

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JULY 12, 2018**

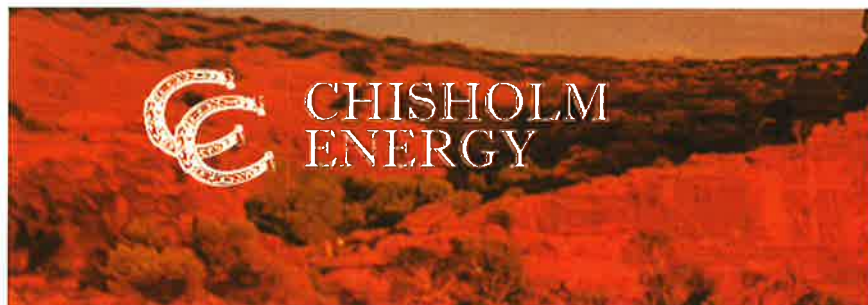
**CASE NOS. 16263 AND 16264**

*DIAMONDBACK 24-25 FED COM 2BS No. 2H WELL -AND-  
DIAMONDBACK 24-25 FED COM 1BS No. 3H WELL*

\*\*\*

*DIAMOND BACK 24-25 FED COM 2BS No. 1H WELL*

**LEA COUNTY, NEW MEXICO**



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 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 Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code 59475	<sup>3</sup> Pool Name TONTO; BONE SPRING
<sup>4</sup> Property Code	<sup>5</sup> Property Name DIAMONDBACK 24-25 FED COM 2BS		<sup>6</sup> Well Number 2H
<sup>7</sup> OGRID No. 372137	<sup>8</sup> Operator Name CHISHOLM ENERGY OPERATING, LLC		<sup>9</sup> Elevation 3621.5

<sup>10</sup> 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	24	19 S	32 E		125	NORTH	690	EAST	LEA

<sup>11</sup> 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	25	19 S	32 E		330	SOUTH	1220	EAST	LEA

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

	<p>NMSP EAST (FT) N = 601851.57 E = 727552.29</p> <p>NMSP EAST (FT) N = 601862.26 E = 730188.75</p> <p>LANDING POINT 510' FNL, 1220' FEL LAT. = 32.6516573°N LONG. = 103.7151224°W N = 601357.74 E = 731609.28 GRID AZ. TO LP S53°43'42"W HORIZ. DIST. 654.03 FT</p> <p>NMNM0086144</p> <p>NMNM0077006</p> <p>NMNM0077006</p> <p>NMNM012413</p> <p>NMSP EAST (FT) N = 596572.93 E = 727589.37</p> <p>NMSP EAST (FT) N = 596582.04 E = 730225.66</p> <p>NMSP EAST (FT) N = 591298.16 E = 730263.26</p> <p>NMSP EAST (FT) N = 591294.82 E = 727625.40</p>	<p>NMSP EAST (FT) N = 601872.23 E = 732825.47</p> <p>Diamondback 24-25 Fed Com 2BS 2H 125' FNL, 690' FEL ELEV. = 3621.5' LAT. = 32.6527122°N (NAD83) LONG. = 103.7134023°W NMSP EAST (FT) N = 601744.59 E = 732136.46</p> <p>1320' FSL, 1204' FEL LAT. = 32.642157 LONG. = -103.718323</p> <p>NMSP EAST (FT) N = 596590.09 E = 732861.81</p> <p>BOTTOM OF HOLE 330' FSL, 1220' FEL LAT. = 32.6249238°N LONG. = 103.7150810°W NMSP EAST (FT) N = 591631.77 E = 731678.63</p> <p>NMSP EAST (FT) N = 591305.02 E = 732901.22</p>	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jennifer Elrod</i> 5/18/18 Signature Date</p> <p>JENNIFER ELROD Printed Name</p> <p>jelrod@chisholmenenergy.com E-mail Address</p>
	<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>SEPTEMBER 26, 2017 Date of Survey</p> <p><i>William F. Jaramillo</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: WILLIAM F. JARAMILLO, PLS 12797 SURVEY NO. 5587</p>		
	<p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 1 Submitted by: Chisholm Energy Holdings Hearing Date: July 12, 2018 Case # 16263 &amp; 16264</p>		

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code 59475	<sup>3</sup> Pool Name TONTO, BONE SPRING
<sup>4</sup> Property Code	<sup>5</sup> Property Name DIAMONDBACK 24-25 FED COM 1BS	<sup>6</sup> Well Number 3H
<sup>7</sup> OGRID No. 372137	<sup>8</sup> Operator Name CHISHOLM ENERGY OPERATING, LLC	<sup>9</sup> Elevation 3619.6

<sup>10</sup> Surface Location

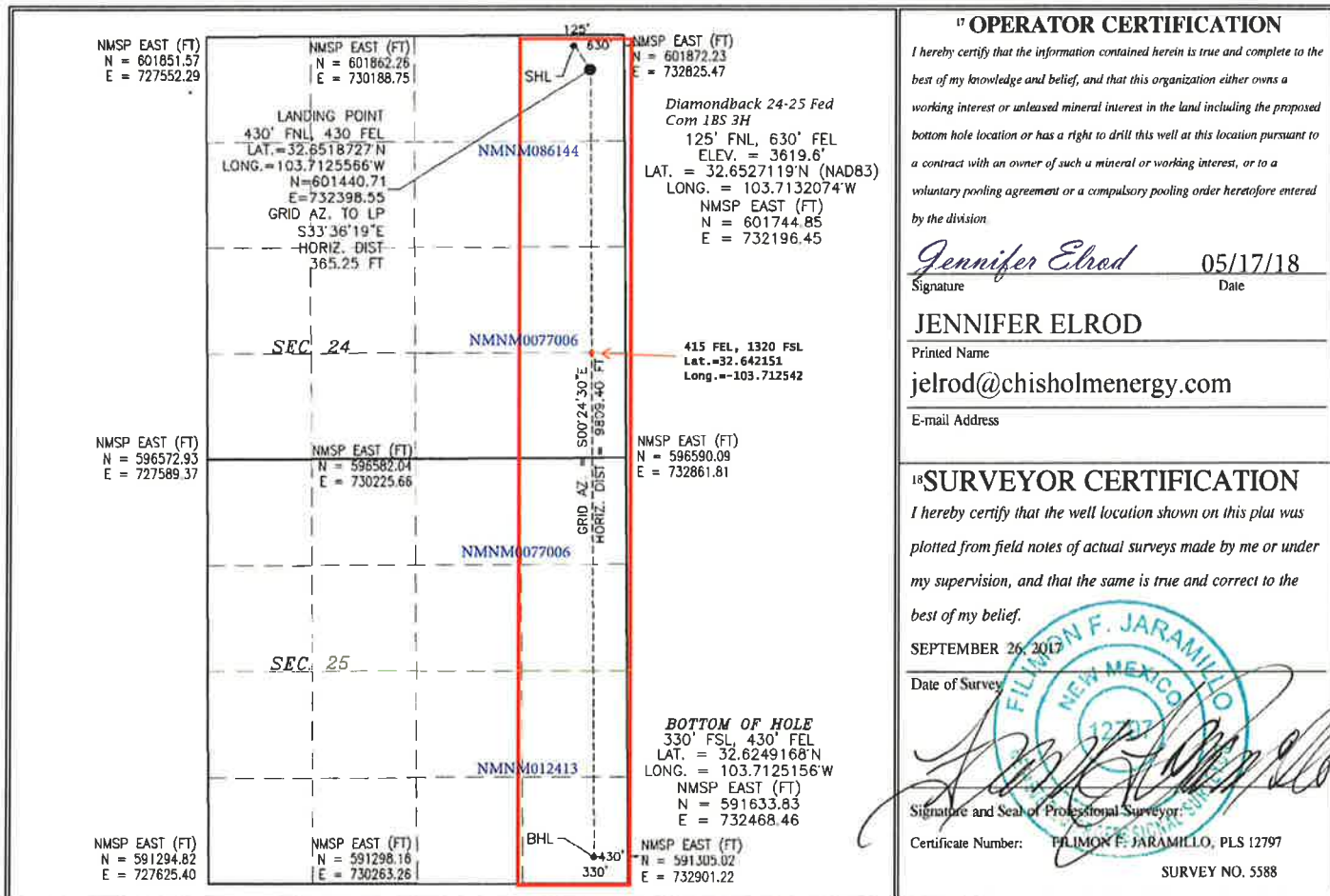
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	24	19 S	32 E		125	NORTH	630	EAST	LEA

<sup>11</sup> 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	25	19 S	32 E		330	SOUTH	430	EAST	LEA

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 2  
Submitted by: Chisholm Energy Holdings  
Hearing Date: July 12, 2018  
Case # 16263 & 16264

District I  
1625 N. French Dr., Hobbs, NM 88240  
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<sup>1</sup> API Number	<sup>2</sup> Pool Code 59475	<sup>3</sup> Pool Name TONTO, BONE SPRING
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<sup>7</sup> OGRID No. 372137	<sup>8</sup> Operator Name CHISHOLM ENERGY OPERATING, LLC	<sup>9</sup> Elevation 3619.8

<sup>10</sup> 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	24	19 S	32 E		125	NORTH	750	EAST	LEA

<sup>11</sup> 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	25	19 S	32 E		330	SOUTH	2210	EAST	LEA

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<p>NMSP EAST (FT) N = 601851.57 E = 727552.29</p> <p>NMSP EAST (FT) N = 601862.26 E = 730188.75</p> <p>LANDING POINT 330' FNL, 2210' FEL LAT. = 32.6521575°N LONG. = 103.7183388°W N = 601533.95 E = 730618.28 GRID AZ. TO LP S81°47'11"W HORIZ. DIST. 1473.68 FT</p> <p>NMSP EAST (FT) N = 596572.93 E = 727589.37</p> <p>NMSP EAST (FT) N = 598582.04 E = 730225.66</p> <p>NMSP EAST (FT) N = 591298.16 E = 730263.26</p> <p>NMSP EAST (FT) N = 601872.23 E = 732825.47</p> <p>Diamondback 24-25 Fed Com 2BS III 125' FNL, 750' FEL ELEV. = 3619.8' LAT. = 32.6527127°N (NAD83) LONG. = 103.7135971°W NMSP EAST (FT) N = 601744.44 E = 732076.50</p> <p>1320' FSL, 2194' FEL LAT. = 32.642164 LONG. = 103.718323</p> <p>NMSP EAST (FT) N = 596590.09 E = 732861.81</p> <p>BOTTOM OF HOLE 330' FSL, 2210' FEL LAT. = 32.6429325°N LONG. = 103.7182958°W NMSP EAST (FT) N = 591629.20 E = 730688.85</p> <p>NMSP EAST (FT) N = 591305.02 E = 732901.22</p>	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jennifer Elrod</i> 05/17/2018 Signature Date</p> <p>JENNIFER ELROD Printed Name</p> <p>jelrod@chisholmenergy.com E-mail Address</p>	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>FILIMON F. JARAMILLO Date of Survey</p> <p>SEPTEMBER 26, 2017</p> <p><i>Filimon F. Jaramillo</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: FILIMON F. JARAMILLO, PLS 12797 SURVEY NO. 5586</p>
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BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 3  
Submitted by: Chisholm Energy Holdings  
Hearing Date: July 12, 2018  
Case # 16263 & 16264



**Secs 24 & 25, T19S-R32E, Lea County, NM**


	Tract 1
	Tract 2
	Tract 3
	Tract 4

**Working Interest Ownership by Tract**

TRACT	WI OWNER	WORKING INTEREST
1	CHISHOLM ENERGY OPERATING, LLC	0.96919167
	TIMOTHY R. MACDONALD	0.00080833
	COG OPERATING, LLC	0.03000000
		1.00000000
2	CHISHOLM ENERGY OPERATING, LLC	0.99970486
	TIMOTHY R. MACDONALD	0.00029514
		1.00000000
3	CHISHOLM ENERGY OPERATING, LLC	0.99930122
	TIMOTHY R. MACDONALD	0.00069878
		1.00000000
4	CHISHOLM ENERGY OPERATING, LLC	0.99930122
	TIMOTHY R. MACDONALD	0.00069878
		1.00000000

**Proposed Unit Working Interest Ownership**

**E/2 E/2 Secs 24 & 25, T19S-R32E, Lea County, NM**

WI OWNER	WORKING INTEREST
CHISHOLM ENERGY OPERATING, LLC	0.99187474
TIMOTHY R. MACDONALD	0.00062526
COG OPERATING, LLC	0.00750000
	1.00000000

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

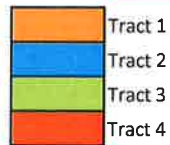
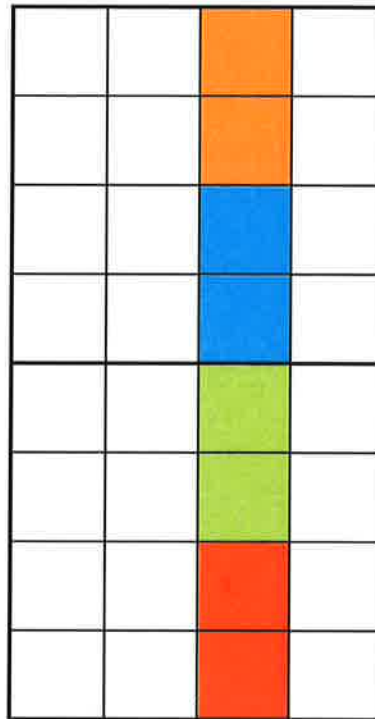
**Exhibit No. 4**

Submitted by: **Chisholm Energy Holdings**

Hearing Date: July 12, 2018

Case # 16263 & 16264

Secs 24 & 25, T19S-R32E, Lea County, NM



Working Interest Ownership by Tract

TRACT	WI OWNER	WORKING INTEREST
1	CHISHOLM ENERGY OPERATING, LLC	0.96919167
	TIMOTHY R. MACDONALD	0.00080833
	COG OPERATING, LLC	0.03000000
		1.00000000
2	CHISHOLM ENERGY OPERATING, LLC	0.99970486
	TIMOTHY R. MACDONALD	0.00029514
		1.00000000
3	CHISHOLM ENERGY OPERATING, LLC	0.99930122
	TIMOTHY R. MACDONALD	0.00069878
		1.00000000
4	CHISHOLM ENERGY OPERATING, LLC	0.99930122
	TIMOTHY R. MACDONALD	0.00069878
		1.00000000

Proposed Unit Working Interest Ownership

W/2 E/2 Secs 24 & 25, T19S-R32E, Lea County, NM

WI OWNER	WORKING INTEREST
CHISHOLM ENERGY OPERATING, LLC	0.99187474
TIMOTHY R. MACDONALD	0.00062526
COG OPERATING, LLC	0.00750000
	1.00000000



May 15, 2018

**VIA CERTIFIED MAIL:**

COG Operating, LLC  
One Concho Center  
600 W. Illinois Ave.  
Midland, Texas 79701

RE: Diamondback 24-25 Federal Com 2BS #2H  
W/2 E/2 of Section 24-T19S-R32E &  
W/2 E/2 of Section 25-T19S-R32E  
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of a horizontal 2<sup>nd</sup> Bone Spring well to a Measured Depth of approximately 19,900'. The expected surface location for this well is approximately 125' FNL & 690' FEL of Section 24-T19S-R32E with a bottom hole location of 330' FSL & 1,220' FEL of Section 25-T19S-R32E. Enclosed is our Authority for Expenditure ("AFE") reflecting estimated costs of \$6,314,350 for a completed well.

Chisholm is proposing to drill this well under the terms of a modified 1989 AAPL form Operating Agreement covering the E/2 of Section 24, Township 19 South, Range 32 East and the E/2 of Section 25, Township 19 South, Range 32 East, which is enclosed for your review and approval. Said Operating Agreement contains the following general provisions:

- 100/300 Non-consenting penalty
- \$7,500/\$750 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

According to our ownership, COG Operating, LLC, owns an undivided .0075 interest in the above captioned unit. Chisholm respectfully requests that you select one of the following options:

1. Participate with your interest in the drilling of the proposed well and execute the enclosed Operating Agreement.
2. Farmout/Assign your interest in the above captioned project area, subject to mutually agreeable terms.

Please indicate your election in the space provided below and return one copy of this letter to the undersigned. If you elect to participate under this well proposal, please sign and return one copy of the AFE, signature pages to the Operating Agreement and Memorandum of Operating Agreement. In the event all parties do not enter into an agreement to develop the proposed project area(s), Chisholm intends to file application(s) for compulsory pooling with the New Mexico Oil Conservation Division.

Please call at your earliest convenience to discuss our proposal.

**Chisholm Energy Operating, LLC**

Jacob Daniels  
Landman  
817-953-0737

Enclosures

\_\_\_\_\_ Elect to participate in the drilling of the Diamondback 24-25 Federal Com 2BS #2H.

\_\_\_\_\_ Elect to farmout/assign our interest on the Diamondback 24-25 Federal Com 2BS #2H.

**COG Operating, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Address: Chisholm Energy Operating, LLC 801 Cherry Street Suite 1200 Unit 20 Fort Worth, TX 76102

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 6  
Submitted by: Chisholm Energy Holdings  
Hearing Date: July 12, 2018  
Case # 16263 & 16264



# CHISHOLM ENERGY

## Statement of Estimated Well Cost (100%)

Well Diamondback 24-25 Fed 2BS 2H  
Field 2nd Bone Spring  
County, State: Lea, NM  
BHL: Horizontal  
Proposed TD: 19,900 MD 9,890 TVD  
Normal Pressure? Yes

		BCP	ACP	TOTAL
<b>COSTS TO CASING POINT: TANGIBLES</b>				
8510-400	Conductor Casing or Drive Pipe	\$15,000		\$15,000
8510-405	Surface Casing	\$43,540		\$43,540
8510-410	Intermediate Casing/Drig Liner	\$127,270		\$127,270
8510-415	Wellhead Equipment - Surface & MLS	\$20,000		\$20,000
8510-420	Other Sub-Surface Equipment	\$0		
8510-425	Cementing Equipment	\$14,050		\$14,050
8510-600	Nonoperated	\$0		
8510-700	Impairment	\$0		
8510-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - TANGIBLES</b>	<b>\$219,860</b>		<b>\$219,860</b>
<b>COSTS TO CASING POINT: INTANGIBLES</b>				
8500-100	Roads/Location	\$50,000		\$50,000
8500-105	Drilling Turnkey	\$0		
8500-110	Drilling Daywork	\$495,000		\$495,000
8500-115	Fuel/Power	\$120,000		\$120,000
8500-125	Equipment Rental	\$169,100		\$169,100
8500-130	Legal Fees	\$50,000		\$50,000
8500-135	Bonds, Permits and Inspection	\$20,000		\$20,000
8500-155	Mud and Chemicals	\$100,000		\$100,000
8500-160	Cementing Services	\$45,000		\$45,000
8500-170	Supervision/Consulting	\$70,400		\$70,400
8500-175	Casing and Other Tangible Crew	\$24,000		\$24,000
8500-180	Damages/Penalties	\$0		
8500-185	Coring and Analysis	\$0		
8500-190	Cuttings/Fluids Disposal	\$150,000		\$150,000
8500-195	Directional Drilling Services	\$378,500		\$378,500
8500-200	Drill Bits	\$60,000		\$60,000
8500-210	Surface Damages/ROW	\$0		
8500-215	Contract Labor and Services	\$4,000		\$4,000
8500-220	Mud Logging	\$0		
8500-235	Reclamation	\$0		
8500-240	Rig Mobilization/Demob	\$177,500		\$177,500
8500-245	Fishing Tools and Services	\$0		
8500-250	Testing-Drill Stem/Production	\$0		
8500-260	Wireline Services	\$20,000		\$20,000
8500-265	Water	\$29,000		\$29,000
8500-270	Camp Expenses	\$52,600		\$52,600
8500-285	Contingencies	\$112,048		\$112,048
8500-290	Environmental	\$0		
8500-300	Overhead	\$6,000		\$6,000
8500-350	Insurance	\$0		
8500-600	Nonoperated	\$0		
8500-700	Impairment	\$0		
8500-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - INTANGIBLES</b>	<b>\$2,133,148</b>		<b>\$2,133,148</b>
<b>COMPLETION COSTS: TANGIBLES</b>				
8530-415	Wellhead		\$30,000	\$30,000
8530-420	Subsurface Equipment		\$15,000	\$15,000
8530-500	Production Casing		\$278,202	\$278,202
8530-510	Tubing		\$44,505	\$44,505
8530-515	Rods		\$0	
8530-525	Artificial Lift Equipment		\$25,000	\$25,000
8530-530	Gas Metering Equipment		\$48,000	\$48,000
8530-535	LACT Unit		\$0	
8530-540	Production Facilities and Flowlines		\$120,000	\$120,000
8530-545	Pumping Unit		\$0	
8530-550	Separator, Heater, Treater		\$75,000	\$75,000
8530-555	Tank Battery		\$60,000	\$60,000
8530-560	Vapor Recovery Unit		\$0	
8530-590	Other Misc Equipment		\$25,000	\$25,000



8530-600	Nonoperated			\$0	
8530-700	Impairment			\$0	
8530-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - TANGIBLES</b>			<b>\$720,707</b>	<b>\$720,707</b>
	<b>COMPLETION COSTS: INTANGIBLES</b>				
8520-100	Roads/Location			\$10,000	\$10,000
8520-120	Perforating Services			\$211,500	\$211,500
8520-125	Equipment Rental			\$193,000	\$193,000
8520-135	Bonds, Permits and Inspection			\$0	
8520-145	Completion Unit			\$150,500	\$150,500
8520-150	Frac Plugs			\$47,000	\$47,000
8520-155	Mud and Chemicals			\$10,000	\$10,000
8520-160	Cementing Services			\$115,000	\$115,000
8520-165	Acidizing and Fracturing			\$2,115,000	\$2,115,000
8520-170	Supervision/Consulting			\$42,000	\$42,000
8520-175	Casing and Other Tangible Crew			\$25,000	\$25,000
8520-190	Cuttings/Fluids Disposal			\$0	
8520-200	Drill Bits			\$3,000	\$3,000
8520-210	Surface Damages/ROW			\$0	
8520-215	Contract Labor and Services			\$15,000	\$15,000
8520-230	Pump/Vacuum Trucks			\$20,000	\$20,000
8520-235	Reclamation			\$0	
8520-245	Fishing Tools and Services			\$0	
8520-250	Well Testing			\$84,000	\$84,000
8520-255	Trucking and Hauling			\$0	
8520-260	Wireline Services			\$5,000	\$5,000
8520-270	Camp Expenses			\$6,000	\$6,000
8520-275	Coiled Tubing Services			\$0	
8520-280	Frac Water			\$0	
8520-285	Contingencies			\$188,635	\$188,635
8520-290	Environmental			\$0	
8520-300	Overhead			\$0	
8520-350	Insurance			\$0	
8520-600	Nonoperated			\$0	
8520-700	Impairment			\$0	
8520-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - INTANGIBLES</b>			<b>\$3,240,635</b>	<b>\$3,240,635</b>
	<b>TOTAL WELL COST</b>		<b>\$2,353,008</b>	<b>\$3,961,342</b>	<b>\$6,314,350</b>

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_



May 15, 2018

**VIA CERTIFIED MAIL:**

COG Operating, LLC  
One Concho Center  
600 W. Illinois Ave.  
Midland, Texas 79701

RE: Diamondback 24-25 Federal Com 1BS #3H  
W/2 E/2 of Section 24-T19S-R32E &  
W/2 E/2 of Section 25-T19S-R32E  
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of a horizontal 1<sup>st</sup> Bone Spring well to a Measured Depth of approximately 18,950'. The expected surface location for this well is approximately 125' FNL & 630' FEL of Section 24-T19S-R32E with a bottom hole location of 330' FSL & 430' FEL of Section 25-T19S-R32E. Enclosed is our Authority for Expenditure ("AFE") reflecting estimated costs of \$6,279,916 for a completed well.

Chisholm is proposing to drill this well under the terms of a modified 1989 AAPL form Operating Agreement covering the E/2 of Section 24, Township 19 South, Range 32 East and the E/2 of Section 25, Township 19 South, Range 32 East, which is enclosed for your review and approval. Said Operating Agreement contains the following general provisions:

- 100/300 Non-consenting penalty
- \$7,500/\$750 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

According to our ownership, COG Operating, LLC, owns an undivided .0075 interest in the above captioned unit. Chisholm respectfully requests that you select one of the following options:

1. Participate with your interest in the drilling of the proposed well and execute the enclosed Operating Agreement.
2. Farmout/Assign your interest in the above captioned project area, subject to mutually agreeable terms.

Please indicate your election in the space provided below and return one copy of this letter to the undersigned. If you elect to participate under this well proposal, please sign and return one copy of the AFE, signature pages to the Operating Agreement and Memorandum of Operating Agreement. In the event all parties do not enter into an agreement to develop the proposed project area(s), Chisholm intends to file application(s) for compulsory pooling with the New Mexico Oil Conservation Division.

Please call at your earliest convenience to discuss our proposal.

**Chisholm Energy Operating, LLC**

Jacob Daniels  
Landman  
817-953-0737

Enclosures

\_\_\_\_\_ Elect to participate in the drilling of the Diamondback 24-25 Federal Com 1BS #3H.

\_\_\_\_\_ Elect to farmout/assign our interest on the Diamondback 24-25 Federal Com 1BS #3H.

**COG Operating, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Address: Chisholm Energy Operating, LLC 801 Cherry Street Suite 1200 Unit 20 Fort Worth, TX 76102

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. 7  
Submitted by: Chisholm Energy Holdings  
Hearing Date: July 12, 2018  
Case # 16263 & 16264



# CHISHOLM ENERGY

## Statement of Estimated Well Cost (100%)

Well	Diamondback 24-25 Fed 1BS 3H
Field	1st Bone Spring
County, State:	Lea, NM
BHL:	Horizontal
Proposed TD:	18,950 MD 8,887 TVD
Normal Pressure?	Yes

		BCP	ACP	TOTAL
<b>COSTS TO CASING POINT: TANGIBLES</b>				
8510-400	Conductor Casing or Drive Pipe	\$15,000		\$15,000
8510-405	Surface Casing	\$43,540		\$43,540
8510-410	Intermediate Casing/Drilg Liner	\$127,270		\$127,270
8510-415	Wellhead Equipment - Surface & MLS	\$20,000		\$20,000
8510-420	Other Sub-Surface Equipment	\$0		
8510-425	Cementing Equipment	\$14,050		\$14,050
8510-600	Nonoperated	\$0		
8510-700	Impairment	\$0		
8510-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - TANGIBLES</b>	<b>\$219,860</b>		<b>\$219,860</b>
<b>COSTS TO CASING POINT: INTANGIBLES</b>				
8500-100	Roads/Location	\$50,000		\$50,000
8500-105	Drilling Turnkey	\$0		
8500-110	Drilling Daywork	\$495,000		\$495,000
8500-115	Fuel/Power	\$120,000		\$120,000
8500-125	Equipment Rental	\$169,100		\$169,100
8500-130	Legal Fees	\$50,000		\$50,000
8500-135	Bonds, Permits and Inspection	\$20,000		\$20,000
8500-155	Mud and Chemicals	\$100,000		\$100,000
8500-160	Cementing Services	\$45,000		\$45,000
8500-170	Supervision/Consulting	\$70,400		\$70,400
8500-175	Casing and Other Tangible Crew	\$24,000		\$24,000
8500-180	Damages/Penalties	\$0		
8500-185	Coring and Analysis	\$0		
8500-190	Cuttings/Fluids Disposal	\$150,000		\$150,000
8500-195	Directional Drilling Services	\$378,500		\$378,500
8500-200	Drill Bits	\$60,000		\$60,000
8500-210	Surface Damages/ROW	\$0		
8500-215	Contract Labor and Services	\$4,000		\$4,000
8500-220	Mud Logging	\$0		
8500-235	Reclamation	\$0		
8500-240	Rig Mobilization/Demob	\$177,500		\$177,500
8500-245	Fishing Tools and Services	\$0		
8500-250	Testing-Drill Stem/Production	\$0		
8500-260	Wireline Services	\$20,000		\$20,000
8500-265	Water	\$29,000		\$29,000
8500-270	Camp Expenses	\$52,600		\$52,600
8500-285	Contingencies	\$112,048		\$112,048
8500-290	Environmental	\$0		
8500-300	Overhead	\$6,000		\$6,000
8500-350	Insurance	\$0		
8500-600	Nonoperated	\$0		
8500-700	Impairment	\$0		
8500-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - INTANGIBLES</b>	<b>\$2,133,148</b>		<b>\$2,133,148</b>
<b>COMPLETION COSTS: TANGIBLES</b>				
8530-415	Wellhead		\$30,000	\$30,000
8530-420	Subsurface Equipment		\$15,000	\$15,000
8530-500	Production Casing		\$264,921	\$264,921
8530-510	Tubing		\$39,992	\$39,992
8530-515	Rods		\$0	
8530-525	Artificial Lift Equipment		\$25,000	\$25,000
8530-530	Gas Metering Equipment		\$48,000	\$48,000
8530-535	LACT Unit		\$0	
8530-540	Production Facilities and Flowlines		\$120,000	\$120,000
8530-545	Pumping Unit		\$0	
8530-550	Separator, Heater, Treater		\$75,000	\$75,000
8530-555	Tank Battery		\$60,000	\$60,000
8530-560	Vapor Recovery Unit		\$0	
8530-590	Other Misc Equipment		\$25,000	\$25,000

8530-600	Nonoperated			\$0	
8530-700	Impairment			\$0	
8530-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - TANGIBLES</b>			<b>\$702,913</b>	<b>\$702,913</b>
	<b>COMPLETION COSTS: INTANGIBLES</b>				
8520-100	Roads/Location			\$10,000	\$10,000
8520-120	Perforating Services			\$211,500	\$211,500
8520-125	Equipment Rental			\$193,000	\$193,000
8520-135	Bonds, Permits and Inspection			\$0	
8520-145	Completion Unit			\$150,500	\$150,500
8520-150	Frac Plugs			\$47,000	\$47,000
8520-155	Mud and Chemicals			\$10,000	\$10,000
8520-160	Cementing Services			\$100,000	\$100,000
8520-165	Acidizing and Fracturing			\$2,115,000	\$2,115,000
8520-170	Supervision/Consulting			\$42,000	\$42,000
8520-175	Casing and Other Tangible Crew			\$25,000	\$25,000
8520-190	Cuttings/Fluids Disposal			\$0	
8520-200	Drill Bits			\$3,000	\$3,000
8520-210	Surface Damages/ROW			\$0	
8520-215	Contract Labor and Services			\$15,000	\$15,000
8520-230	Pump/Vacuum Trucks			\$20,000	\$20,000
8520-235	Reclamation			\$0	
8520-245	Fishing Tools and Services			\$0	
8520-250	Well Testing			\$84,000	\$84,000
8520-255	Trucking and Hauling			\$0	
8520-260	Wireline Services			\$5,000	\$5,000
8520-270	Camp Expenses			\$6,000	\$6,000
8520-275	Coiled Tubing Services			\$0	
8520-280	Frac Water			\$0	
8520-285	Contingencies			\$186,996	\$186,996
8520-290	Environmental			\$0	
8520-300	Overhead			\$0	
8520-350	Insurance			\$0	
8520-600	Nonoperated			\$0	
8520-700	Impairment			\$0	
8520-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - INTANGIBLES</b>			<b>\$3,223,996</b>	<b>\$3,223,996</b>
	<b>TOTAL WELL COST</b>		<b>\$2,353,008</b>	<b>\$3,926,908</b>	<b>\$6,279,916</b>

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_





May 15, 2018

**VIA CERTIFIED MAIL:**

COG Operating, LLC  
One Concho Center  
600 W. Illinois Ave.  
Midland, Texas 79701

RE: Diamondback 24-25 Federal Com 2BS #1H  
W/2 E/2 of Section 24-T19S-R32E &  
W/2 E/2 of Section 25-T19S-R32E  
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of a horizontal 2<sup>nd</sup> Bone Spring well to a Measured Depth of approximately 20,600'. The expected surface location for this well is approximately 125' FNL & 750' FEL of Section 24-T19S-R32E with a bottom hole location of 330' FSL & 2,210' FEL of Section 25-T19S-R32E. Enclosed is our Authority for Expenditure ("AFE") reflecting estimated costs of \$6,302,822 for a completed well.

Chisholm is proposing to drill this well under the terms of a modified 1989 AAPL form Operating Agreement covering the E/2 of Section 24, Township 19 South, Range 32 East and the E/2 of Section 25, Township 19 South, Range 32 East, which is enclosed for your review and approval. Said Operating Agreement contains the following general provisions:

- 100/300 Non-consenting penalty
- \$7,500/\$750 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

According to our ownership, COG Operating, LLC, owns an undivided .0075 interest in the above captioned unit. Chisholm respectfully requests that you select one of the following options:

1. Participate with your interest in the drilling of the proposed well and execute the enclosed Operating Agreement.
2. Farmout/Assign your interest in the above captioned project area, subject to mutually agreeable terms.

Please indicate your election in the space provided below and return one copy of this letter to the undersigned. If you elect to participate under this well proposal, please sign and return one copy of the AFE, signature pages to the Operating Agreement and Memorandum of Operating Agreement. In the event all parties do not enter into an agreement to develop the proposed project area(s), Chisholm intends to file application(s) for compulsory pooling with the New Mexico Oil Conservation Division.

Please call at your earliest convenience to discuss our proposal.

**Chisholm Energy Operating, LLC**

Jacob Daniels  
Landman  
817-953-0737

Enclosures

\_\_\_\_\_ Elect to participate in the drilling of the Diamondback 24-25 Federal Com 2BS #1H.

\_\_\_\_\_ Elect to farmout/assign our interest on the Diamondback 24-25 Federal Com 2BS #1H.

**COG Operating, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Address: Chisholm Energy Operating, LLC 801 Cherry Street Suite 1200 Unit 20 Fort Worth, TX 76102**

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. 8**  
Submitted by: **Chisholm Energy Holdings**  
Hearing Date: July 12, 2018  
Case # 16263 & 16264



### Statement of Estimated Well Cost (100%)

Well	Diamondback 24-25 Fed 2BS 1H	
Field	2nd Bone Spring	
County, State:	Lea, NM	
BHL:	Horizontal	
Proposed TD:	20,600 MD	9,720 TVD
Normal Pressure?	Yes	

		BCP	ACP	TOTAL
<b>COSTS TO CASING POINT: TANGIBLES</b>				
8510-400	Conductor Casing or Drive Pipe	\$15,000		\$15,000
8510-405	Surface Casing	\$43,540		\$43,540
8510-410	Intermediate Casing/Drilg Liner	\$127,270		\$127,270
8510-415	Wellhead Equipment - Surface & MLS	\$20,000		\$20,000
8510-420	Other Sub-Surface Equipment	\$0		
8510-425	Cementing Equipment	\$14,050		\$14,050
8510-600	Nonoperated	\$0		
8510-700	Impairment	\$0		
8510-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - TANGIBLES</b>	<b>\$219,860</b>		<b>\$219,860</b>
<b>COSTS TO CASING POINT: INTANGIBLES</b>				
8500-100	Roads/Location	\$50,000		\$50,000
8500-105	Drilling Turnkey	\$0		
8500-110	Drilling Daywork	\$495,000		\$495,000
8500-115	Fuel/Power	\$120,000		\$120,000
8500-125	Equipment Rental	\$169,100		\$169,100
8500-130	Legal Fees	\$50,000		\$50,000
8500-135	Bonds, Permits and Inspection	\$20,000		\$20,000
8500-155	Mud and Chemicals	\$100,000		\$100,000
8500-160	Cementing Services	\$45,000		\$45,000
8500-170	Supervision/Consulting	\$70,400		\$70,400
8500-175	Casing and Other Tangible Crew	\$24,000		\$24,000
8500-180	Damages/Penalties	\$0		
8500-185	Coring and Analysis	\$0		
8500-190	Cuttings/Fluids Disposal	\$150,000		\$150,000
8500-195	Directional Drilling Services	\$378,500		\$378,500
8500-200	Drill Bits	\$60,000		\$60,000
8500-210	Surface Damages/ROW	\$0		
8500-215	Contract Labor and Services	\$4,000		\$4,000
8500-220	Mud Logging	\$0		
8500-235	Reclamation	\$0		
8500-240	Rig Mobilization/Demob	\$177,500		\$177,500
8500-245	Fishing Tools and Services	\$0		
8500-250	Testing-Drill Stem/Production	\$0		
8500-260	Wireline Services	\$0		
8500-265	Water	\$29,000		\$29,000
8500-270	Camp Expenses	\$52,600		\$52,600
8500-285	Contingencies	\$111,048		\$111,048
8500-290	Environmental	\$0		
8500-300	Overhead	\$6,000		\$6,000
8500-350	Insurance	\$0		
8500-600	Nonoperated	\$0		
8500-700	Impairment	\$0		
8500-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - INTANGIBLES</b>	<b>\$2,112,148</b>		<b>\$2,112,148</b>
<b>COMPLETION COSTS: TANGIBLES</b>				
8530-415	Wellhead		\$30,000	\$30,000
8530-420	Subsurface Equipment		\$15,000	\$15,000
8530-500	Production Casing		\$287,988	\$287,988
8530-510	Tubing		\$43,740	\$43,740
8530-515	Rods		\$0	
8530-525	Artificial Lift Equipment		\$25,000	\$25,000
8530-530	Gas Metering Equipment		\$48,000	\$48,000
8530-535	LACT Unit		\$0	
8530-540	Production Facilities and Flowlines		\$120,000	\$120,000
8530-545	Pumping Unit		\$0	
8530-550	Separator, Heater, Treater		\$75,000	\$75,000
8530-555	Tank Battery		\$60,000	\$60,000
8530-560	Vapor Recovery Unit		\$0	
8530-590	Other Misc Equipment		\$25,000	\$25,000

8530-600	Nonoperated			\$0	
8530-700	Impairment			\$0	
8530-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - TANGIBLES</b>			<b>\$729,728</b>	<b>\$729,728</b>
	<b>COMPLETION COSTS: INTANGIBLES</b>				
8520-100	Roads/Location			\$10,000	\$10,000
8520-120	Perforating Services			\$211,500	\$211,500
8520-125	Equipment Rental			\$193,000	\$193,000
8520-135	Bonds, Permits and Inspection			\$0	
8520-145	Completion Unit			\$150,500	\$150,500
8520-150	Frac Plugs			\$47,000	\$47,000
8520-155	Mud and Chemicals			\$10,000	\$10,000
8520-160	Cementing Services			\$115,000	\$115,000
8520-165	Acidizing and Fracturing			\$2,115,000	\$2,115,000
8520-170	Supervision/Consulting			\$42,000	\$42,000
8520-175	Casing and Other Tangible Crew			\$25,000	\$25,000
8520-190	Cuttings/Fluids Disposal			\$0	
8520-200	Drill Bits			\$3,000	\$3,000
8520-210	Surface Damages/ROW			\$0	
8520-215	Contract Labor and Services			\$15,000	\$15,000
8520-230	Pump/Vacuum Trucks			\$20,000	\$20,000
8520-235	Reclamation			\$0	
8520-245	Fishing Tools and Services			\$0	
8520-250	Well Testing			\$84,000	\$84,000
8520-255	Trucking and Hauling			\$0	
8520-260	Wireline Services			\$5,000	\$5,000
8520-270	Camp Expenses			\$6,000	\$6,000
8520-275	Coiled Tubing Services			\$0	
8520-280	Frac Water			\$0	
8520-285	Contingencies			\$189,086	\$189,086
8520-290	Environmental			\$0	
8520-300	Overhead			\$0	
8520-350	Insurance			\$0	
8520-600	Nonoperated			\$0	
8520-700	Impairment			\$0	
8520-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - INTANGIBLES</b>			<b>\$3,241,086</b>	<b>\$3,241,086</b>
	<b>TOTAL WELL COST</b>		<b>\$2,332,008</b>	<b>\$3,970,814</b>	<b>\$6,302,822</b>

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by: \_\_\_\_\_ Date: \_\_\_\_\_

# Affidavit of Publication

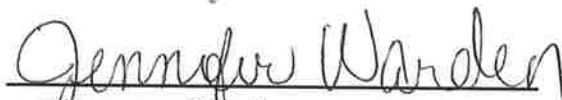
STATE OF NEW MEXICO  
COUNTY OF LEA

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).

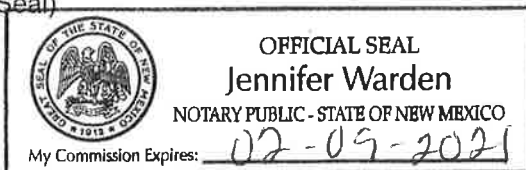
Beginning with the issue dated  
June 23, 2018  
and ending with the issue dated  
June 23, 2018.

  
Publisher

Sworn and subscribed to before me this  
23rd day of June 2018.

  
Administrative Coordinator

My commission expires  
February 09, 2021  
(Seal)



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

LEGAL	LEGAL	LEGAL
<p align="center"><b>LEGAL NOTICE</b> <b>JUNE 23, 2018</b></p> <p align="center"><b>STATE OF NEW MEXICO</b> <b>ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT</b> <b>OIL CONSERVATION DIVISION</b> <b>SANTA FE, NEW MEXICO</b></p> <p>The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on July 12, 2018, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by July 2, 2018. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.</p> <p align="center"><b>STATE OF NEW MEXICO TO:</b> All named parties and persons having any right, title, interest or claim in the following case and notice to the public.</p> <p>(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)</p> <p><b>To: All offset owners, overriding royalty interest, and pooled parties, including: COG Operating, LLC; Mewbourne Oil Co.; Sabre Oil &amp; Gas Ventures, LLC; Tandem Energy Corporation; George A. Chase, Jr. d/b/a G&amp;C Service; Cimarex Energy Company of Colorado; Marathon Oil Permian, LLC; XTO Holdings, LLC; Ray Westall Operating, Inc.; Barbara Jean Perkins, her heirs and devisees; Margaret Gill, her heirs and devisees; Charles E. Strange 1976 Trust #1, Monica Hauffer and Cher Futch, Co-Trustees; Surviving Spouse Trust, under the George Globe Trust No. 1, Dated Dec. 1, 1977, George Globe, Trustee; Nearburg Producing Company Employee Fund; Map2004-OK; Randall Harris, his heirs and devisees; Anadarko E&amp;P Onshore LLC.</b></p> <p><b>Case No. 16263: Application of Chisholm Energy Operating, LLC for an unorthodox well location, non-standard spacing and proration unit, and compulsory pooling, Lea County, New Mexico.</b> Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 24 and the E/2 E/2 of Section 25, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico; (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage; and (3) approving the proposed unorthodox well location. Said non-standard unit is to be dedicated to applicant's proposed <b>Diamondback 24-25 Fed Com 2BS No. 2H Well and Diamondback 24-25 Fed Com 1BS No. 3H Well</b>, which will be horizontally drilled from surface locations in the NE/4 NE/4 (Unit A) of Section 24 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 25. This project area is located within the Tonto; Bone Spring Pool (No. 59475). The completed interval for the <b>Diamondback 24-25 Fed Com 1BS No. 3H Well</b> will remain within the 330-foot standard offset required by the Division's rules. The completed interval for the <b>Diamondback 24-25 Fed Com 2BS No. 2H Well</b> will be at an unorthodox location because it is closer to the western and southwestern boundary of the proposed spacing and proration unit than allowed by the statewide rules. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 35 miles northwest of Carlsbad, New Mexico.</p> <p><b>#32942</b></p>		

67100754

00213786

HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE,, NM 87504-2208

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. 9**  
Submitted by: **Chisholm Energy Holdings**  
Hearing Date: July 12, 2018  
Case # 16263 & 16264



# 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).

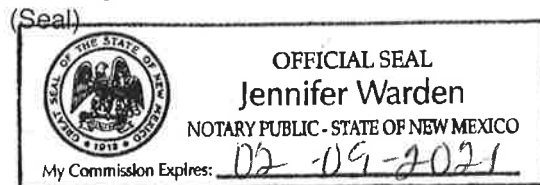
Beginning with the issue dated  
June 23, 2018  
and ending with the issue dated  
June 23, 2018.

  
Publisher

Sworn and subscribed to before me this  
23rd day of June 2018.

  
Administrative Coordinator

My commission expires  
February 09, 2021



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

LEGAL

LEGAL

LEGAL

## LEGAL NOTICE JUNE 23, 2018

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on July 12, 2018, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by July 2, 2018. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO TO:**  
All named parties and persons  
having any right, title, interest  
or claim in the following case  
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To: All offset owners, overriding royalty interest, and pooled parties, including:** COG Operating, LLC; Mewbourne Oil Co.; Sabre Oil & Gas Ventures, LLC; Tandem Energy Corporation; George A. Chase, Jr. d/b/a G&C Service; Cimarex Energy Company of Colorado; Marathon Oil Permian, LLC; XTO Holdings, LLC; Ray Westall Operating, Inc.; Barbara Jean Perkins, her heirs and devisees; Margaret Gill, her heirs and devisees; Charles E. Strange 1976 Trust #1, Monica Hauffer and Cher Futch, Co-Trustees; Surviving Spouse Trust, under the George Globe Trust No. 1, Dated Dec. 1, 1977, George Globe, Trustee; Nearburg Producing Company Employee Fund; Map2004-OK; Randall Harris, his heirs and devisees; Anadarko E&P Onshore LLC.

**Case No. 16264: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit, and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 24 and the W/2 E/2 of Section 25, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Diamondback 24-25 Fed Com 2BS No. 1H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 24 to a standard bottom hole location in the SW/4 SE/4 (Unit O) of Section 25. This project area is located within the Tonto Bone Spring Pool (No. 59475). The completed interval for the well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 35 miles northwest of Carlsbad, New Mexico.

#32940

67100754

00213781

HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE, NM 87504-2208





June 22, 2018

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Chisholm Energy Operating, LLC for an unorthodox well location, non-standard spacing and proration unit, and compulsory pooling, Lea County, New Mexico.**

**Diamondback Fed Com 2BS No. 2H Well**

**Diamondback Fed Com 1BS No. 3H Well**

Ladies & Gentlemen:

This letter is to advise you that Chisholm Energy Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on July 12, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices, located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address 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.

If you have any questions about this matter please contact Jacob Daniels at (817) 953-0737 or [jdaniels@chisholmenergy.com](mailto:jdaniels@chisholmenergy.com).

Sincerely,

Adam G. Rankin

**ATTORNEY FOR CHISHOLM ENERGY OPERATING,  
LLC**



June 22, 2018

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO: OFFSETTING LESSEES AND OPERATORS**

**Re: Application of Chisholm Energy Operating, LLC for an unorthodox well location, non-standard spacing and proration unit, and compulsory pooling, Lea County, New Mexico.**

**Diamondback Fed Com 2BS No. 2H Well**

**Diamondback Fed Com 1BS No. 3H Well**

This letter is to advise you that Chisholm Energy Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

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Sincerely,

Adam G. Rankin  
**ATTORNEY FOR CHISHOLM ENERGY OPERATING,  
LLC**



#	WI Owner Name	Address	Attention	City / State / Zip	Contact
1	COG Operating, LLC	One Concho Center 600 W. Illinois Ave	Attn: Outside Operated Properties	Midland, TX 79701	Mollie McAuliffe

CRPI

#	Name	Address	City, State Zip
1	Ray Westall Operating, Inc.	P.O. Box 4	Loco Hills, NM 88255
2	Barbara Jean Perkins	8820 Southwest 124th Street	Miami, FL 33176
3	Margaret Gill	5904 Chamisa Court, N.W.	Albuquerque, NM 87120
4	Charles E. Strange 1976 Trust #1, Monica Haufler and Cher Futch, Co-Trustees	P.O. Box 3066	Ocala, FL 34478
5	Surviving Spouse Trust, under the George Globe Trust No. 1, Dated Dec. 1, 1977, George Globe, Trustee	P.O. Box 11171	Bakersfield, CA 93389
6	Nearburg Producing Company Employee Fund	P.O. Box 823085	Dallas, TX 75382
7	Map2004-OK	101 N. Robinson, Suite 1000	Oklahoma City, OK 73102
8	Randall Harris	439 West James Funk Road	Lake Arthur, NM 88253
9	Anadarko E&P Onshore LLC	P.O. Box 1330	Houston, TX 77251
10	COG Operating, LLC	One Concho Center 600 W. Illinois Ave	Midland, TX 79701

offert

#	Operator Name	Street Address	City, State Zip	Phone Number
1	Mewbourne Oil Co.	P.O. Box 5270	Hobbs, NM 88241	575-393-5905
2	Sabre Oil & Gas Ventures, LLC	400 W. Illinois, Suite 950	Midland, TX 79701	432-685-0169
3	Tandem Energy Corporation	5065 Westheimer Road, Suite 920	Houston, TX 77056	713-364-7822
4	COG Operating, LLC	600 W. Illinois Avenue	Midland, TX 79701	432-685-4332
5	George A. Chase, Jr. d/b/a G&C Service	P.O. Box 1618	Artesia, NM 88211	575-703-6604
6	Cimarex Energy Company of Colorado	202 S. Cheyenne Avenue, Suite 1000	Tulsa, OK 74103	918-585-1100
7	Marathon Oil Permian, LLC	5555 San Felipe Street	Houston, TX 77056	713-296-2500
8	XTO Holdings, LLC	710 Houston Street	Fort Worth, TX 76102	817-870-2800

	A	B	D	E	G	H	I
42	9414810898765013720423	63654 - CHISHOLM DIAMOND BACK 2H 3H - 11	Ray Westall Operating Inc	PO Box 4	Loco Hills	NM	88255
43	9414810898765013720430	63654 - CHISHOLM DIAMOND BACK 2H 3H - 12	Barbara Jean Perkins	8820 Southwest 124th Street	Miami	FL	33176
44	9414810898765013720447	63654 - CHISHOLM DIAMOND BACK 2H 3H - 13	Margaret Gill	5904 Chamisa Court NW	Albuquerque	NM	87120
45	9414810898765013720454	63654 - CHISHOLM DIAMOND BACK 2H 3H - 14	Charles E Strange Monica Hauffer and Cher Fu	PO Box 3066	Ocala	FL	34478
46	9414810898765013720461	63654 - CHISHOLM DIAMOND BACK 2H 3H - 15	George Globe Trustee	PO Box 11171	Bakersfield	CA	93389
47	9414810898765013720485	63654 - CHISHOLM DIAMOND BACK 2H 3H - 16	Nearburg Producing Company Employee Fund	PO Box 823085	Dallas	TX	75382
48	9414810898765013720492	63654 - CHISHOLM DIAMOND BACK 2H 3H - 17	Map2004-OK	101 N Robinson Suite 1000	Oklahoma City	OK	73102
49	9414810898765013720508	63654 - CHISHOLM DIAMOND BACK 2H 3H - 18	Randall Harris	439 West James Funk Road	Lake Arthur	NM	88253
50	9414810898765013720515	63654 - CHISHOLM DIAMOND BACK 2H 3H - 19	Anadarko E&P Onshore LLC	PO Box 1330	Houston	TX	77251
51	9414810898765013720355	63654 - CHISHOLM DIAMOND BACK 2H 3H - 20	Barbara Jean Perkins	8820 Southwest 124th Street	Miami	FL	33176
52	9414810898765013720522	63654 - CHISHOLM DIAMOND BACK 2H 3H - 21	COG Operating LLC	One Concho Center 600 W Illinois At Midland	Midland	TX	79701
53	9414810898765013720539	63654 - CHISHOLM DIAMOND BACK 2H 3H - 22	Mewbourne Oil Co.	P.O. Box 5270	Hobbs	NM	88241
54	9414810898765013720546	63654 - CHISHOLM DIAMOND BACK 2H 3H - 23	Sabre Oil & Gas Ventures, LLC	400 W. Illinois, Suite 950	Midland	TX	79701
55	9414810898765013720560	63654 - CHISHOLM DIAMOND BACK 2H 3H - 24	Tandem Energy Corporation	5065 Westheimer Road, Suite 920	Houston	TX	77056
56	9414810898765013720577	63654 - CHISHOLM DIAMOND BACK 2H 3H - 25	COG Operating, LLC	600 W. Illinois Avenue	Midland	TX	79701
57	9414810898765013720584	63654 - CHISHOLM DIAMOND BACK 2H 3H - 26	George A. Chase, Jr. d/b/a G&C Service	P.O. Box 1618	Artesia	NM	88211
58	9414810898765013720591	63654 - CHISHOLM DIAMOND BACK 2H 3H - 27	Cimarex Energy Company of Colorado	202 S. Creyenne Avenue, Suite 100	Tulsa	OK	74103
59	9414810898765013720362	63654 - CHISHOLM DIAMOND BACK 2H 3H - 28	Margaret Gill	5904 Chamisa Court, N.W.	Albuquerque	NM	87120
60	9414810898765013720379	63654 - CHISHOLM DIAMOND BACK 2H 3H - 29	Charles E. Strange 1976 Trust #1, Monica Hau	P.O. Box 3066	Ocala	FL	34478
61	9414810898765013720386	63654 - CHISHOLM DIAMOND BACK 2H 3H - 30	Surviving Spouse Trust, under the George Gloi	P.O. Box 11171	Bakersfield	CA	93389
62	9414810898765013720393	63654 - CHISHOLM DIAMOND BACK 2H 3H - 31	Map2004-OK	101 N. Robinson, Suite 1000	Oklahoma City	OK	73102
63	9414810898765013720409	63654 - CHISHOLM DIAMOND BACK 2H 3H - 32	Randall Harris	439 West James Funk Road	Lake Arthur	NM	88253
64	9414810898765013720416	63654 - CHISHOLM DIAMOND BACK 2H 3H - 33	Anadarko E&P Onshore LLC	P.O. Box 1330	Houston	TX	77251



	L	P	S		W
42	06/22/2018	06/26/2018	Your item was delivered at 11:48 am on June 25, 2018 in LOCO HILLS, NM 88255.		NO
43	06/22/2018	06/30/2018	Your item was delivered to an individual at the address at 4:35 pm on June 25, 2018 in MIAMI, FL 33176.		NO
44	06/22/2018		The item is currently in transit to the next facility as of June 26, 2018.		YES
45	06/22/2018		The item is currently in transit to the next facility as of June 27, 2018.		YES
46	06/22/2018	06/27/2018	Your item was delivered at 8:04 am on June 26, 2018 in BAKERSFIELD, CA 93389.		NO
47	06/22/2018	06/26/2018	Your item was delivered at 11:42 am on June 25, 2018 in DALLAS, TX 75382.		NO
48	06/22/2018	06/26/2018	Your item was delivered to the front desk or reception area at 11:56 am on June 25, 2018 in OKLAHOMA CITY, OK		NO
49	06/22/2018	06/30/2018	Your item was delivered at 9:20 am on June 29, 2018 in LAKE ARTHUR, NM 88253.		NO
50	06/22/2018	06/27/2018	Your item was delivered at 4:49 am on June 26, 2018 in HOUSTON, TX 77210.		NO
51	06/22/2018	06/27/2018	Your item was delivered to an individual at the address at 4:35 pm on June 25, 2018 in MIAMI, FL 33176.		NO
52	06/22/2018	06/27/2018	Your item was delivered to an individual at the address at 12:23 pm on June 26, 2018 in MIDLAND, TX 79701.		NO
53	06/22/2018	06/27/2018	Your item was picked up at a postal facility at 12:38 pm on June 25, 2018 in HOBBS, NM 88240.		NO
54	06/22/2018	06/27/2018	Your item was delivered to an individual at the address at 10:34 am on June 26, 2018 in MIDLAND, TX 79701.		NO
55	06/22/2018	06/27/2018	Your item was delivered to an individual at the address at 2:45 pm on June 26, 2018 in HOUSTON, TX 77056.		NO
56	06/22/2018	06/27/2018	Your item was delivered to an individual at the address at 12:23 pm on June 26, 2018 in MIDLAND, TX 79701.		NO
57	06/22/2018	06/27/2018	Your item was delivered at 3:54 pm on June 25, 2018 in ARTESIA, NM 88210.		NO
58	06/22/2018	06/26/2018	Your item was delivered to an individual at the address at 10:25 am on June 25, 2018 in TULSA, OK 74103.		NO
59	06/22/2018		The item is currently in transit to the next facility as of June 26, 2018.		YES
60	06/22/2018		The item is currently in transit to the next facility as of June 27, 2018.		YES
61	06/22/2018	06/27/2018	Your item was delivered at 8:04 am on June 26, 2018 in BAKERSFIELD, CA 93389.		NO
62	06/22/2018	06/26/2018	Your item was delivered to the front desk or reception area at 11:56 am on June 25, 2018 in OKLAHOMA CITY, OK		NO
63	06/22/2018	06/30/2018	Your item was delivered at 9:20 am on June 29, 2018 in LAKE ARTHUR, NM 88253.		NO
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June 22, 2018

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.**  
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Sincerely,

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**ATTORNEY FOR CHISHOLM ENERGY OPERATING,  
LLC**



June 22, 2018

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010101

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6	Nearburg Producing Company Employee Fund	P.O. Box 823085	Dallas, TX 75382
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8	Randall Harris	439 West James Funk Road	Lake Arthur, NM 88253
9	Anadarko E&P Onshore LLC	P.O. Box 1330	Houston, TX 77251
10	COG Operating, LLC	One Concho Center 600 W. Illinois Ave	Midland, TX 79701



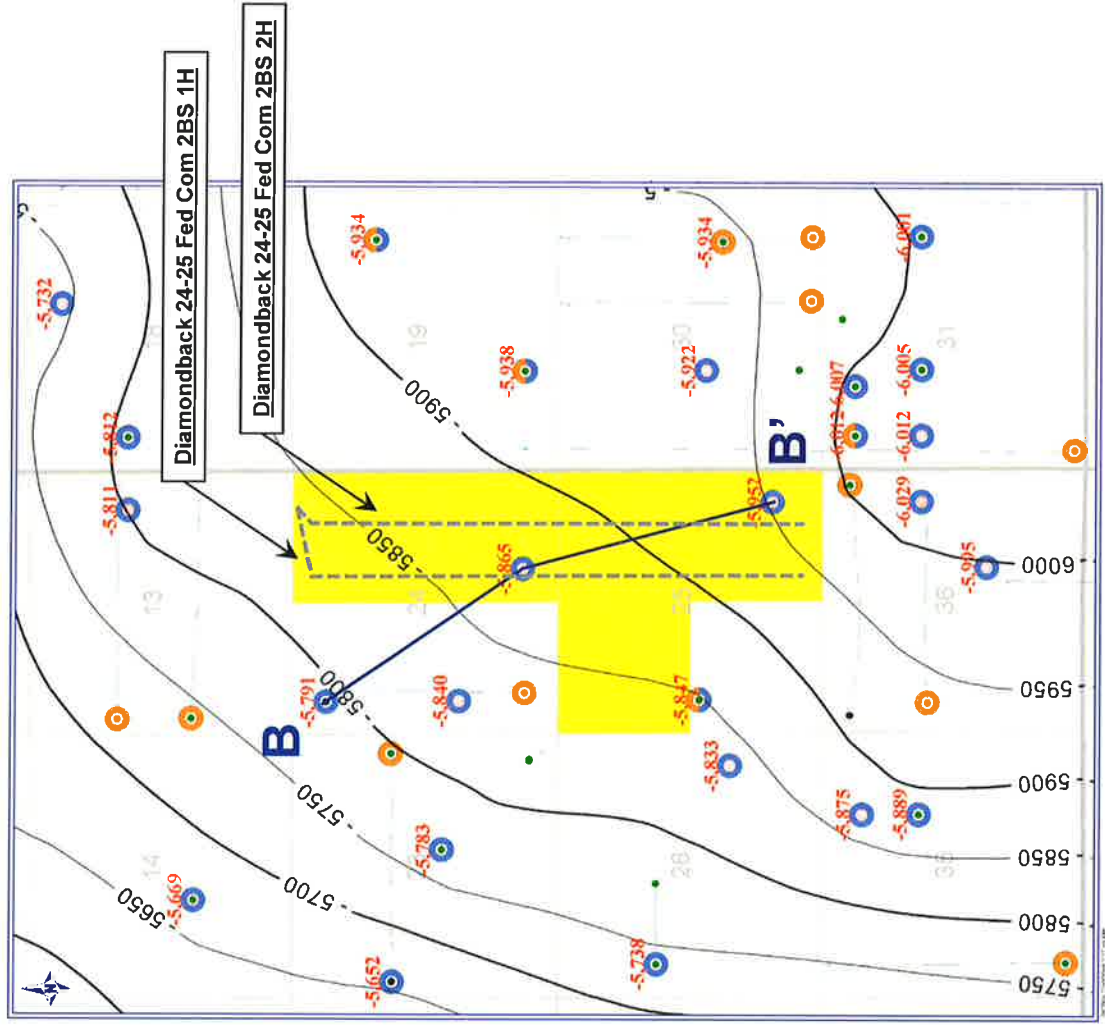
offset

#	Operator Name	Street Address	City, State Zip	Phone Number
1	Mewbourne Oil Co.	P.O. Box 5270	Hobbs, NM 88241	575-393-5905
2	Sabre Oil & Gas Ventures, LLC	400 W. Illinois, Suite 950	Midland, TX 79701	432-685-0169
3	Tandem Energy Corporation	5065 Westheimer Road, Suite 920	Houston, TX 77056	713-364-7822
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5	George A. Chase, Jr. d/b/a G&C Service	P.O. Box 1618	Artesia, NM 88211	575-703-6604
6	Cimarex Energy Company of Colorado	202 S. Cheyenne Avenue, Suite 1000	Tulsa, OK 74103	918-585-1100
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8	XTO Holdings, LLC	710 Houston Street	Fort Worth, TX 76102	817-870-2800

	A	B	D	E	G	H	I
19	9414810898765013720188	63654 - CHISHOLM DIAMOND BACK 1H - 11	Ray Westall Operating Inc	PO Box 4	Loco Hills	NM	88255
20	9414810898765013720195	63654 - CHISHOLM DIAMOND BACK 1H - 12	Barbara Jean Perkins	8820 Southwest 124th Street	Miami	FL	33176
21	9414810898765013720201	63654 - CHISHOLM DIAMOND BACK 1H - 13	Margaret Gill	5904 Chamisa Court NW	Albuquerque	NM	87120
22	9414810898765013720218	63654 - CHISHOLM DIAMOND BACK 1H - 14	Charles E Strange Monica Haufler and Cher Fu	PO Box 3066	Ocala	FL	34478
23	9414810898765013720225	63654 - CHISHOLM DIAMOND BACK 1H - 15	George Globe Trustee	PO Box 11171	Bakersfield	CA	93389
24	9414810898765013720232	63654 - CHISHOLM DIAMOND BACK 1H - 16	Nearburg Producing Company Employee Fund	PO Box 823085	Dallas	TX	75382
25	9414810898765013720249	63654 - CHISHOLM DIAMOND BACK 1H - 17	Map2004-OK	101 N Robinson Suite 1000	Oklahoma City	OK	73102
26	9414810898765013720256	63654 - CHISHOLM DIAMOND BACK 1H - 18	Randall Harris	439 West James Funk Road	Lake Arthur	NM	88253
27	9414810898765013720263	63654 - CHISHOLM DIAMOND BACK 1H - 19	Anadarko E&P Onshore LLC	PO Box 1330	Houston	TX	77251
28	9414810898765013720119	63654 - CHISHOLM DIAMOND BACK 1H - 2	Barbara Jean Perkins	8820 Southwest 124th Street	Miami	FL	33176
29	9414810898765013720270	63654 - CHISHOLM DIAMOND BACK 1H - 20	COG Operating LLC	One Concho Center 600 W Illinois A	Midland	TX	79701
30	9414810898765013720294	63654 - CHISHOLM DIAMOND BACK 1H - 21	Newbourne Oil Co.	P.O. Box 5270	Hobbs	NM	88241
31	9414810898765013720300	63654 - CHISHOLM DIAMOND BACK 1H - 22	Sabre Oil & Gas Ventures, LLC	400 W. Illinois, Suite 950	Midland	TX	79701
32	9414810898765013720317	63654 - CHISHOLM DIAMOND BACK 1H - 23	Tandem Energy Corporation	5065 Westheimer Road, Suite 920	Houston	TX	77056
33	9414810898765013720324	63654 - CHISHOLM DIAMOND BACK 1H - 24	COG Operating, LLC	600 W. Illinois Avenue	Midland	TX	79701
34	9414810898765013720331	63654 - CHISHOLM DIAMOND BACK 1H - 25	George A. Chase, Jr. d/b/a G&C Service	P.O. Box 1618	Artesia	NM	88211
35	9414810898765013720348	63654 - CHISHOLM DIAMOND BACK 1H - 26	Cimarex Energy Company of Colorado	202 S. Cheyenne Avenue, Suite 100	Tulsa	OK	74103
36	9414810898765013720126	63654 - CHISHOLM DIAMOND BACK 1H - 3	Margaret Gill	5904 Chamisa Court, N.W.	Albuquerque	NM	87120
37	9414810898765013720133	63654 - CHISHOLM DIAMOND BACK 1H - 4	Charles E. Strange 1976 Trust #1, Monica Hau	P.O. Box 3066	Ocala	FL	34478
38	9414810898765013720140	63654 - CHISHOLM DIAMOND BACK 1H - 5	Surviving Spouse Trust, under the George Glo	P.O. Box 11171	Bakersfield	CA	93389
39	9414810898765013720157	63654 - CHISHOLM DIAMOND BACK 1H - 7	Map2004-OK	101 N. Robinson, Suite 1000	Oklahoma City	OK	73102
40	9414810898765013720164	63654 - CHISHOLM DIAMOND BACK 1H - 8	Randall Harris	439 West James Funk Road	Lake Arthur	NM	88253
41	9414810898765013720171	63654 - CHISHOLM DIAMOND BACK 1H - 9	Anadarko E&P Onshore LLC	P.O. Box 1330	Houston	TX	77251

	L	P	S	W
19	06/22/2018	06/26/2018	Your item was delivered at 11:48 am on June 25, 2018 in LOCO HILLS, NM 88255.	NO
20	06/22/2018	06/27/2018	Your item was delivered to an individual at the address at 4:35 pm on June 25, 2018 in MIAMI, FL 33176.	NO
21	06/22/2018		The item is currently in transit to the next facility as of June 26, 2018.	YES
22	06/22/2018		The item is currently in transit to the next facility as of June 27, 2018.	YES
23	06/22/2018	06/27/2018	Your item was delivered at 8:04 am on June 26, 2018 in BAKERSFIELD, CA 93389.	NO
24	06/22/2018	06/26/2018	Your item was delivered at 11:42 am on June 25, 2018 in DALLAS, TX 75382.	NO
25	06/22/2018	06/26/2018	Your item was delivered to the front desk or reception area at 11:56 am on June 25, 2018 in OKLAHOMA CITY, OK	NO
26	06/22/2018	06/30/2018	Your item was delivered at 9:20 am on June 29, 2018 in LAKE ARTHUR, NM 88253.	NO
27	06/22/2018	06/27/2018	Your item was delivered at 4:49 am on June 26, 2018 in HOUSTON, TX 77210.	NO
28	06/22/2018	06/26/2018	Your item was delivered to an individual at the address at 4:35 pm on June 25, 2018 in MIAMI, FL 33176.	NO
29	06/22/2018	06/27/2018	Your item was delivered to an individual at the address at 12:38 pm on June 25, 2018 in MIDLAND, TX 79701.	NO
30	06/22/2018	06/26/2018	Your item was picked up at a postal facility at 12:38 pm on June 25, 2018 in HOBBS, NM 88240.	NO
31	06/22/2018	06/27/2018	Your item was delivered to an individual at the address at 10:34 am on June 26, 2018 in MIDLAND, TX 79701.	NO
32	06/22/2018	06/27/2018	Your item was delivered to an individual at the address at 2:45 pm on June 26, 2018 in HOUSTON, TX 77056.	NO
33	06/22/2018	06/28/2018	Your item was delivered to an individual at the address at 12:23 pm on June 26, 2018 in MIDLAND, TX 79701.	NO
34	06/22/2018	06/26/2018	Your item was delivered at 3:55 pm on June 25, 2018 in ARTESIA, NM 88210.	NO
35	06/22/2018	06/26/2018	Your item was delivered to an individual at the address at 10:25 am on June 25, 2018 in TULSA, OK 74103.	NO
36	06/22/2018		The item is currently in transit to the next facility as of June 26, 2018.	YES
37	06/22/2018		The item is currently in transit to the next facility as of June 27, 2018.	YES
38	06/22/2018	06/27/2018	Your item was delivered at 8:04 am on June 26, 2018 in BAKERSFIELD, CA 93389.	NO
39	06/22/2018	06/27/2018	Your item was delivered to the front desk or reception area at 11:56 am on June 25, 2018 in OKLAHOMA CITY, OK	NO
40	06/22/2018	06/30/2018	Your item was delivered at 9:20 am on June 29, 2018 in LAKE ARTHUR, NM 88253.	NO
41	06/22/2018	06/27/2018	Your item was delivered at 4:49 am on June 26, 2018 in HOUSTON, TX 77210.	NO

<b>Lea County, NM</b>	
<b>Diamondback Prospect</b>	
S 24 & 25/T 19S/ R 32E	
Top 2nd Bone Spring Sandstone	
Subsea Structure Map	
Chisholm Energy Leasehold <div></div>	
POSTED WELL DATA FMTOPS -2ND_BONE_SPRING_SS[DATE] (SS) (FEET) <div></div>	
ATTRIBUTE MAP <div> <div></div> 2ND BONE SPRING PRODUCER  <div></div> TOP 2ND BONE SPRING SANDSTONE PICK </div>	
REMARKS Contour Interval: 50 Ft Wells > 8,000 ft	
By: Joshua Kuhn	

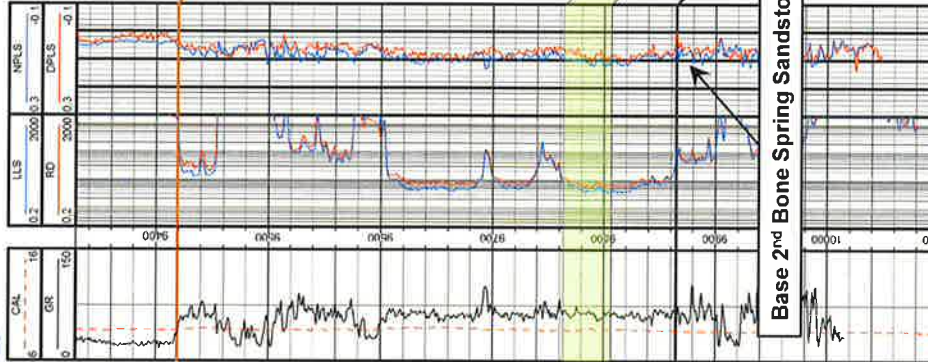


**NW**

**CIMAREX**  
LUSK '24' EAST FED  
39957

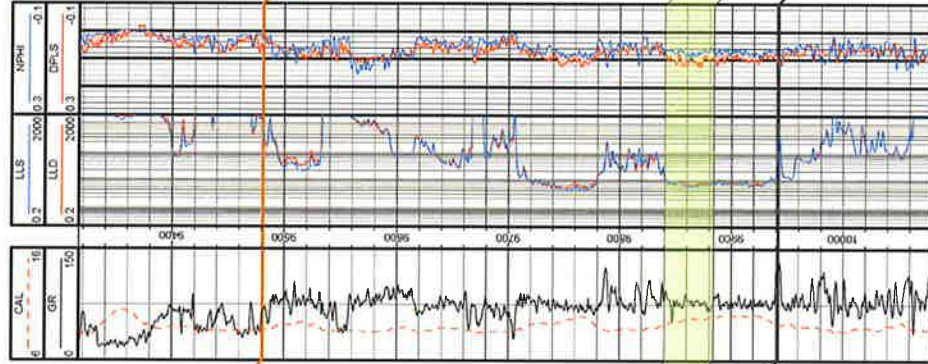
**B**

Subsea  
Depth(ft)  
-5700 -  
-5800 -  
-5900 -  
-6000 -  
-6100 -  
-6200 -  
-6300 -  
-6400 -



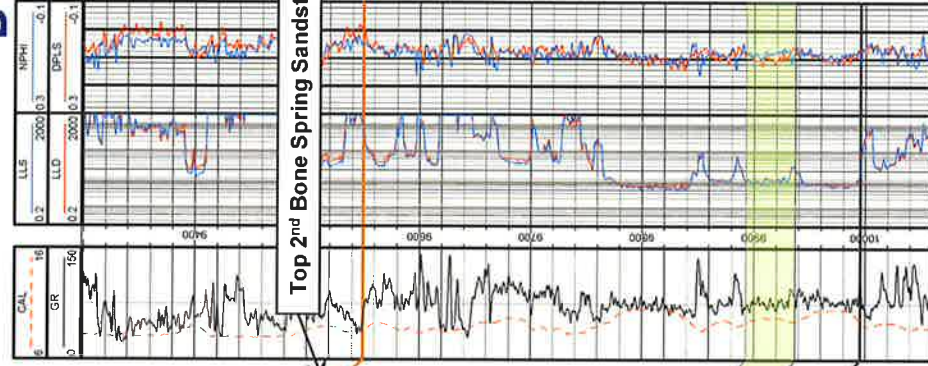
**CHISHOLM**  
DIAMONDBACK '24' FED  
35622

**B'**



**CHISHOLM**  
DIAMONDBACK '25' FED  
34679

**B'**



Top 2nd Bone Spring Sandstone



Lea County, NM

Diamondback Prospect

S 24 & 25T 19S/ R 32E

Subsea Structural Cross Section (B-B')

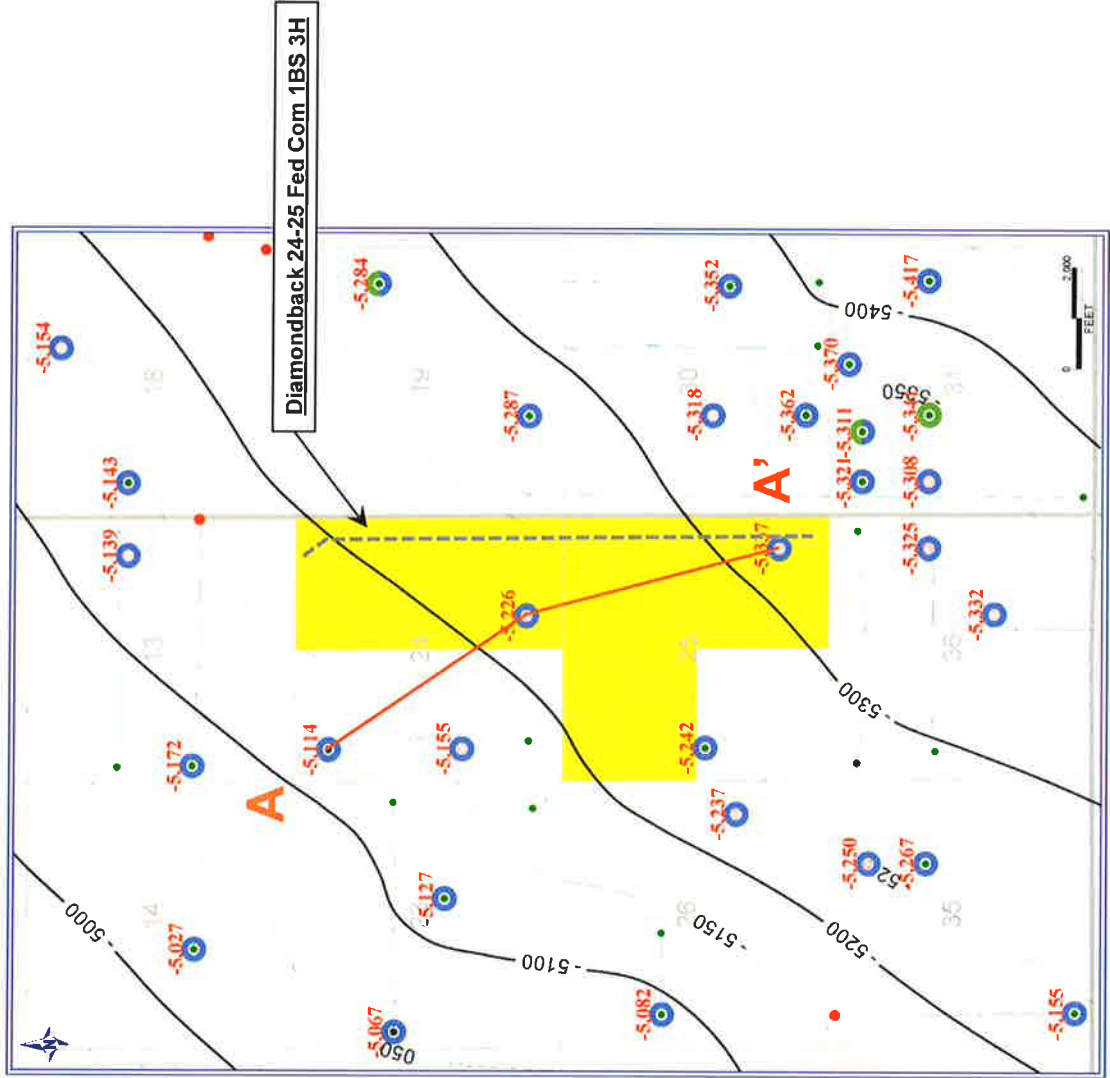
2nd Bone Spring Sandstone

Copyright  
Well Name  
Well Number  
All Rights

By: Joshua Kuhn



<b>Lea County, NM</b>	
<b>Diamondback Prospect</b>	
S 24 & 25/T 19S/R 32E Top 1st Bone Spring Sandstone Subsea Structure Map	
Chisholm Energy Leasehold	
POSTED WELL DATA FATTOPS-1ST_BONE_SPRING_SS[PICK] (SS) (FIELD)	
ATTRIBUTE MAP  1ST BONE SPRING PRODUCER TOP 1ST BONE SPRING SANDSTONE PICK	
REMARKS Contour Interval: 50 Ft Wells > 8,000 ft	
By: Joshua Kuhn	



NW

CIMAREX  
LUSK '24 EAST FED



A

CHISHOLM  
DIAMONDBACK '24 FED



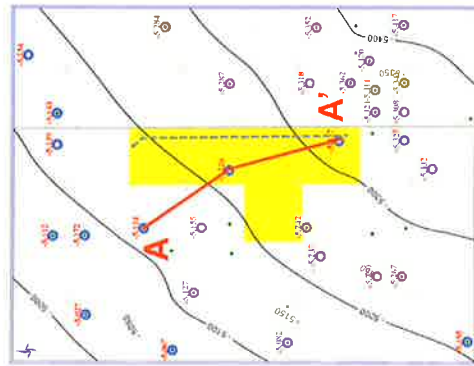
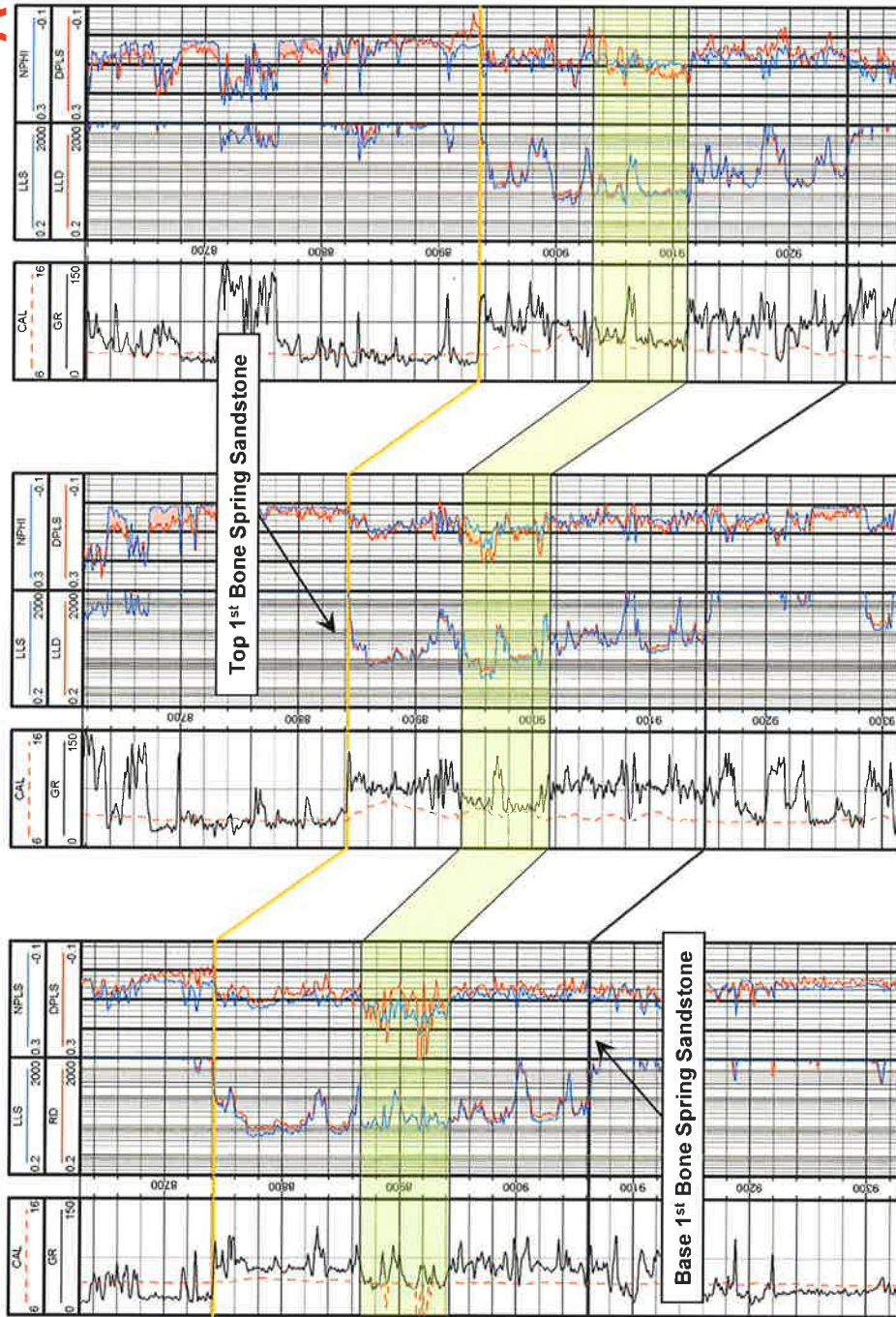
A'

CHISHOLM  
DIAMONDBACK '25 FED



SE

Subsea  
Depth(ft)  
-5000 -  
-5100 -  
-5200 -  
Target  
Interval  
-5300 -  
-5400 -  
-5500 -  
-5600 -  
-5700 -



Lea County, NM

Diamondback Prospect

S 24 & 25/T 19S/R 32E

Subsea Structural Cross Section (A - A')

1st Bone Spring Sandstone

Geologist  
Well Name  
Well Number  
API Number

By Joshua Kuhn

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 14

Submitted by: Chisholm Energy Holdings

Hearing Date: July 12, 2018

Case # 16263 & 16264