operating, LLC
Case No. 23270
Exhibit B**

orange dashed lines. These maps consistently demonstrate that the formation is gently dipping to the south to southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells. Each map also identifies the location of a three well cross-section running from A-A', which penetrate each targeted interval and are in proximity to the proposed wells. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

6. The maps also identify three (3) wells penetrating the targeted intervals used to construct structural cross-sections from A to A'. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

7. **Exhibit B-6 and Exhibit B-7** are structural cross-section using the representative wells identified on **Exhibits B-3 through B-5**. These exhibits contain gamma ray and resistivity logs. The proposed landing zones for the wells are labeled on the exhibits. Both cross-sections demonstrate the target intervals are continuous across the Unit.

8. **Exhibit B-8** is a gun barrel, or cross-sectional view of the proposed development plan for this Unit. This shows vertical and horizontal spacing between proposed wells.

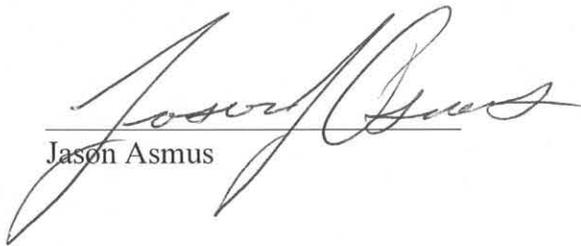
9. In my opinion, a stand-up orientation for the wells is appropriate to properly develop the subject acreage because of an established directional pattern and the known fracture orientation in this portion of the trend. Stand-up orientation is also supported by a study of the production of stand-up versus laydown orientation in the area, with stand-up well results being significantly better.

10. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute equally to the production of the wells.

11. In my opinion, the granting of Earthstone's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

12. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

13. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm 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 identified next to my signature below.


Jason Asmus

12-28-22
Date

JASON J. ASMUS

Earthstone Operating, LLC

Case No. 23270

Exhibit B-1

Midland, TX | 419-308-7778 | jasonasmus20@gmail.com

www.linkedin.com/in/jasonasmus

GEOLOGIST: *Enhancing field development and conceptualizing actionable exploration prospects*

Ardent geoscientist with extensive regional exploration and field development expertise related to carbonate, siliciclastic, and mudrock reservoirs across the Permian Basin. Proven track record of delivering comprehensive geologic analyses as part of multi-disciplinary collaboration efforts yielding actionable and economic exploration prospects, field development strategies, and asset acquisitions. Proficient with a diverse range of software and large data sets relating to geologic mapping and modelling, advanced well log evaluation, seismic and geophysical interpretation, wellbore geosteering, drilling and completions engineering, data analytics. Adept written/oral technical communicator with strong leadership and problem-solving skills, and a passion for driving personal and cultural innovation and growth.

COMPETENCIES & SKILLS

TECHNICAL COMPETENCIES

Data Analysis | 2D/3D Geological Mapping and Modeling | Conventional & Unconventional Reservoirs | Sequence Stratigraphy
Rock Mechanics | Advanced Petrophysics & Log Analysis | Seismic Interpretation | Source Rock Oil Maturity | Enhanced Oil Recovery
Geosteering | Well Planning & Regulatory | Drilling, Completions & Production Operations | Mergers, Acquisitions & Divestitures
Prospect Generation | Competitor Monitoring & Analysis | Life Cycle Field Development

PROFESSIONAL COMPETENCIES

Independent and Critical Thinking | Problem Solving | Interpersonal Skills | Time Management | Written and Oral Communication skills
Innovative | Technical Presentation skills | Multi-Disciplinary Collaboration | Team Leadership | Continued Education

SOFTWARE

Petra | Kingdom | Spotfire | ArcGIS | IHS Markit | Enverus | Microsoft Office Suite | IHS Market
State & Federal databases (e.g. TRRC, NMOCD, CRC, CONTINUUM) | Outlook | StarSteer | OFM

PROFESSIONAL EXPERIENCE

Senior Geologist, Earthstone Energy, Midland, TX

03/2022 – Present

Senior geologist tasked with delivering actionable and economic field development strategies and asset acquisitions across the Delaware Basin as part of a multi-disciplinary team

Exploration Geologist, Cimarex Energy Co., Denver, CO

06/2019 – 09/2020

Senior exploration geologist for Permian Basin New Ventures and Asset Evaluation Team. Conceptualized and advanced regional and local exploration prospects across legacy (including EOR) and unproven (wildcat) fields and trend areas of Permian Basin utilizing diverse software and datasets including Petra, Kingdom, ArcGIS, Spotfire, 2D/3D seismic/geophysical, advanced petrophysics, core and cuttings, mud and sample logs and formation and completion tests

- Generated actionable, high rate of return exploration prospects grounded in meticulous technical analyses detailing geologic concept, reservoir-source-trap attributes, risk factors, and life cycle development and production potential (Delaware Basin Province - San Andres, Yeso Group, Strawn, Wolfcamp, Bone Spring, Brushy Canyon; Midland Basin Province - Clearfork, Spraberry, Dean, Wolfcamp, Cisco, Canyon, Strawn, Devonian; Central Basin Platform Province - Clearfork, Wichita-Albany, Devonian, Silurian)
- Proficiently evaluated and integrated large data sets from multiple sources into pitch book portfolios
- Furnished hierarchized profit ranking of A&D portfolios to executive management via presenting executive summaries and recommendation proposals in collaboration with engineers, geophysicist, petrophysicist, landman, and corporate finance/planning
- Championed development and implementation of innovative geological workflows resulting in expedited prospect identification and risk mitigation
- Provide geological expertise & economic analysis on business development opportunities such as land acquisitions, corporate mergers, acreage trades, and land divestitures
- Geological mentor for young professionals and geoscience interns within both Permian and Anadarko region offices (provided in-person & remote guidance to four young professionals and one intern within Permian office)

Geologist, Cimarex Energy Co., Midland, TX

01/2015 – 06/2019

Lead exploitation geologist for Delaware Basin Wolfcamp and Bone Spring asset teams comprising 100,000+ acres

- Implemented aggressive 6+ multi-rig horizontal drilling programs exceeding 40 wells per year and \$600MM D&C capital and oversaw all aspects of well planning and permitting to operational drilling and completion
- Maximized formation targets and drilling locations, increased total potential reserve estimates, and reduced finding costs through exploitation of breakthroughs in reservoir characterization, and drilling and completions technology

- Advanced implementation of best practices for future horizontal development patterns (surface and subsurface), exploratory step-out tests, multi-well pilot projects, and injection SWD's by utilizing all applicable geologic, completions, and production data
- Enhanced the accuracy and detail of geologic evaluation and recommendation proposals via iterative generation of key geologic maps including structure, isopach, net pay, lithologic, mechanical properties, OOIP, OGIP, & GOR; in addition to, integration and evaluation of 2D & 3D Seismic (time/depth amplitude, coherency/incoherency and Young's Modulus & Poisson's Ratios from inversions)
- Conducted proposal-interpretation-application of advanced petrophysical logs, rock and fluid data (i.e. whole core, SWC, and thin-section based facies integration with sequence stratigraphic framework; digital image logs (FMI, OBMI, Quanta GEO), nuclear magnetic resonance and combinable magnetic resonance logs, litho scanner, elemental spectroscopy log, and dipole sonic logs for analysis of lithologic and geomechanical rock facies and associated fluids and porosity; Mohr's circle rock mechanics analysis, Core and cuttings analysis; PVT and DST Fluid Sampling)
- Promoted operational efficiencies and field development strategies (both near and long term) via daily review of drilling and completions, as well as flow back results with multi-disciplinary team members
- Monitored and evaluated competitor activity (leasing, drilling, targeting, completions, and production)
- Ensured successful and economic project execution by providing weekly updates to senior and executive management entailing development timelines, project execution summaries and go forward recommendations based on pre, and post, D&C results
- Generated recommendations for over 50 non-operated well proposals by assessing geologic attributes and expected economic return
- Geologic mentor to young professionals and geoscience interns

Geologist, Cimarex Energy Co., Midland, TX

02/2016 – 08/2016

Lead geologist for multi-disciplinary Acquisition and Divestiture team as part of special assignment within Permian Basin Region

- Augmented clarity of executive management on strategic acquisition and divestiture opportunities by presenting comprehensive value and risk assessments within geologic context
- Generated and presented evaluation portfolios of 54 real-time, and 41 look-back competitor acquisition opportunities to region and executive management

Project Geologist, EOG Resources, Inc., Midland, TX

11/2012 – 12/2014

Lead exploitation geologist for Delaware Basin Bone Spring and Wolfcamp shales, and Midland Basin Wolfcamp shale asset teams

- Oversaw D&C planning and execution, science acquisition and analyses of a multi-rig horizontal drilling program for Wolfcamp and Leonard shale assets across Midland and Delaware Basin leaseholds consisting of 15 Midland Basin Wolfcamp wells, 20 Delaware Basin Leonard Shale wells, and 9 Delaware Basin Wolfcamp shale wells totaling \$300MM in capital budget
- Generated recommendations for over 20 non-operated well proposals by assessing geologic attributes and expected economic return
- Monitored and evaluated competitor activity (leasing, drilling, targeting, completions, and production)
- Optimized near-, and long-term field development strategies within Wolfcamp and Bone Spring prospects through identification of key geomechanical rock properties impacting 3D well spacing and targeting, completions designs, and production volumes

EDUCATION AND PROFESSIONAL MEMBERSHIPS

Master of Science: Geology cum laude

12/2012

Western Michigan University, Kalamazoo, MI

Thesis Title: Characterizing the Internal Architecture of Upper Bone Spring Limestone Turbidites and Mass-Transport Deposits (MTDs) Utilizing High-Resolution Image Log Technology; Thesis Advisor: Dr. G.M. Grammer

Bachelor of Science: Geology cum laude

05/2010

Western Michigan University, Kalamazoo, MI

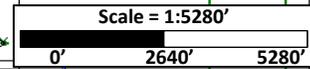
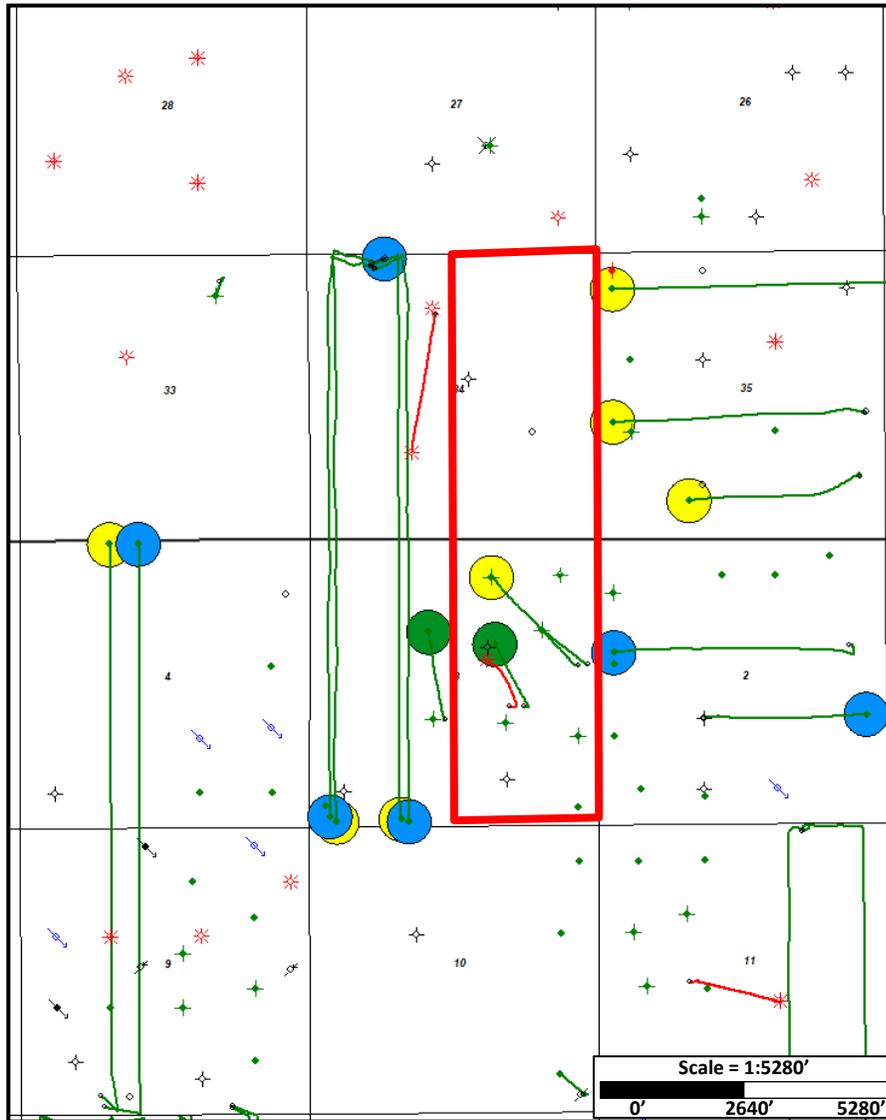
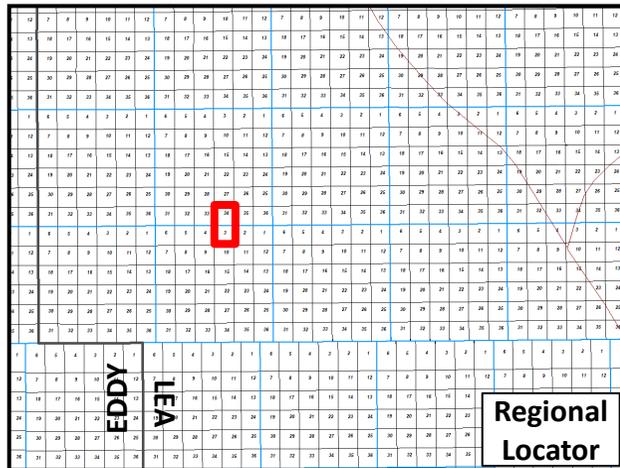
- American Association of Petroleum Geologists (AAPG)
- West Texas Geological Society (WTGS)
- Society for Sedimentary Geology (SEPM)
- Geological Society of America (GSA)

ADVANCED PROFESSIONAL TRAINING AND DEVELOPMENT

- Guadalupe Mountains Field Course: XEC
- Geophysics for Subsurface Professionals: Nautilus (N080)
- Mudstone Diagenesis Hedberg Research Conf.: SEPM-AAPG
- Log Analysis of Hydrocarbon-Bearing Shales: PPDC
- Petrophysical Evaluation of Mudstone Reservoirs: AAPG
- Applied Subsurface Geological Mapping: SCA
- Well Log Sequence Stratigraphy: EOG
- Shale Field Course: EOG
- The Bakken Petroleum System: Nautilus (M271)
- Tectonic Controls on Basin Dev. and Petrol. Syst.: Nautilus (E005)
- Geological Interpretation of Well Logs: Nautilus (F003)
- Structural Geology for Petrol. Exploration: Nautilus (M016)
- Distribution and Geometry of Potential Carbonate Reservoir Facies, Great Bahama Bank: WMU-OSU
- Capitan Shelf Margin, Gulf PDB-04 Core: PBS-SEPM
- YPE Field Trip Guadalupe Mountains, TX & NM: PBS-SEPM

Exhibit B-2 Locator Map

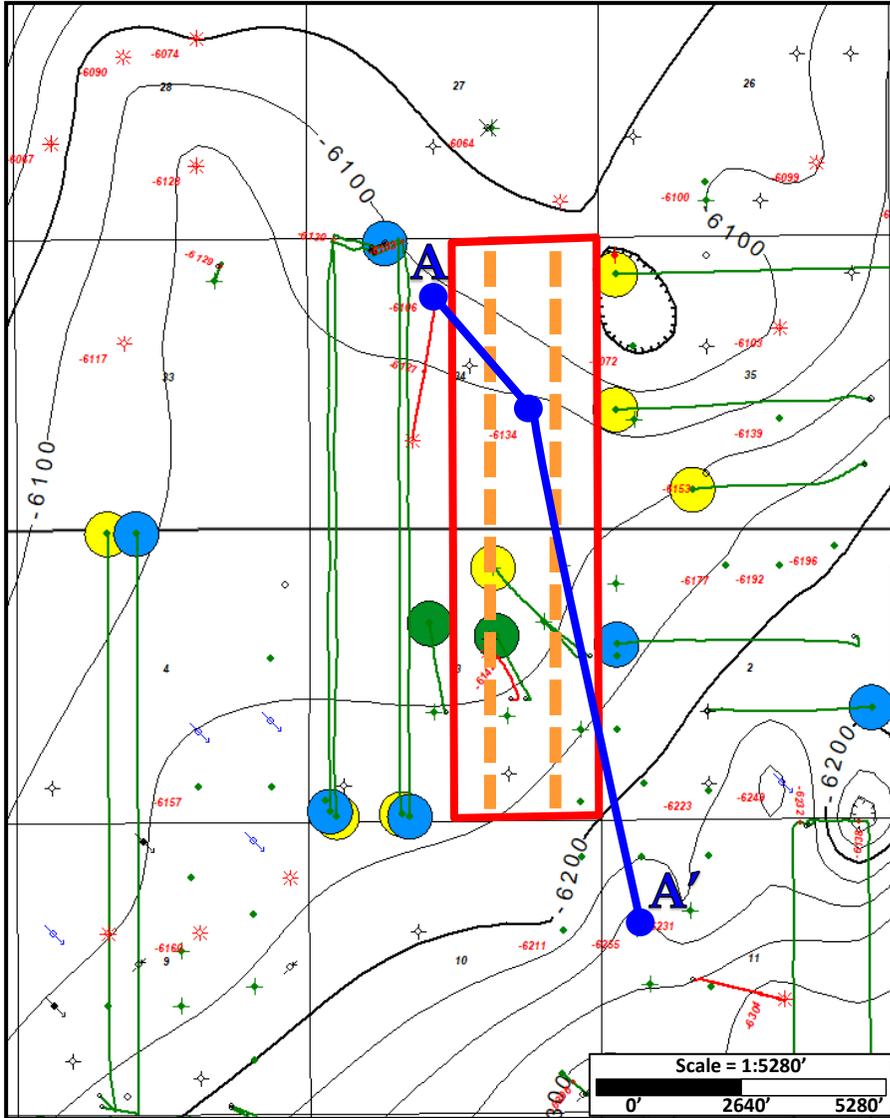
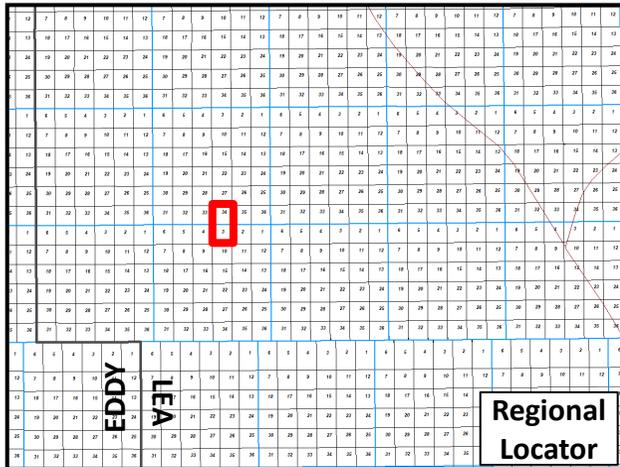
- - Brushy Canyon
- - 1st Bone Spring Sand
- - 2nd Bone Spring Sand



Earthstone
Operating, LLC
Case No. 23270
Exhibit B-2

Exhibit B-3 2nd Bone Spring Sand Structure (SSTVD): Contour Interval = 25'

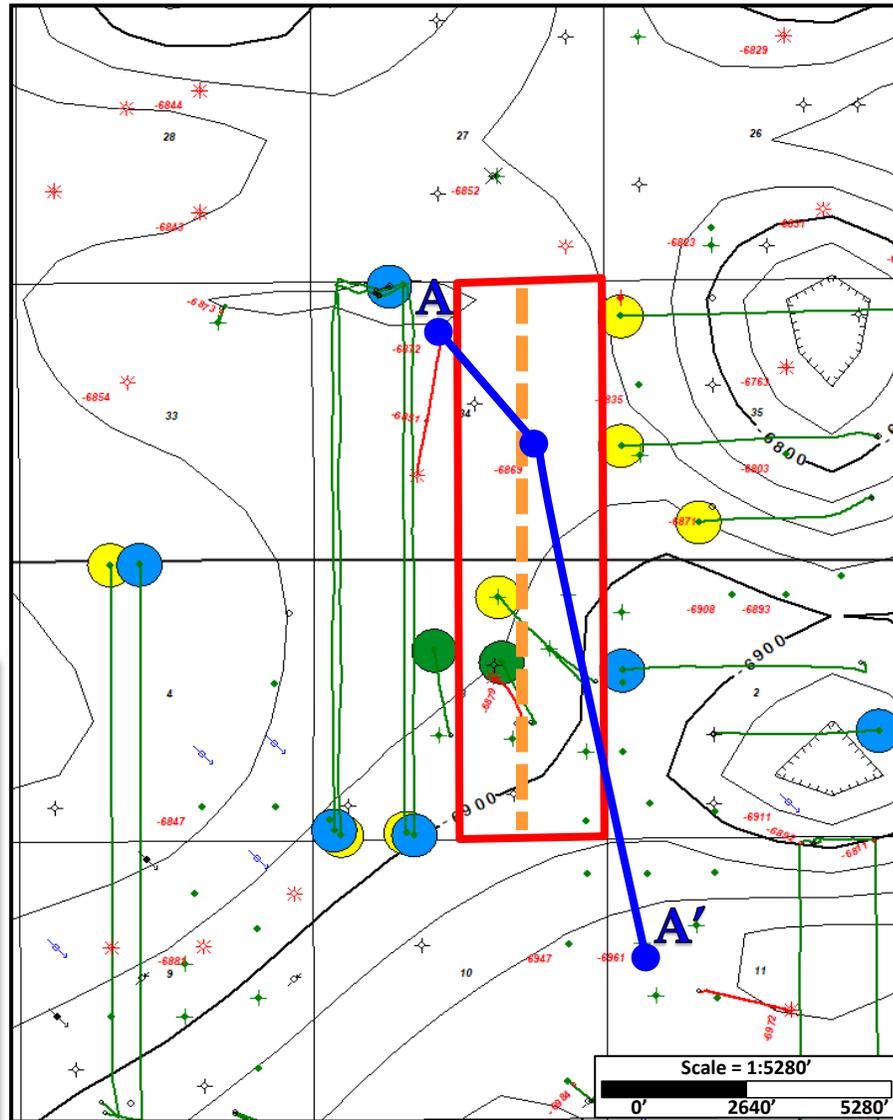
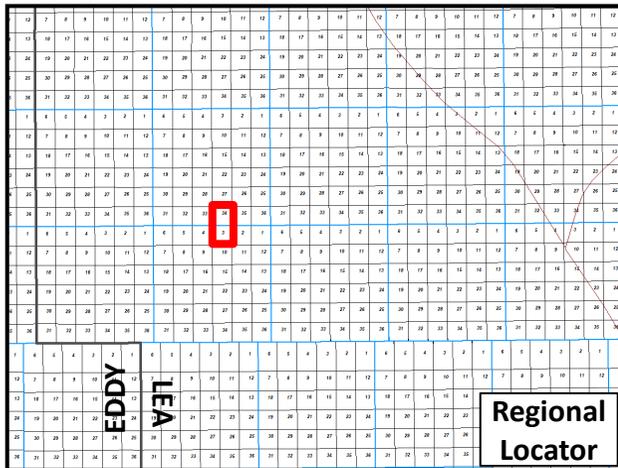
- - Brushy Canyon
- - 1st Bone Spring Sand
- - 2nd Bone Spring Sand



Earthstone
Operating, LLC
Case No. 23270
Exhibit B-3

Exhibit B-4 3rd Bone Spring Harkey Sand Structure (SSTVD): Contour Interval = 25'

- - Brushy Canyon
- - 1st Bone Spring Sand
- - 2nd Bone Spring Sand

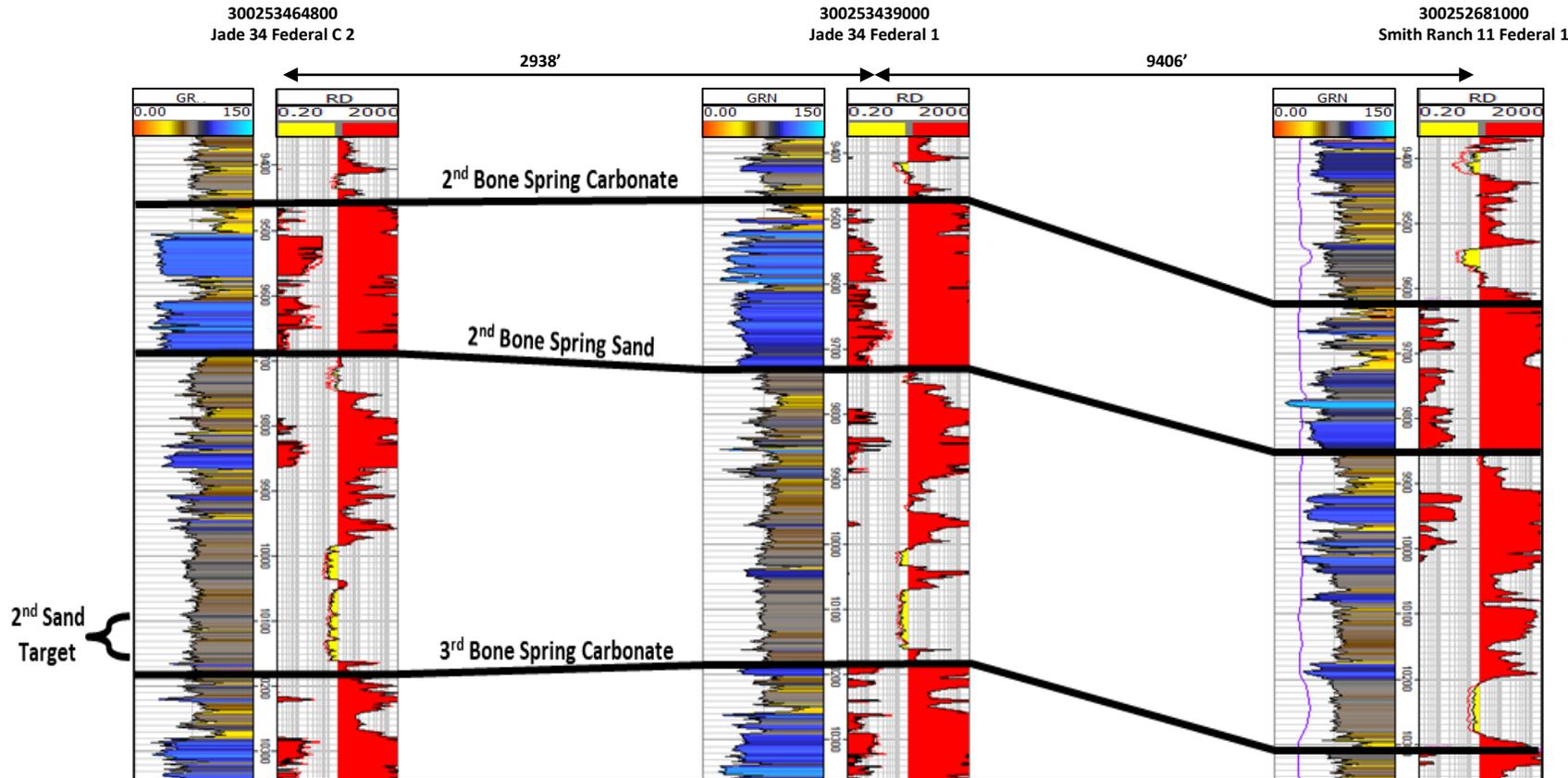


Earthstone
Operating, LLC
Case No. 23270
Exhibit B-4

Exhibit B-6 Structural Cross Section A-A': 2nd Bone Spring Sand

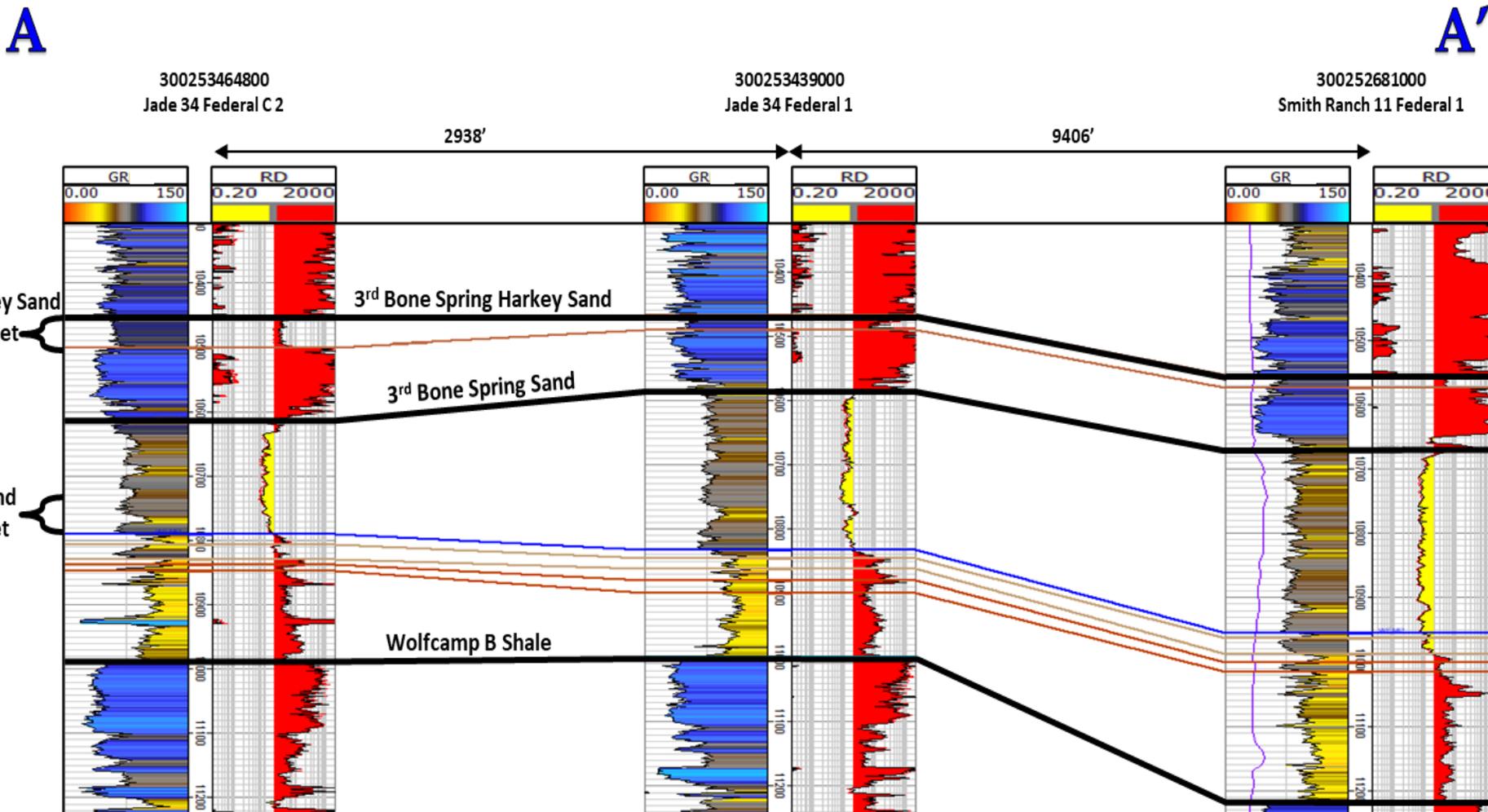
A

A'



Earthstone Operating, LLC
 Case No. 23270
 Exhibit B-6

Exhibit B-7 Structural Cross Section A-A' 3rd Bone Spring Harkey Sand and 3rd Bone Spring Sand



Earthstone Operating, LLC
Case No. 23270
Exhibit B-7

**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. 23270

**SELF-AFFIRMED STATEMENT
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of Earthstone Operating, LLC the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On December 22, 2022, I caused a notice to be published to all interested parties in the Hobbs News-Sun. An Affidavit of Publication from the Legal Clerk of the Hobbs News-Sun, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it 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.

/s/ Dana S. Hardy
Dana S. Hardy

December 30, 2022
Date

**Earthstone Operating, LLC
Case No. 23270
Exhibit C**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:
Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

December 14, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23270– Application of Earthstone Operating, LLC for Compulsory Pooling, Lea County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **January 5, 2023** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.state.nm.us/ocd/ocdpermitting/>) or via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please contact Matt Solomon, Senior Landman for Earthstone Operating, LLC by phone at (713) 379-3083 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

Earthstone Operating, LLC
Case No. 23270
Exhibit C-1

PO BOX 10
ROSWELL, NEW MEXICO 88202
(575) 622-6510
FAX (575) 623-9332

7601 JEFFERSON ST NE · SUITE 180
ALBUQUERQUE, NEW MEXICO 87109
505-858-8320
(FAX) 505-858-8321

PO BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8623

**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. 23270

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
COG Operating LLC 600 W. Illinois Avenue Midland, TX 79701	12/14/22	12/27/22 No signature.
Devon Energy Production Company, L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	12/14/22	Per USPS Tracking (Last Checked 12/27/22): 12/20/22 – Individual picked up at post office.
FR Energy, LLC 55 Waugh Dr., Suite 1200 Houston, TX 77007	12/14/22	12/27/22
Legacy Reserves Operating, LP 15 Smith Road, Suite 3000 Midland, TX 79705	12/14/22	12/21/22
MEC Petroleum Corp. P.O. Box 11265 Midland, TX 79702	12/14/22	12/21/22
Timothy R. MacDonald 3003 Paleo Point College Station, TX 77845	12/14/22	12/27/22
Marathon Oil Permian, LLC 990 Town and Country Blvd. Houston, TX 77024	12/14/22	12/27/22
Marshall & Winston, LLC P.O. Box 50880 Midland, TX 79710-0880	12/14/22	12/21/22
Maverick Oil & Gas Corporation 1001 W. Wall St. Midland, TX 79701	12/14/22	12/21/22
Murchison Oil and Gas, LLC 7250 Dallas Parkway, Ste. 1400 Plano, TX 75024	12/14/22	12/27/22
Tap Rock Resources, LLC 523 Park Point Drive, Ste. 200 Golden, CO 80401	12/14/22	12/27/22

**Earthstone Operating, LLC
Case No. 23270
Exhibit C-2**

7021 0950 0002 0368 6627

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Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage
 \$ _____

Total Postage and Fees
 \$ _____

Sent To
 COG Operating LLC
 600 W. Illinois Avenue
 Midland, TX 79701
 23270 - Earthstone Jade Wells

PS Form 3800, April 2015 PSN 7530-02-030-9047 See Reverse for Instructions

SANTA FE, NM 87501
DEC 14 2022
 Postmark Here
 USPS

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p>
<p>1. Article Addressed to:</p> <p>COG Operating LLC 600 W. Illinois Avenue Midland, TX 79701 23270 - Earthstone Jade Wells</p> <p>9590 9402 6746 1074 3884 26</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>RECEIVED DEC 27 2022</p>
<p>2. Article Number (Transfer from service label)</p> <p>7021 0950 0002 0368 6627</p>	<p>3. Service Type Hinkle Shanor LLC <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

Earthstone Operating, LLC
Case No. 23270
Exhibit C-3

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DEC 19 2022
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Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To

FR Energy, LLC
55 Waugh Dr., Suite 1200
Houston, TX 77007
23270 - Earthstone Jade Wells

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7020 0640 0000 0304 2521

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">FR Energy, LLC 55 Waugh Dr., Suite 1200 Houston, TX 77007 23270 - Earthstone Jade Wells</p>  <p style="text-align: center;">9590 9402 6746 1074 3890 27</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center; font-size: 2em; font-weight: bold;">RECEIVED</p> <p style="text-align: center; font-size: 1.5em;">DEC 27 2022</p>
<p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em;">7020 0640 0000 0304 2521</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt</p>	

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Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To

Legacy Reserves Operating, LP
15 Smith Road, Suite 3000
Midland, TX 79705

23270 - Earthstone Jade Wells

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature X <u>R Doan</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery <u>12/19</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>RECEIVED DEC 21 2022</p>
<p>1. Article Addressed to:</p> <p>Legacy Reserves Operating, LP 15 Smith Road, Suite 3000 Midland, TX 79705</p> <p>23270 - Earthstone Jade Wells</p>  <p>9590 9402 6746 1074 3884 19</p>	<p>3. Service Type <u>Hinkle Shanor LLP</u> <input type="checkbox"/> Priority Mail Express® <u>Santa Fe NM 87501</u> <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7021 0950 0002 0368 6634</p>	
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Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To

MEC Petroleum Corp.
P.O. Box 11265
Midland, TX 79702

23270 - Earthstone Jade Wells
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X <i>[Signature]</i></p> <p>B. Received by (Printed Name) <i>Gary Causey</i></p> <p>C. Date of Delivery <i>12/19/22</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, enter delivery address below</p>
<p>1. Article Addressed to:</p> <p>MEC Petroleum Corp. P.O. Box 11265 Midland, TX 79702</p> <p>23270 - Earthstone Jade Wells</p> <p>9590 9402 7543 2098 9382 48</p>	<p>RECEIVED DEC 21 2022</p> <p><i>Hinkle Shanor LLP</i></p> <p>3. Service Type <i>Santa Fe NM 87504</i></p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7021 0950 0002 0368 6443</p>	
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Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage
 \$ _____

Total Postage and Fees
 \$ _____

Sent To
 Timothy R. MacDonald
 3003 Paleo Point
 College Station, TX 77845
 23270 - Earthstone Jade Wells

Postmark
 DEC 14 2022

SANTA FE, NM 87501

USPS

PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instructions

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) TRMACDONALD</p> <p>C. Date of Delivery DEC 27 2022</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Timothy R. MacDonald 3003 Paleo Point College Station, TX 77845 23270 - Earthstone Jade Wells</p>  <p>9590 9402 6746 1074 3890 34</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>2. Article Number (Transfer from service label)</p> <p>7021 0950 0002 0368 6665</p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

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Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Marathon Oil Permian, LLC
990 Town and Country Blvd.
Houston, TX 77024

23270 - Earthstone Jade Wells

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <u>Deborah Beck</u></p> <p>C. Date of Delivery <u>12/19/22</u></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below</p> <p>RECEIVED DEC 27 2022</p> <p>Hinkle Shanon LLC</p>
<p>1. Article Addressed to:</p> <p>Marathon Oil Permian, LLC 990 Town and Country Blvd. Houston, TX 77024</p> <p>23270 - Earthstone Jade Wells</p>  <p>9590 9402 6746 1074 3890 41</p>	<p>3. Service Type <u>Santa Fe NM 87501</u> <input checked="" type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7021 0950 0002 0368 6641</p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

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Certified Mail Fee \$ _____

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P.O. Box 50880
Midland, TX 79710-0880
23270 - Earthstone Jade Wells

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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<p>1. Article Addressed to:</p> <p>Marshall & Winston, LLC P.O. Box 50880 Midland, TX 79710-0880 23270 - Earthstone Jade Wells</p>  <p>9590 9402 6746 1074 3884 40</p>	<p>3. Service Type Santa Fe NM 87504</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7021 0950 0002 0368 6429</p>	
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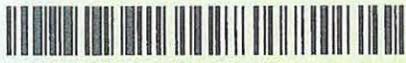
Maverick Oil & Gas Corporation
1001 W. Wall St.
Midland, TX 79701

23270 - Earthstone Jade Wells

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SANTA FE, NM 87501
DEC 14 2022
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0368 6658
0002 0002
0950 0550
7021 7202

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<p>1. Article Addressed to:</p> <p>Maverick Oil & Gas Corporation 1001 W. Wall St. Midland, TX 79701</p> <p>23270 - Earthstone Jade Wells</p>  <p>9590 9402 6746 1074 4004 25</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p> <p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>2. Article Number (Transfer from service label)</p> <p>7021 0950 0002 0368 6658</p>	
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<input type="checkbox"/> Return Receipt (electronic) \$ _____	
<input type="checkbox"/> Certified Mail Restricted Delivery \$ _____	
<input type="checkbox"/> Adult Signature Required \$ _____	
<input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	
Postage \$ _____	
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Murchison Oil and Gas, LLC
 7250 Dallas Parkway, Ste. 1400
 Plano, TX 75024
 23270 - Earthstone Jade Wells

PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instructions

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<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery 12/15/22</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> Murchison Oil and Gas, LLC 7250 Dallas Parkway, Ste. 1400 Plano, TX 75024 23270 - Earthstone Jade Wells </div> <p style="text-align: center;">9590 9402 6746 1074 3803 52</p>	<div style="text-align: center; font-size: 2em; font-weight: bold; margin: 10px 0;">RECEIVED</div> <div style="text-align: center; font-size: 1.5em; margin: 5px 0;">DEC 28 2022</div>
<p>2. Article Number (Transfer from service label) 7021 0950 0002 0368 6436</p>	<p>3. Service Type Hinkle Shanor LLP <input type="checkbox"/> Priority Mail Express® <input checked="" type="checkbox"/> Adult Signature Santa Fe NM 87504 <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
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Tap Rock Resources, LLC
523 Park Point Drive, Ste. 200
Golden, CO 80401

23270 - Earthstone Jade Wells

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<p>1. Article Addressed to:</p> <p>Tap Rock Resources, LLC 523 Park Point Drive, Ste. 200 Golden, CO 80401</p> <p>23270 - Earthstone Jade Wells</p>  <p>9590 9402 6746 1074 3884 33</p>	<p>3. Service Type <input checked="" type="checkbox"/> Santa Fe NM 87501 <input checked="" type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7021 0950 0002 0368 6412</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

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Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

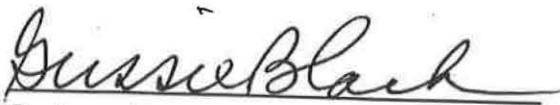
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
December 22, 2022
and ending with the issue dated
December 22, 2022.



Publisher

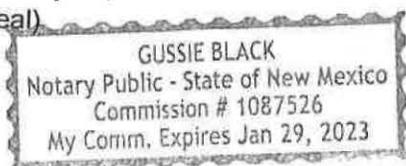
Sworn and subscribed to before me this
22nd day of December 2022.



Business Manager

My commission expires
January 29, 2023

(Seal)



LEGAL NOTICE December 22, 2021

This is to notify all interested parties, including Devon Energy Production Company, L.P.; FR Energy, LLC; Timothy R. MacDonald; Maverick Oil & Gas Corporation; Marathon Oil Permian, LLC; Legacy Reserves Operating, LP; COG Operating LLC; Tap Rock Resources, LLC; Marshall & Winston, LLC; Murchison Oil and Gas, LLC; MEC Petroleum Corp.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Earthstone Operating, LLC (Case No. 23270). Applicant applies for an order pooling all uncommitted interests from the top of the Second Bone Spring Formation to the base of the Bone Spring Formation underlying a 638.71-acre, more-or-less, standard horizontal spacing unit comprised of the E/2 of Section 34, Township 19 South, Range 33 East, and Lots 1 and 2, S/2 NE/4, and SE/4 (E/2 equivalent) of irregular Section 3, Township 20 South, Range 33 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the following proposed wells ("Wells"): the Jade 34-3 Fed 2BS Com 9H and Jade 34-3 Fed 3BS Com 22H wells, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SE/4 SE/4 (Unit P) of Section 3, Township 20 South, Range 33 East; and the Jade 34-3 Fed 2BS Com 18H, Jade 34-3 Fed HKY Com 19H, and Jade 34-3 Fed 3BS Com 21H wells, which will be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34, Township 19 South, Range 33 East to a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 3, Township 20 South, Range 33 East. The completed intervals of the Wells will be orthodox. Due to a depth severance, Applicant seeks to pool interests from the top of the Second Bone Spring Formation at a stratigraphic equivalent of approximately 9,730' TVD to the base of the Third Bone Spring Formation. The completed interval of the Jade 34-3 Fed HKY Com 19H well will be located within 330' of the quarter-quarter section line separating the W/2 E/2 and the E/2 E/2 of Sections 34 and 3 to allow for the creation of a 638.71-acre standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 30 miles southwest of Hobbs, New Mexico.
#00274102

02107475

00274102

GILBERT
HINKLE, SHANOR LLP
PO BOX 2068
SANTA FE, NM 87504

Earthstone Operating, LLC
Case No. 23270
Exhibit C-4

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said