

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

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 16027

CHISHOLM'S PRE-HEARING STATEMENT

Chisholm Energy Operating, LLC, the applicant in the above referenced matters, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Chisholm Energy Operating, LLC

ATTORNEY

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OPPONENT

Cimarex Energy Company

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

Chisholm Energy Operating, LLC ("Chisholm") seeks an order (1) creating a 638.16-acre, more or less, non-standard spacing and proration unit comprised of the W/2 of Section 3 and the W/2 of Section 10, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Chisholm proposes to dedicate the above-referenced non-standard spacing and proration unit as the project area for its proposed **Black River 3-10 Fed Com WCA No. 2H Well**, its proposed **Black River 3-10 Fed Com WCA No. 3H Well**, and its proposed **Black River 3-10 Fed Com WCA No. 4H Well**. The three proposed horizontal wells will be pad drilled from a surface location in the NE/4 NW/4 (Lot 3) of Section 3 to standard bottom hole locations in the SW/4 SW/4 (Unit M) and the SE/4 SW/4 (Unit N) of Section 10. The completed intervals for these wells will remain within the 330-foot offset as required by the special rules for the Purple Sage-Wolfcamp Gas Pool adopted under Division Order R-14262.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Davis Armour, Landman	Approx. 10	Approx. 7
George Roth, Geologist	Approx. 10	Approx. 4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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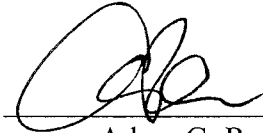
**ATTORNEYS FOR CHISHOLM ENERGY OPERATING,
LLC**

CERTIFICATE OF SERVICE

I hereby certify that on March 29, 2018, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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