

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

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

CASE NO. 23364

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Matt Solomon
A-1	Application & Proposed Notice of Hearing
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ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23364	APPLICANT'S RESPONSE
Date	March 2, 2023
Applicant	Earthstone Operating
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 331165
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Earthstone Operating, LLC for Compulsory Pooling, Lea County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Jade
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Teas; Bone Spring Pool (Code 58960)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	319.95 acres
Building Blocks:	quarter-quarter
Orientation:	North/South
Description: TRS/County	W/2 E/2 of Section 34, Township 19 South, Range 33 East, and Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 3, Township 20 South, Range 33 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Jade 34-3 Fed 1BS Com 11H (API # ---) SHL: 240' FNL & 740' FEL (Unit A), Section 34, T19S, R33E BHL: 50' FSL & 2130' FEL (Unit O), Section 3, T20S, R33E Completion Target: Bones Spring (Approx. 9,266' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	

Drilling Supervisor/Month \$	\$8,000.00	Page 3 of 37
Production Supervision/Month \$	\$800.00	
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, Exhibit C-2, Exhibit 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)	N/A	
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	
Cost Estimate to Drill and Complete	Exhibit A-4	
Cost Estimate to Equip Well	Exhibit A-4	
Cost Estimate for Production Facilities	Exhibit A-4	
Geology		
Summary (including special considerations)	Exhibit B	
Spacing Unit Schematic	Exhibit B-1	
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4	
Well Orientation (with rationale)	Exhibit B	
Target Formation	Exhibit B	
HSU Cross Section	Exhibit B-3	
Depth Severance Discussion	N/A	
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-1	
Well Bore Location Map	Exhibit B-1	
Structure Contour Map - Subsea Depth	Exhibit B-2	
Cross Section Location Map (including wells)	Exhibit B-3	
Cross Section (including Landing Zone)	Exhibit B-3	
Additional Information		

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):	/s/ Dana S. Hardy
Date:	2/28/2023

**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. 23364

**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 the Bone Spring formation underlying a 319.95-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 34, Township 19 South, Range 33 East, and Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 3, Township 20 South, Range 33 East, Lea County, New Mexico (“Unit”).

5. The Unit will be dedicated to the **Jade 34-3 Fed 1BS Com 11H** well (“Well”), which will be completed in the Teas; Bone Spring Pool (Code 58960). The Well will be horizontally drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 34,

**Earthstone Operating, LLC
Case No. 23364
Exhibit A**

Township 19 South, Range 33 East to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 3, Township 20 South, Range 33 East.

6. **Exhibit A-2** contains the C-102 for the Well.

7. **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.

8. Earthstone has conducted a diligent search of all county public records including phone directories and computer databases, to locate the interest owners it seeks to pool.

9. **Exhibit A-4** contains a sample well proposal letter and AFE sent to the working interest owners for the Well. The estimated costs reflected on the AFE 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.

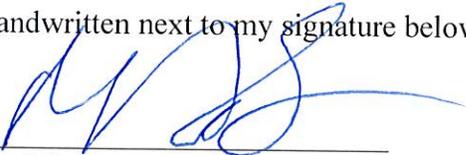
10. In my opinion, Earthstone made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-5**.

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

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

13. 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.

14. 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. 23364

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 in the Bone Spring formation underlying a 319.95-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 34, Township 19 South, Range 33 East, and Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 3, Township 20 South, Range 33 East, Lea County, 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 **Jade 34-3 Fed 1BS Com 11H** well (“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.
3. The completed interval of the Well will be orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

**Earthstone Operating, LLC
Case No. 23364
Exhibit A-1**

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

6. 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 Well and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 2, 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 Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- 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 Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

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

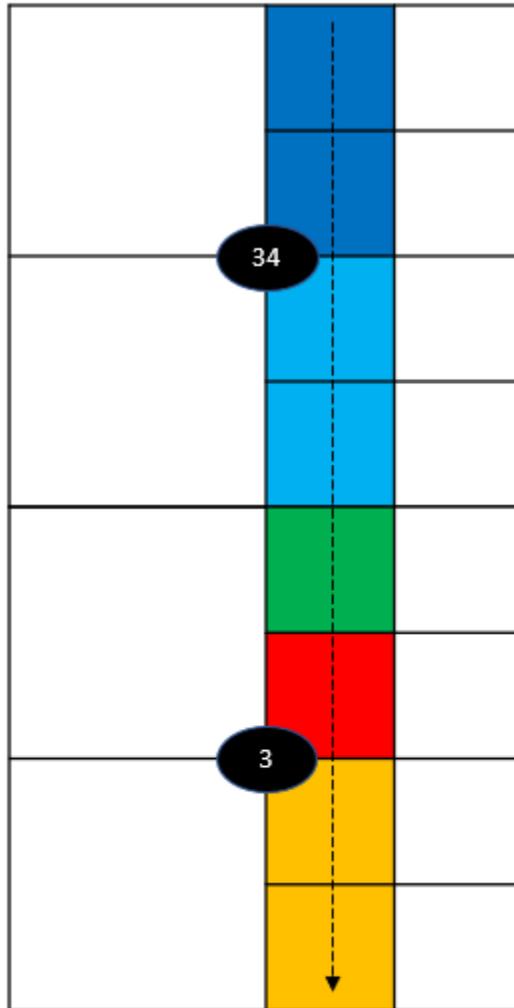
ypena@hinklelawfirm.com

Counsel for Earthstone Operating, LLC

Application of Earthstone Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying 319.95-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 34, Township 19 South, Range 33 East, and Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 3, Township 20 South, Range 33 East, Lea County, New Mexico (“Unit”). The Unit will be dedicated to the proposed **Jade 34-3 Fed 1BS Com 11H** well (“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. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 30 miles southwest of Hobbs, New Mexico.

JADE 34-3 FED 1BS Com 11H

W2E2 of Section 34, Township 19 South – Range 33 East
Lot 2, SWNE, W2SE of Section 3, Township 20 South – Range 33 East
Lea County, New Mexico



- | | |
|---|---|
|  Tract 1 |  Tract 4 |
|  Tract 2 |  Tract 5 |
|  Tract 3 | |

Earthstone Operating, LLC
Case No. 23364
Exhibit A-3

TRACT 1 WI 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 WI 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 WI 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 WI 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 WI 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 WI OWNERSHIP

Earthstone Permian LLC	56.826391%
Devon Energy Production Co. L.P.	6.000938%
FR Energy, LLC	11.001719%
Marathon Oil Permian, LLC	3.750586%
Legacy Reserves Operating, LP	7.313643%
Maverick Oil & Gas Corporation	0.028833%
Timothy R. MacDonald	0.080235%
COG Operating LLC	<u>14.997656%</u>
	100.000000%

WORKING INTEREST OWNERS 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



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 73012

**Re: Jade 34-3 Fed 1BS Com 11H
W2E2-Sec 34, T19S-R33E; Lot 2, SWNE, W2SE-Sec 3, T20S-R33E
Lea County, New Mexico**

Dear Working Interest Owner:

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

The Jade 34-3 Fed 1BS Com 11H is scheduled to be drilled from a proposed surface hole location of 240' FNL & 740' FEL of Section 34, T19S-R33E to a proposed bottom hole location of 50' FSL & 2130' FEL of Section 3, T20S-R33E with an expected TVD of 9,266' and expected MD of 19,400'.

Earthstone hereby proposes the creation of a 319.95 acre working interest unit consisting of the W2E2-Sec 34, T19S-R33E and Lot 2, SWNE, W2SE-Sec 3, T20S-R33E to be governed by a modified 1989 AAPL Model Form Operating Agreement with the following general provisions:

- Limited from the top of the Bone Spring Formation to 9,570' below the surface
- 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 the AFE.

Contact the undersigned with any questions or concerns.

Sincerely,

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

**Earthstone Operating, LLC
Case No. 23364
Exhibit A-4**

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

_____ Participate for its proportionate share in the drilling & completion of the **Jade 34-3 Fed 1BS Com 11H**.

_____ Non-consent/farmout/assign its interest in the **Jade 34-3 Fed 1BS Com 11H**, subject to acceptable terms.

Devon Energy Production Company, L.P.

By: _____

Name: _____

Title: _____

Date: _____



Earthstone Operating, LLC

Statement of Estimated Well Cost

Well Name: Jade 34-3 Fed Com 1BS 11H	Project Description: 7 WELL PAD. Estimate is for the drilling of a 2.0 mile 1st 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 20,000 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	\$ 812,000	1432/120	DRILLING/COMPLETION FLUIDS	\$ 3,500
1420/ 80	BITS/ REAMERS	\$ 108,000	1432/130	CEMENT AND PUMP SERVICE	\$ -
1420/ 90	FUEL, POWER & WATER	\$ 396,000	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	\$ 344,000	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	\$ 32,000	1432/190	SLICKLINE SERVICES	\$ 4,500
1420/170	EQUIPMENT/TOOL RENTALS	\$ 163,000	1432/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 15,000
1420/174	DOWNHOLE RENTALS	\$ 104,000	1432/220	WELLHEAD REPAIR & SERVICEMAN	\$ -
1420/180	WELL STIMULATION / TESTING	\$ -	1432/230	COILED TUBING SERVICES	\$ 18,000
1420/186	CLOSED LOOP SYS/CUTTINGS DISP	\$ 208,000	1432/250	INSURANCE	\$ 1,700
1420/195	CONTRACT LABOR/CREW/ROUSTABOUT	\$ 65,000	1432/260	SUPERVISION/ENGINEERING	\$ 62,000
1420/200	DIRECTION DRILLING/SURVEYING	\$ 316,000	1432/270	ADMINISTRATIVE/OVERHEAD	\$ -
1420/250	INSURANCE	\$ 10,000	1432/280	PIT REMEDIATION	\$ 15,714
1420/260	SUPERVISION/ENGINEERING	\$ 104,000	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	\$ 12,000	1432/412	ARTIFICIAL LIFT	\$ 50,000
1420/300	CONTINGENCY	\$ 66,500	1432/417	FRAC INCIDENTAL	\$ -
			1432/300	CONTINGENCY	\$ 162,049
				COMPLETION INTANGIBLE TOTAL	\$ 5,099,144

DRILLING INTANGIBLE TOTAL		\$ 3,319,000	COMPLETION TANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
			1433/300	VALVES/CONNECTIONS/FITTINGS	\$ 45,000
			1433/320	FLOWLINE	\$ 5,200
			1433/370	TUBING	\$ 137,300
			1433/380	PUMPING UNIT	\$ -
			1433/400	WELLHEAD EQUIPMENT	\$ 65,000
			1433/410	DOWNHOLE ARTIFICIAL LIFT EQUIP	\$ 325,000
			1433/412	SURFACE ARTIFICIAL LIFT EQUIP	\$ 92,500
			1433/417	FRAC INCIDENTAL	\$ -
				COMPLETION TANGIBLE TOTAL	\$ 670,000

DRILLING TANGIBLE			FACILITIES INTANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT
1430/310	CONDUCTOR CASING	\$ 50,000	1450/ 20	LOCATION AND ROADS	\$ 13,500
1430/320	SURFACE CASING	\$ 136,000	1450/ 90	FUEL, POWER & WATER	\$ 1,000
1430/330	INTERMEDIATE CASING	\$ 618,000	1450/110	TRUCKING/VACUUM TRUCK	\$ 16,200
1430/340	DRILLING LINERS	\$ -	1450/170	EQUIPMENT/TOOL RENTAL	\$ 50,000
1430/350	PRODUCTION CASING	\$ 550,000	1450/195	CONTRACT LABOR	\$ 100,000
1430/400	CASING HANGER/WELLHEAD EQUIP	\$ 95,000	1450/260	SUPERVISION/ENGINEERING	\$ 25,000
1430/405	DOWNHOLE TOOLS	\$ -	1450/270	ADMINISTRATIVE/OVERHEAD	\$ -
			1450/290	MISCELLANEOUS	\$ 10,000
				FACILITIES INTANGIBLE TOTAL	\$ 215,700

DRILLING TANGIBLE TOTAL			FACILITIES TANGIBLE		
ACCOUNT CODE	ITEM DESCRIPTION	AMOUNT	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	\$ 175,000
			1452/360	STOCK TANKS	\$ 110,000
			1452/365	DIAGNOSTIC EQUIPMENT	\$ 70,000
			1452/380	ELECTRICAL EQUIPMENT & SUPPLIES	\$ 50,000
			1452/390	FACILITIES	\$ 45,000
				FACILITIES TANGIBLE TOTAL	\$ 680,000

DRILLING TANGIBLE TOTAL	\$ 1,449,000	FACILITIES TOTAL	\$ 895,700
TOTAL DRILLING COSTS	\$ 4,768,000	TOTAL COMPLETION/FACILITIES COSTS	\$ 6,664,844
TOTAL ESTIMATED WELL COST		\$ 11,432,844	

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

Case 23364

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 1/4/2023 1/5/2023 1/16/2023
	Phone Calls	4/8/2022 12/1/2022 12/8/2022
Chevron USA, Inc.	Email	11/14/2022 11/17/2022 12/20/2022 1/4/2023
Timothy R. MacDonald	non-consent letter	11/3/2022
Marathon Oil Permian, LLC	Email	12/20/2022

Earthstone Operating, LLC
Case No. 23364
Exhibit A-5

COG Operating LLC/COP	Email	11/10/2022 11/15/2022 11/28/2022 12/2/2022 12/6/2022 12/20/2022 1/25/2023 1/30/2023 1/31/2023 2/20/2023
	Phone Calls	12/21/2022 12/20/2022
EOG Resources, Inc.	Email	12/1/2022 12/2/2022 12/20/2022

**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. 23364

**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 previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in geology were accepted as a matter of record.

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

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

4. **Exhibit B-2** is a structure map for the top of the 1st Bone Spring formation in subsea TVD with contour intervals of 25 ft. Map control points are shown in red. Approximate wellbore path for the proposed **Jade 34-3 Fed 1BS Com 11H** well is represented by an orange dashed line. The map demonstrates 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 interval with horizontal wells. The 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

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

well. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

5. **Exhibit B-3** is a structural cross-section using the representative wells identified on **Exhibit B-2**. It contains gamma ray and resistivity logs. The proposed landing zone for the well is labeled on the exhibit. This cross-section demonstrates the target interval is continuous across the Unit.

6. **Exhibit B-4** is a gun barrel, or cross-sectional view of the proposed development plan for this Unit. This shows vertical and horizontal spacing within the unit.

7. In my opinion, a stand-up orientation for the proposed well 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.

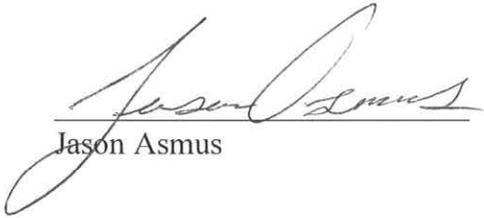
8. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute equally to the production of the wells.

9. 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.

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

11. 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.

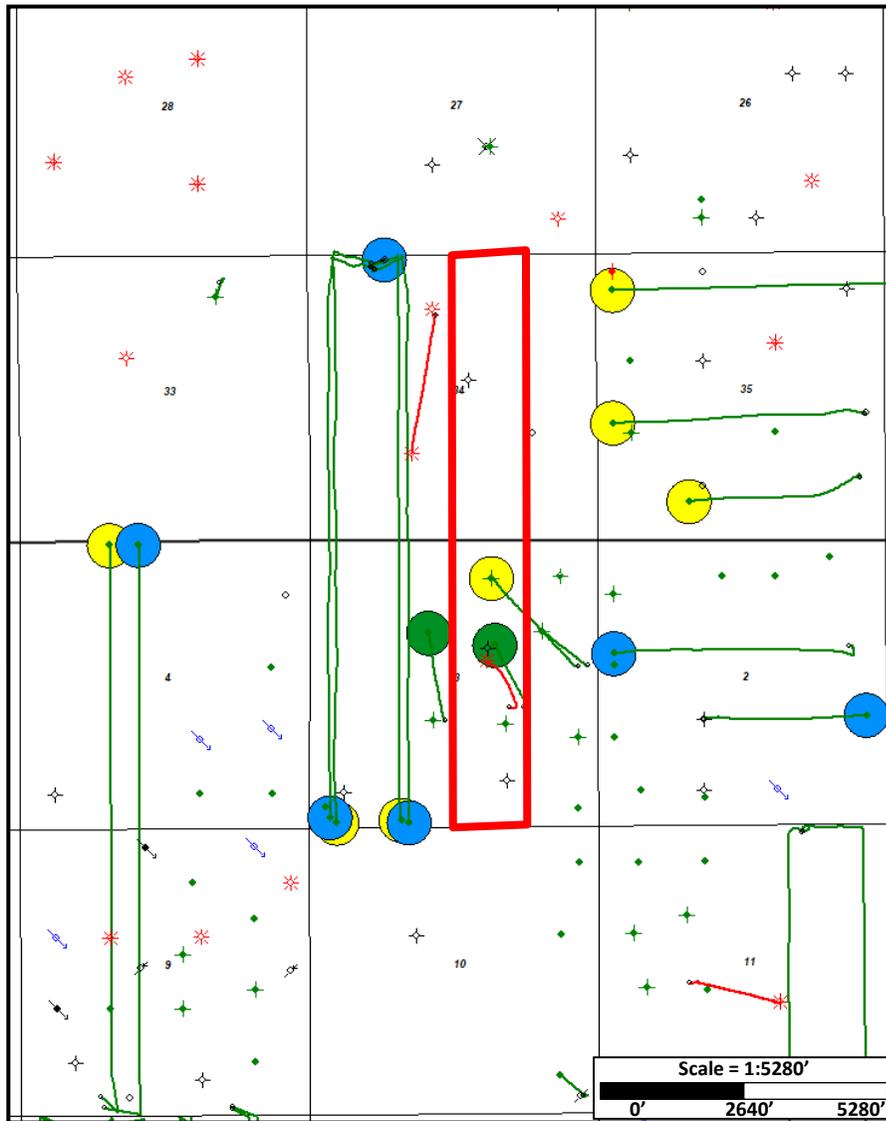
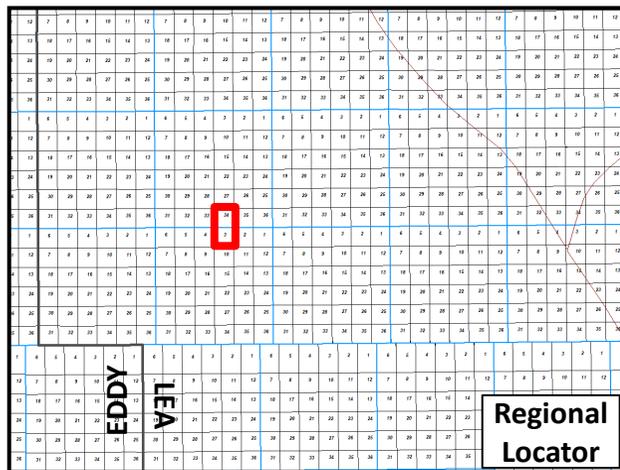


Jason Asmus

2/23/2023
Date

Exhibit B-1 Locator Map

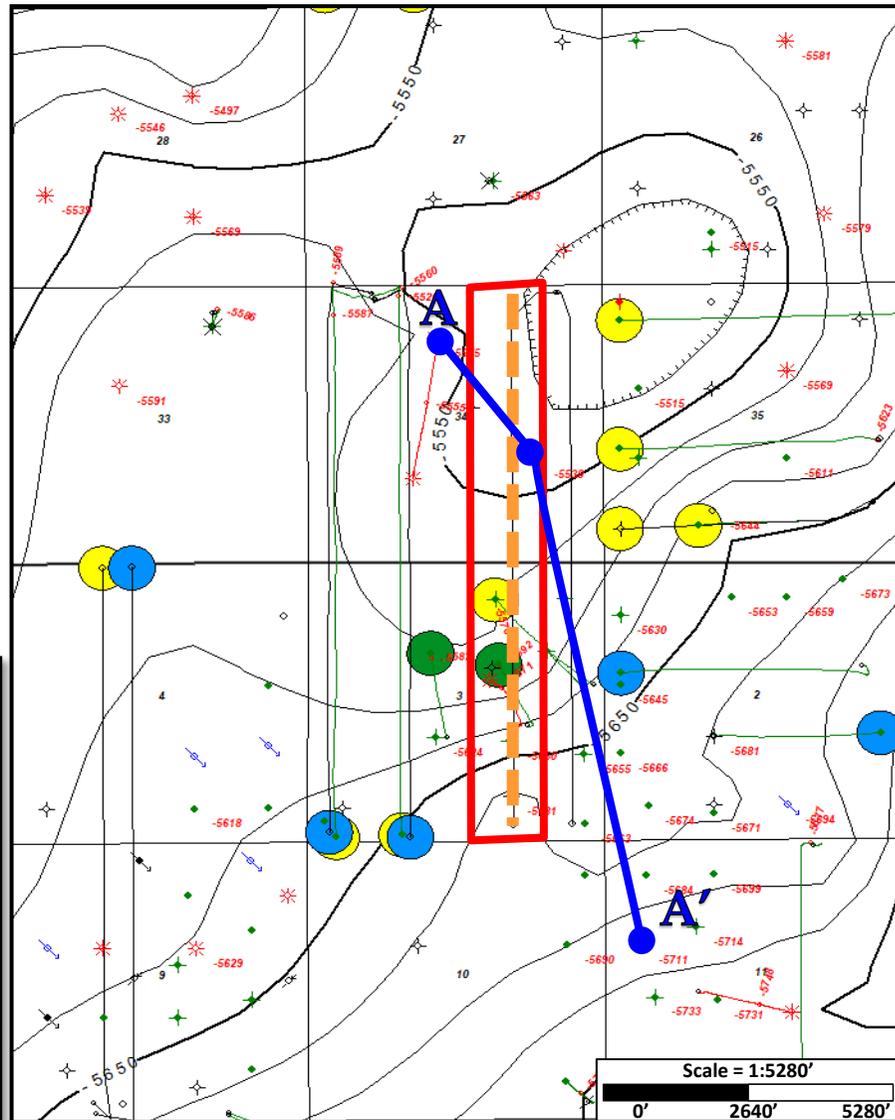
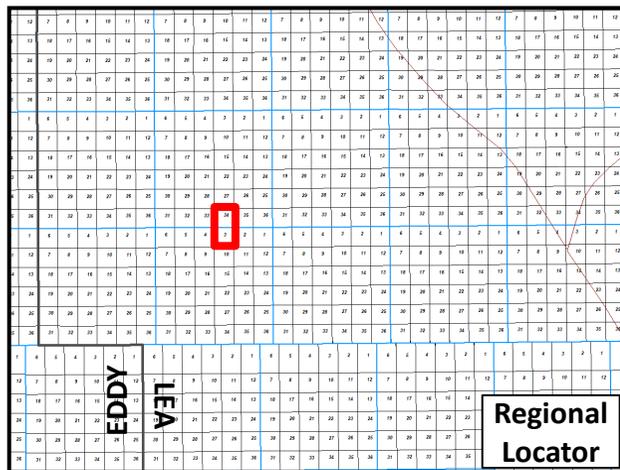
- - Brushy Canyon
- - 1st Bone Spring Sand
- - 2nd Bone Spring Sand



Earthstone Operating, LLC
 Case No. 23364
 Exhibit B-1

Exhibit B-2 1st Bone Spring Sand Structure (SSTVD): Contour Interval = 25'

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

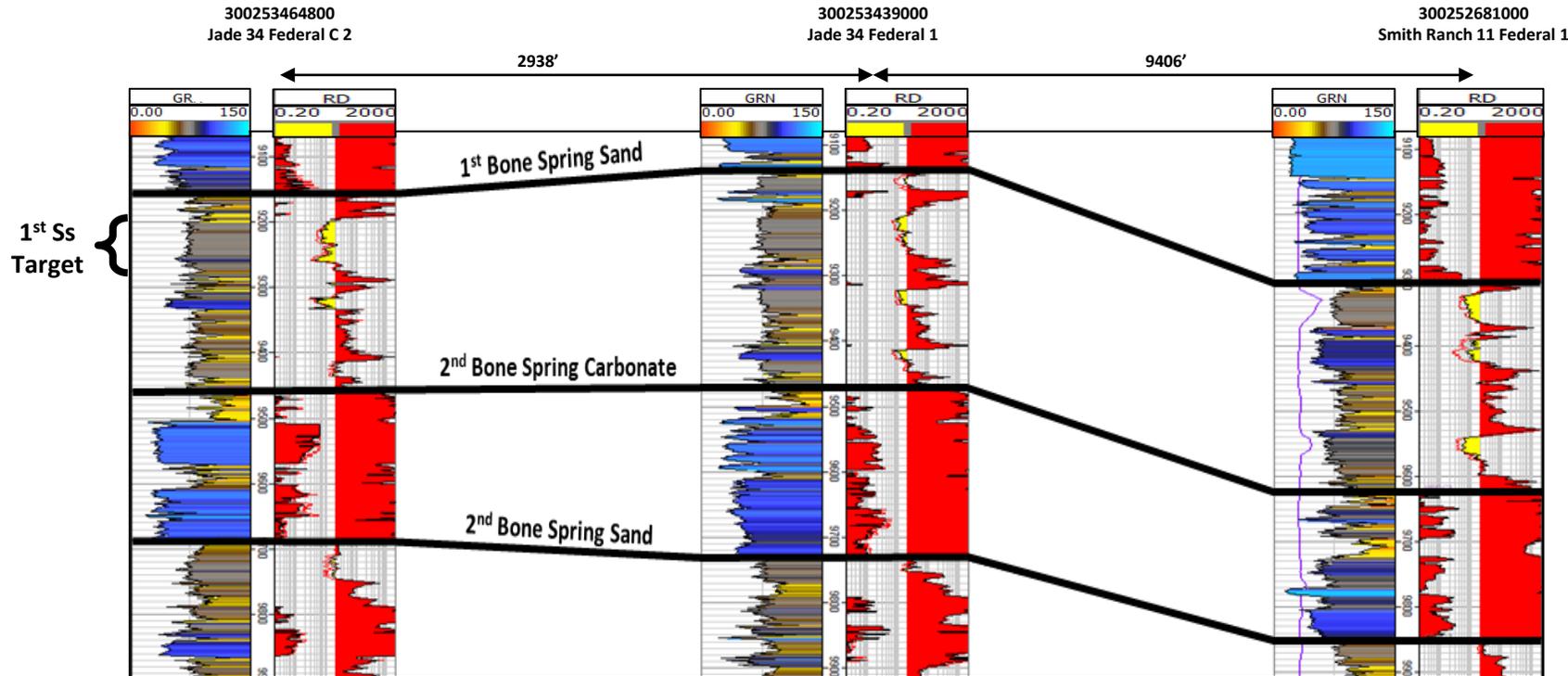


Earthstone Operating, LLC
 Case No. 23364
 Exhibit B-2

Exhibit B-3 Structural Cross Section A-A': 1st Bone Spring Sand

A

A'



Earthstone Operating, LLC
 Case No. 23364
 Exhibit B-3

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

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

CASE NO. 23364

**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 February 10, 2023, 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

February 26, 2023
Date

**Earthstone Operating, LLC
Case No. 23364
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

February 6, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23364 – 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 **March 2, 2023** beginning at 8:15a.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.nm.gov/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. 23364
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. 23364

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Devon Energy Production Co., L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102	02/06/23	02/13/23
FR Energy, LLC 55 Waugh Dr., Suite 1200 Houston, TX 77007	02/06/23	02/13/23
Legacy Reserves Operating, LP 15 Smith Road, Suite 3000 Midland, TX 79705	02/06/23	02/13/23
Timothy R. MacDonald 3003 Paleo Point College Station, TX 77845	02/06/23	02/23/23
Marathon Oil Permian, LLC 990 Town and Country Blvd. Houston, TX 77024	02/06/23	02/13/23 No signature.
Maverick Oil & Gas Corporation 1001 W. Wall St. Midland, TX 79701	02/06/23	02/13/23

**Earthstone Operating, LLC
Case No. 23364
Exhibit C-2**

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Sent To Street and Apt. No., or PO Box No. Devon Energy Production Co., L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102 City, State, ZIP+4® _____ 23364 - Earthstone Jade	

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

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) _____ C. Date of Delivery _____</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 style="text-align: center;">Devon Energy Production Co., L.P. 333 W. Sheridan Avenue Oklahoma City, OK 73102</p> <p style="text-align: center; font-size: 0.8em;">23364 - Earthstone Jade</p>	<p style="font-size: 2em; font-weight: bold; color: green;">RECEIVED</p> <p style="font-size: 1.5em; color: green;">FEB 13 2023</p>
<p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">7019 2280 0001 9628 8621</p>	<p>3. Service Type Hinkle Shanor LLP</p> <p><input type="checkbox"/> Adult Signature Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery 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>9590 9402 7543 2098 9462 98</p> 	<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p> <p>Domestic Return Receipt</p>

**Earthstone Operating,
 LLC Case No. 23364
 Exhibit C-3**

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<input type="checkbox"/> Return Receipt (hardcopy) \$ _____	
<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 \$ _____	
Total Postage and Fees \$ _____	
Sent To Street and Apt. No., or PO Box No. _____ City, State, ZIP+4® _____	FR Energy, LLC 55 Waugh Dr., Suite 1200 Houston, TX 77007 23164 - Earthstone Jade

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

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"/> <i>FR Energy</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</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;">FEB 13 2023</p>
<p>1. Article Addressed to:</p> <p>FR Energy, LLC 55 Waugh Dr., Suite 1200 Houston, TX 77007</p> <p style="text-align: right; font-size: 0.8em;">23164 - Earthstone Jade</p> <p style="text-align: center; font-weight: bold;">9590 9402 7543 2098 9463 11</p>	<p>3. Service Type</p> <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted 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"/> Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)
<p>2. Article Number (Transfer from service label)</p> <p style="font-weight: bold; font-size: 1.2em;">7019 2280 0001 9628 8553</p>	
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<p>Sent To Legacy Reserves Operating, LP Street and Apt. No., or PO Box No. 15 Smith Road, Suite 3000 Midland, TX 79705 City, State, ZIP+4® 23364 - Earthstone Jade</p>	
<p>PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions</p>	

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<p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">7019 2280 0001 9628 8560</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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<input type="checkbox"/> Return Receipt (hardcopy)	\$	
<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		
\$		
Total Postage and Fees		
\$		
Sent To		
Street and Apt. No., or PO Box No.		Timothy R. MacDonald 3003 Paleo Point College Station, TX 77845
City, State, ZIP+4®		23364 - Earthstone Jade

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<p>1. Article Addressed to:</p> <p>Timothy R. MacDonald 3003 Paleo Point College Station, TX 77845</p> <p style="text-align: right; font-size: 0.8em;">23364 - Earthstone Jade</p>	<p>B. Received by (Printed Name) T R MACDONALD</p> <p>C. Date of Delivery 2/10/23</p>
<p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">7018 2290 0000 3433 1371</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; color: blue;">RECEIVED</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">FEB 23 2023</p> <p style="text-align: center; font-size: 0.8em;">Hinkle Shanor LLP Santa Fe NM 87504</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>
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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>1. Article Addressed to:</p> <p style="text-align: center;">Marathon Oil Permian, LLC 990 Town and Country Blvd. Houston, TX 77024</p> <p style="text-align: center; font-size: 0.8em;">23364 – Earthstone Jade</p> <div style="text-align: center;">  9590 9402 7543 2098 9386 99 </div> <p>2. Article Number (Transfer from service label)</p> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">7018 2290 0000 3428 0037</p>	<p>A. Signature</p> <p style="text-align: right;"><input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</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> <div style="text-align: center; font-size: 2em; font-weight: bold; margin: 10px 0;">RECEIVED</div> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">FEB 13 2023</p> <p>3. Service Type</p> <table style="width: 100%; font-size: 0.8em;"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Insured Mail</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted 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	<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®														
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™														
<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted 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	<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)														
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt														

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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 _____

Street and Apt. No., or PO Box No. _____

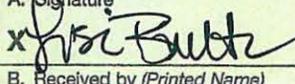
City, State, ZIP+4® _____

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

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

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 type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery 2-9-23</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;">RECEIVED FEB 13 2023</p>
<p>1. Article Addressed to:</p> <p>Maverick Oil & Gas Corporation 1001 W. Wall St. Midland, TX 79701</p> <p>23364 - Earthstone Jade</p>  <p>9590 9402 7543 2098 9387 43</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>2. Article Number (Transfer from service label)</p> <p>7020 0090 0000 0865 8384</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

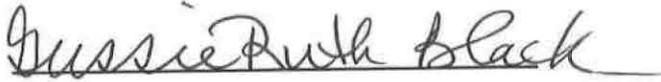
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
February 10, 2023
and ending with the issue dated
February 10, 2023.



Publisher

Sworn and subscribed to before me this
10th day of February 2023.

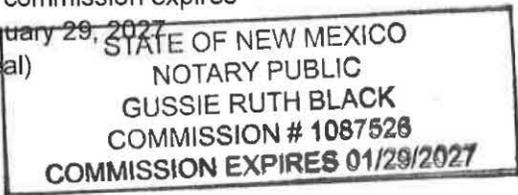


Business Manager

My commission expires

January 29, 2027

(Seal)



LEGAL NOTICE
February 10, 2023

This is to notify all interested parties, including FR Energy, LLC; Maverick Oil & Gas Corporation; Legacy Reserves Operating, LP; Devon Energy Production Company, L.P.; Timothy R. MacDonald; Marathon Oil Permian, LLC; 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. 23364). The hearing will be conducted remotely on March 2, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 319.95-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 34, Township 19 South, Range 33 East, and Lot 2, SW/4 NE/4, and W/2 SE/4 (W/2 E/2 equivalent) of irregular Section 3, Township 20 South, Range 33 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the proposed Jade 34-3 Fed 1BS Com 11H well ("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. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 30 miles southwest of Hobbs, New Mexico.
#00275649

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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

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

Earthstone Operating, LLC
Case No. 23364
Exhibit C-4