

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, LEA COUNTY, NEW MEXICO.**

CASE NOS. 16397

CHISHOLM ENERGY OPERATING, LLC'S
PRE-HEARING STATEMENT

Chisholm Energy Operating, LLC ("Chisholm") (OGRID No. 327137) submits this
Prehearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Chisholm Energy Operating LLC

ATTORNEY

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OTHER APPEARANCES

Premier Oil & Gas, Inc.

ATTORNEYS

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APPLICANT'S STATEMENT OF CASE

Since the amendments to the Horizontal Well rules remain effective, Chisholm hereby dismisses the portion of the application seeking to create a non-standard spacing and proration unit. Chisholm seeks an Order pooling all uncommitted interests in the Wolfcamp formation underlying a 640-acre, more or less, standard spacing and proration unit comprised of the E/2 of Section 32, Township 22 South, Range 26 East, NMPM, and Lots 1 and 2, the S/2 NE/4, and the SE/4 [E/2 equivalent] of Section 5, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. This standard spacing and proration unit will be dedicated to applicant's proposed **Bodacious 5-32 Fed Com WCA No. 6H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 5 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 32. The completed interval for this well will remain within the standard offset required by the Special Rules for the Purple Sage Wolfcamp Pool.

APPLICANT'S PROPOSED EVIDENCE

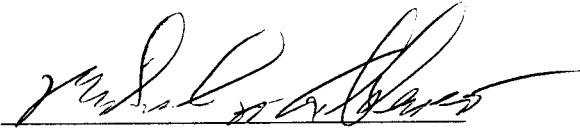
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Davis Armour – Landman	Approx. 10	Approx. 5
Josh Kuhn – Geologist	Approx. 10	Approx. 4

PROCEDURAL MATTERS

Since all the interest owners in the subject acreage have been contacted and do not oppose this pooling application, Chisholm intends to present this case by affidavits.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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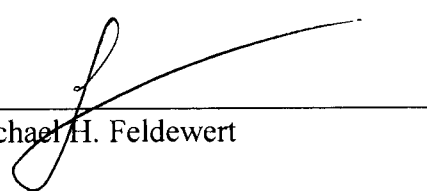
**ATTORNEYS FOR
CHISHOLM ENERGY OPERATING, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on August 30, 2018, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Ernest L. Padilla
PO Box 2523
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505-988-7577

Attorney for Premier Oil & Gas, Inc


Michael H. Feldewert