

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JANUARY 24, 2019**

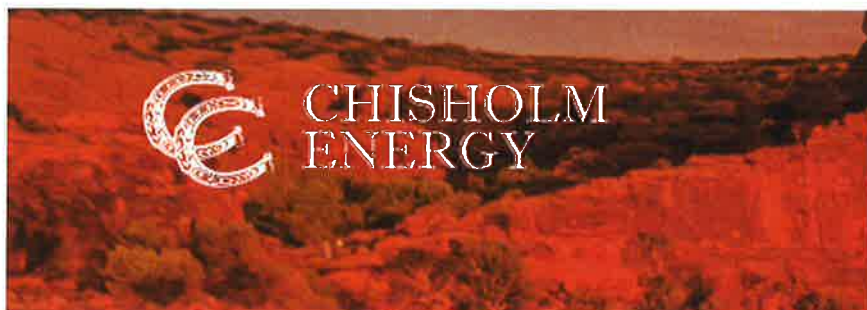
CASE NOS. 20181 & 20182

CLETUS 28-21 FED COM WCB No 1H

CLETUS 28-21 FED COM WCB No 2H

CLETUS 28-21 FED COM WCB No 3H

EDDY COUNTY, NEW MEXICO



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

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 20181

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 20182

AFFIDAVIT OF LUKE SHELTON

Luke Shelton, of lawful age and being first duly sworn, declares as follows:

1. My name is Luke Shelton. I work for Chisholm Energy Operating, LLC (“Chisholm”) as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by Chisholm in these matters and familiar with the status of the lands in the subject areas.
4. Chisholm seeks to pool certain uncommitted interests in the spacing units. None of the interest owners has indicated opposition to this application.
5. In **Case No. 20181**, Chisholm seeks an Order pooling all uncommitted interests in the Bone Spring formation in the 640-acre horizontal spacing unit comprised of the E/2 of Section 21 and the E/2 of Section 28, Township 23 South, Range 26 East, NMPM, Eddy

County, New Mexico. Chisholm seeks to dedicate the above-referenced horizontal spacing unit to its proposed **Cletus 28-21 Fed Com 3BS No. 3H Well**, which will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 28 to bottom hole location in the NW/4 NE/4 (Unit B) of Section 21. Pursuant to NMAC 19.15.16.15(B)(1)(b), Chisholm will incorporate the E/2 E/2 of Section 21 and the E/2E/2 of Section 28 into its standard horizontal spacing unit. Incorporating the proximity tracts, the completed interval for the **Cletus 28-21 Fed Com 3BS No. 3H Well** will comply with the Statewide setback requirements for oil wells.

6. **Chisholm Exhibit No. 1A** contains a draft Form C-102 for the proposed well. This well will be within a wildcat Bone Spring pool (Pool Code 98056).

7. In **Case No. 20182**, Chisholm seeks an Order pooling all uncommitted interests in the Wolfcamp formation in the 640-acre horizontal spacing unit comprised of the E/2 of Section 21 and the E/2 of Section 28, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. Chisholm seeks to dedicate the above-referenced horizontal spacing unit to two initial wells: its proposed **Cletus 28-21 Fed Com WCB No. 1H Well** and its proposed **Cletus 28-21 Fed Com WCA No. 2H Well**. Both wells will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 28 to bottom hole location in the NW/4 NE/4 (Unit B) of Section 21. The completed interval for each well will comply with the setback requirements set forth in the Special Rules for the Purple Sage Pool.

8. **Chisholm Exhibit No. 1B** contains a draft Form C-102 for the proposed 1H and 2H wells. Both wells will be placed in the Purple Sage; Wolfcamp Gas Pool (Pool Code 98220).

9. **Chisholm Exhibit No. 1C** identifies the five tracts of land comprising the proposed spacing units. This exhibit confirms that that subject acreage is comprised of State and Federal lands, and further identifies the interest ownership by tract and ultimately by spacing unit. Chisholm is seeking to pool the interests held by multiple working interest owners shown on page four of this exhibit. Chisholm also seeks to pool overriding royalty interest owners shown on the last page of this exhibit.

10. **Chisholm Exhibit Nos. 1D and 1E** contain the well proposal letters along with an AFE provided to the parties that Chisholm seeks to pool. I have been in contact with each of the working interest owners that we seek to pool whom I could locate. Certain working interest owners and overriding royalty interest owners are unlocatable. I made a diligent effort to locate good addresses for each party that I seek to pool by researching county records and performing telephone and internet searches. Notice has been published directed to each of these interest owners.

11. The costs reflected in the Statement of Estimated Well Costs are consistent with what other operators have incurred for drilling similar horizontal wells in the area in each of these formations.

12. No ownership depth severances exist within these proposed spacing units, and there are no unleased mineral interests in the subject acreage.

13. Chisholm has estimated the overhead and administrative costs for drilling and producing the proposed wells at \$7,500 per month while drilling and \$750 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

14. Chisholm Exhibit Nos. 1A through 1E were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT

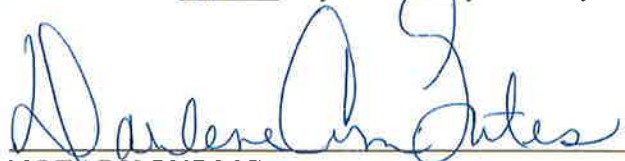
13. Chisholm Exhibit Nos. 1A through 1E were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT


Luke Shelton

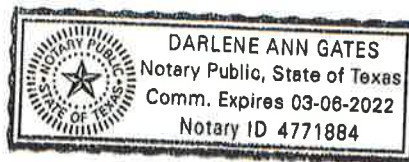
STATE OF TEXAS)
COUNTY OF TARRANT)

SUBSCRIBED and SWORN to before me this 23rd day of January 2019 by
Luke Shelton.


NOTARY PUBLIC

My Commission Expires:

03-06-2022



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 Rond, 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

¹ API Number 30-015-45407	² Pool Code 98056	³ Pool Name WC-015 G-04 S232628M; BONE SPRING
⁴ Property Code 322848	⁵ Property Name CLETUS 28-21 FED COM 3BS	⁶ Well Number 3H
⁷ GRID No. 372137	⁸ Operator Name CHISHOLM ENERGY OPERATING, LLC	⁹ Elevation 3338.5

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	28	23 S	26 E		175	SOUTH	820	EAST	EDDY

¹¹ 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
A	21	23 S	26 E		100	NORTH	1000	EAST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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>¹⁷ 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 under heretofore entered by the division.</p> <p><i>Jennifer Elrod</i> 01/23/19 Signature Date</p> <p>JENNIFER ELROD Printed Name</p> <p>JELROD@CHISHOLMENERGY.COM E-mail Address</p> <p>¹⁸ 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>JANUARY 23, 2019 Date of Survey</p> <p><i>FILMON F. JARAMILLO</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number: FILMON F. JARAMILLO, PLS 12797 SURVEY NO. 6080C</p> <p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. 1A</p> <p>Submitted by: CHISHOLM ENERGY OPERATING Hearing Date: January 24, 2019 Case Nos. 20181 & 20182</p>
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-05-45408	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP
⁴ Property Code 322849	⁵ Property Name CLETUS 28-21 FED COM WCB	⁶ Well Number 1H
⁷ OGRID No. 372137	⁸ Operator Name CHISHOLM ENERGY OPERATING, LLC	⁹ Elevation 3338.3

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	28	23 S	26 E		175	SOUTH	760	EAST	EDDY

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
B	21	23 S	26 E		330	NORTH	1450	EAST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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>17 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>01/15/2019</p> <p>Signature _____ Date _____</p> <p>JENNIFER ELROD</p> <p>Printed Name _____</p> <p>JELROD@CHISHOLMENERGY.COM</p> <p>E-mail Address _____</p> <p>18 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>NOVEMBER 7, 2018</p> <p>Date of Survey _____</p> <p>Signature _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number _____</p> <p>EDMUND F. JARAMILLO, PLS 12797</p> <p>SURVEY NO. 6078B</p>
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BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 1B

Submitted by: **CHISHOLM ENERGY OPERATING**
Hearing Date: January 24, 2019
Case Nos. 20181 & 20182

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1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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Form C-102
Revised August 1, 2011
Submit one copy to appropriate
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☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-45409	² Pool Code 98220	³ Pool Name PURPLE SAGE; WOLFCAMP
⁴ Property Code 32850	⁵ Property Name CLETUS 28-21 FED COM WCA	⁶ Well Number 2H
⁷ OGRID No. 372137	⁸ Operator Name CHISHOLM ENERGY OPERATING, LLC	⁹ Elevation 3338.4

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	28	23 S	26 E		175	SOUTH	790	EAST	EDDY

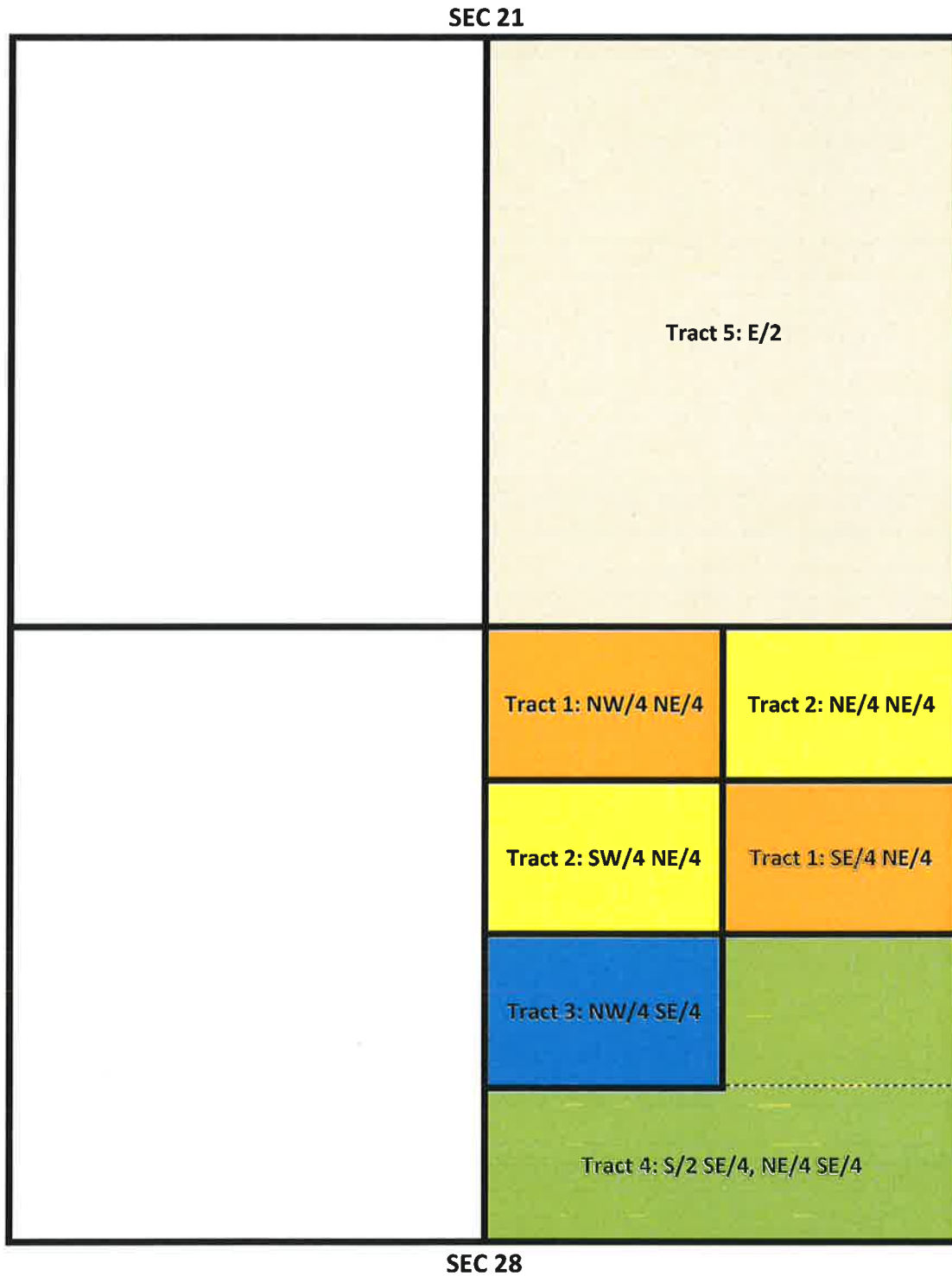
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	21	23 S	26 E		330	NORTH	1450	EAST	EDDY

¹² Dedicated Acres 640	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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>¹⁷ 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> 01/15/2019 Signature Date</p> <p>JENNIFER ELROD Printed Name</p> <p>JELROD@CHISHOLMENERGY.COM E-mail Address</p> <p>¹⁸ 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>NOVEMBER 7, 2018 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>CERTIFICATE NUMBER: FILIMON F. JARAMILLO, PLS 12797 SURVEY NO. 6079B</p>
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CLETUS 1H, 2H, 3H
T23S-R26E-Sections 28 and 21
Eddy County, NM



Tract 1: NW/4 NE/4, SE/4 NE/4, SEC 28, 80.0 AC

Chisholm Energy Operating, LLC	1.000000000
TOTAL:	1.000000000

Tract 2: SW/4 NE/4, NE/4 NE/4, SEC 28, 80.0 AC

Chisholm Energy Operating, LLC	0.88750000
<i>S & P CO.</i>	<i>0.04781250</i>
<i>SKLARCO, LLC</i>	<i>0.04780410</i>
<i>JJS WORKING INTEREST, LLC</i>	<i>0.01688340</i>
TOTAL:	1.000000000

Tract 3: NW/4 SE/4, SEC 28, 40.0 AC

Roadrunner O&G, LLC	0.50000000
Chisholm Energy Operating, LLC	0.50000000
TOTAL:	1.000000000

Tract 4: S/2 SE/4, NE/4 SE/4, SEC 28, 120.0 AC

Chisholm Energy Operating, LLC	0.88750000
<i>S & P CO.</i>	<i>0.04781250</i>
<i>SKLARCO, LLC</i>	<i>0.04780406</i>
<i>JJS WORKING INTEREST, LLC</i>	<i>0.01688344</i>
TOTAL:	1.000000000

Tract 5: E/2, SEC 21, 320.0 AC

Chisholm Energy Agent, Inc.	0.82449884
THE ESTATE OF J. PATRICK ARBOW	0.00014653
Robert B. Bunn Revocable Living Trust dated May 18, 1982; Robert B. Bunn, Trustee	0.00058611
THE ESTATE OF EDWARD C. HALLOCK	0.00029306
JOSEPH R. HODGE	0.00004884
SANFORD J. HODGE, III	0.00004884
CHARLES C. JOHNSTON	0.00146528
THE ESTATE OF RUBY F. KAWASAKI	0.00029306
IRWIN M. KURASHIGE TRUST DATED MARCH 23, 2001; IRWIN M. KURASHIGE, TRUSTEE	0.00029306
DENNIS I. MAEHARA TRUST; IRWIN M. KURASHIGE, TRUSTEE	0.00029306
EOG Y RESOURCES, INC.	0.00073264
LESTER G. NAITO	0.00029305
ADOLPH P. SCHUMAN	0.00043958
Space Building Corporation	0.00293055
J. FREDERICK VAN VRANKEN, JR.	0.00043958
MICHAEL Y. MCGOVERN	0.01000000
MICHAEL W. ENGLERT	0.01000000
SHERRI B. CLARK	0.01000000
SCOTT GUTTERMAN	0.01000000
Axis Energy Corporation	0.00219792
WPX ENERGY PERMIAN, LLC	0.12500000
TOTAL:	1.000000000

UNIT RECAPITULATION

**CLETUS FED COM WCB 1H AND WCA 2H
T23S-R26E-E/2 of Sections 28 and 21, 640.0 AC**

Chisholm Energy Agent, Inc.	0.41224942
Chisholm Energy Operating, LLC	0.43359375
WPX ENERGY PERMIAN, LLC	0.06250000
Roadrunner O&G, LLC	0.03125000
S & P CO.	0.01494141
SKLARCO, LLC	0.01493877
JJS WORKING INTEREST, LLC	0.00527607
MICHAEL Y. MCGOVERN	0.00500000
MICHAEL W. ENGLERT	0.00500000
SHERRI B. CLARK	0.00500000
SCOTT GUTTERMAN	0.00500000
Space Building Corporation	0.00146528
Axis Energy Corporation	0.00109896
CHARLES C. JOHNSTON	0.00073264
EOG Y RESOURCES, INC.	0.00036632
Robert B. Bunn Revocable Living Trust dated May 18, 1982; Robert B. Bunn, Trustee	0.00029306
THE ESTATE OF ADOLPH P. SCHUMAN	0.00021979
J. FREDERICK VAN VRANKEN, JR.	0.00021979
THE ESTATE OF RUBY F. KAWASAKI	0.00014653
IRWIN M. KURASHIGE TRUST DATED MARCH 23, 2001; IRWIN M. KURASHIGE, TRUSTEE	0.00014653
EDWARD C. HALLOCK	0.00014653
DENNIS I. MAEHARA TRUST; IRWIN M. KURASHIGE, TRUSTEE	0.00014653
LESTER G. NAITO	0.00014653
THE ESTATE OF J. PATRICK ARBOW	0.00007327
JOSEPH R. HODGE	0.00002442
SANFORD J. HODGE, III	0.00002442
TOTAL:	1.00000000

INTERESTS SEEKING TO COMPULSORY POOL

ORRI Owners		
1	Payne Lifetime Trust Dated November 7, 1974; Winfield Smith Payne, Jr., Trustee	Kalakaua Apt. 103 Honolulu, Hawaii 96815
2	Teckla Oil Co., LLC	P.O. Box 3066 Ocala, FL 34478-3066
3	Camterra Resources Partners, Ltd.	2615 E End Blvd S Marshall, TX 75671
4	Elizabeth J. Norman Living Trust Dated September 13, 1994; Teresa Rene Norman And Robert Clay Norman, Co-Trustees	6637 South New Haven Tulsa, OK 74136
5	Map 98A-Ok	P.O. Box 268988 Oklahoma City, OK 73126-8984
6	Lowe Royalty Partners, LP	400 Post Oak Pkwy, Ste. 2550 Houston, TX 77027
7	Paul R. Barwis	C/O Dutton, Harris & Co. P.O. Box 230 Midland, TX 79702
8	Jareed Partners, Ltd.	P.O. Box 51451 Midland, TX 79710-1451
9	Movest Capital	P.O. Box 2439 Albany, TX 76430-8020
10	Map 98B-Net	P.O. Box 268988 Oklahoma City, OK 73126-8984
11	Larry T. Long	P.O. Box 1777 Kilgore, TX 75663-1777
12	Thomas R. Smith	1409 S County Road 1130 Midland, TX 79706
13	Penwell Employee Royalty Pool	200 N. Loraine, Ste. 1550 Midland, TX 79701
14	Wildcat Energy, L.L.C.	P.O. Box 13323 Odessa, TX 79768
15	Wambaugh Exploration, LLC	4747 Research Forest Dr., Ste. 310 The Woodlands, TX 77381-4903
16	Good New Minerals, LLC	P.O. Box 50820 Midland, TX 79710
17	Shawn P. Hannifin And Frances A. Hannifin, Joint Tenants With Right Of Survivorship	730 17th St., Ste. 325 Denver, CO 80202
18	S & E Royalty, LLC	8470 West 4th Ave. Lakewood, CO 80226
19	MW Oil Investment Company, Inc.	P.O. Box 350010 Westminster, CO 80035-0010
20	Alan R. Hannifin, A Single Man	P.O. Box 8874 Denver, CO 80201-8874

21	FFF, Inc.	P.O. Box 8874 Denver, CO 80201-8874
22	Michelle R. Sandoval	974 Merganser Ln Carlsbad, CA 92011
23	Axis Energy Corporation	P.O. Box 2107 Roswell, NM 88202-2107
24	Black Stone Minerals Company, L.P.	1001 Fannin, Ste. 2020 Houston, TX 77002-6709



August 8, 2018

VIA CERTIFIED MAIL:

Marathon Oil Permian LLC
Attn: Jessica Gorman
555 San Felipe St.
Houston, TX 77056

RE: Cletus 28-21 Fed Com 3BS 3H
E/2 of Section 28-T23S-R26E &
E/2 of Section 21-T23S-R26E
Eddy County, New Mexico

To whom it may concern,

This proposal is in replacement of the prior Cletus 28-21 Fed Com 3BS 3H to change the bottom hole location of said well. Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of a horizontal 3rd Bone Spring to a Measured Depth of approximately 18,450'. The expected surface location for this well is approximately 175' FSL & 820' FEL of Section 28-T23S-R26E with a bottom hole location of 100' FNL & 2540' FEL of Section 21-T23S-R26E. Enclosed is our Authority for Expenditure ("AFE") reflecting estimated costs of \$5,649,247 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 28, Township 23 South, Range 26 East and the E/2 of Section 21, Township 23 South, Range 26 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, Marathon Oil Permian LLC, owns an undivided 28.197102% 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

Luke Shelton
Landman
817-953-0359

Enclosures

_____ Elect to participate in the drilling of the Cletus 28-21 Fed Com 3BS 3H.

_____ Elect to farmout/assign our interest on the Cletus 28-21 Fed Com 3BS 3H.

Marathon Oil Permian 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. 1D
 Submitted by: **CHISHOLM ENERGY OPERATING**
 Hearing Date: January 24, 2019
 Case Nos. 20181 & 20182



Statement of Estimated Well Cost (100%)

Well Cletus 28-21 State Com 3BS 3H
Field 3rd Bone Spring
County, State: Eddy, NM
BHL: Horizontal
Proposed TD: 18,450 MD 8,550 TVD **AFF# 118230**
Normal Pressure? Yes

		BCP	ACP	TOTAL
COSTS TO CASING POINT: TANGIBLES				
8510-400	Conductor Casing or Drive Pipe	\$15,000		\$15,000
8510-405	Surface Casing	\$11,408		\$11,408
8510-410	Intermediate Casing/Drilg Liner	\$42,060		\$42,060
8510-415	Wellhead Equipment - Surface & MLS	\$22,000		\$22,000
8510-420	Other Sub-Surface Equipment	\$0		
8510-425	Cementing Equipment	\$8,000		\$8,000
8510-600	Nonoperated	\$0		
8510-700	Impairment	\$0		
8510-999	Accruals	\$0		
	TOTAL COST TO CASING POINT - TANGIBLES	\$98,468		\$98,468
COSTS TO CASING POINT: INTANGIBLES				
8500-100	Roads/Location	\$40,000		\$40,000
8500-105	Drilling Turnkey	\$0		
8500-110	Drilling Daywork	\$396,000		\$396,000
8500-115	Fuel/Power	\$96,000		\$96,000
8500-125	Equipment Rental	\$134,460		\$134,460
8500-130	Legal Fees	\$0		
8500-135	Bonds, Permits and Inspection	\$50,000		\$50,000
8500-155	Mud and Chemicals	\$70,000		\$70,000
8500-160	Cementing Services	\$59,000		\$59,000
8500-170	Supervision/Consulting	\$52,000		\$52,000
8500-175	Casing and Other Tangible Crew	\$29,000		\$29,000
8500-180	Damages/Penalties	\$0		
8500-185	Coring and Analysis	\$0		
8500-190	Cuttings/Fluids Disposal	\$125,000		\$125,000
8500-195	Directional Drilling Services	\$233,500		\$233,500
8500-200	Drill Bits	\$66,500		\$66,500
8500-210	Surface Damages/ROW	\$0		
8500-215	Contract Labor and Services	\$10,000		\$10,000
8500-220	Mud Logging	\$0		
8500-235	Reclamation	\$0		
8500-240	Rig Mobilization/Demob	\$120,000		\$120,000
8500-245	Fishing Tools and Services	\$0		
8500-250	Testing-Drill Stem/Production	\$0		
8500-260	Wireline Services	\$0		
8500-265	Water	\$16,750		\$16,750
8500-270	Camp Expenses	\$43,300		\$43,300
8500-285	Contingencies	\$0		
8500-290	Environmental	\$0		
8500-300	Overhead	\$0		
8500-350	Insurance	\$0		
8500-600	Nonoperated	\$0		
8500-700	Impairment	\$0		
8500-999	Accruals	\$0		
	TOTAL COST TO CASING POINT - INTANGIBLES	\$1,541,510		\$1,541,510
COMPLETION COSTS: TANGIBLES				
8530-415	Wellhead		\$30,000	\$30,000
8530-420	Subsurface Equipment		\$15,000	\$15,000
8530-500	Production Casing		\$230,810	\$230,810
8530-510	Tubing		\$38,160	\$38,160
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		\$118,000	\$118,000
8530-560	Vapor Recovery Unit		\$0	
8530-590	Other Misc Equipment		\$20,500	\$20,500
8530-600	Nonoperated		\$0	
8530-700	Impairment		\$0	

8530-999	Accruals			\$0	
	TOTAL COMPLETION COST - TANGIBLES			\$720,470	\$720,470
	COMPLETION COSTS: INTANGIBLES				
8520-100	Roads/Location			\$0	
8520-120	Perforating Services			\$206,800	\$206,800
8520-125	Equipment Rental			\$193,000	\$193,000
8520-135	Bonds, Permits and Inspection			\$0	
8520-145	Completion Unit			\$45,000	\$45,000
8520-150	Frac Plugs			\$47,000	\$47,000
8520-155	Mud and Chemicals			\$15,000	\$15,000
8520-160	Cementing Services			\$80,000	\$80,000
8520-165	Acidizing and Fracturing			\$1,938,750	\$1,938,750
8520-170	Supervision/Consulting			\$36,000	\$36,000
8520-175	Casing and Other Tangible Crew			\$15,000	\$15,000
8520-190	Cuttings/Fluids Disposal			\$60,000	\$60,000
8520-200	Drill Bits			\$10,000	\$10,000
8520-210	Surface Damages/ROW			\$0	
8520-215	Contract Labor and Services			\$5,000	\$5,000
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			\$522,250	\$522,250
8520-285	Contingencies			\$0	
8520-290	Environmental			\$0	
8520-300	Overhead			\$0	
8520-350	Insurance			\$0	
8520-600	Nonoperated			\$0	
8520-700	Impairment			\$0	
8520-999	Accruals			\$0	
	TOTAL COMPLETION COST - INTANGIBLES			\$3,288,800	\$3,288,800
	TOTAL WELL COST		\$1,639,978	\$4,009,270	\$5,649,247

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____



August 8, 2018

VIA CERTIFIED MAIL:

Marathon Oil Permian LLC
Attn: Jessica Gorman
555 San Felipe St.
Houston, TX 77056

RE: Cletus 28-21 Fed Com WCA 2H
E/2 of Section 28-T23S-R26E &
E/2 of Section 21-T23S-R26E
Eddy County, New Mexico

To whom it may concern,

This proposal is in replacement of the prior Cletus 28-21 Fed Com WCA 2H to change the bottom hole location of said well. Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of a horizontal Wolfcamp "A" to a Measured Depth of approximately 18,650'. The expected surface location for this well is approximately 175' FSL & 790' FEL of Section 28-T23S-R26E with a bottom hole location of 330' FNL & 2540' FEL of Section 21-T23S-R26E. Enclosed is our Authority for Expenditure ("AFE") reflecting estimated costs of \$5,690,541 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 28, Township 23 South, Range 26 East and the E/2 of Section 21, Township 23 South, Range 26 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, Marathon Oil Permian LLC, owns an undivided 28.197102% 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

Luke Shelton
Landman
817-953-0359

Enclosures

_____ Elect to participate in the drilling of the Cletus 28-21 Fed Com WCA 2H.

_____ Elect to farmout/assign our interest on the Cletus 28-21 Fed Com WCA 2H.

Marathon Oil Permian 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. 1E

Submitted by: **CHISHOLM ENERGY OPERATING**

Hearing Date: January 24, 2019

Case Nos. 20181 & 20182



Statement of Estimated Well Cost (100%)

Well: Cletus 28-21 State Com WCA 2H
 Field: Wolfcamp A
 County, State: Eddy, NM
 BHL: Horizontal
 Proposed TD: 18,650 MD 8,750 TVD
 Normal Pressure? Yes

AFE# 118220

		BCP	ACP	TOTAL
COSTS TO CASING POINT: TANGIBLES				
8510-400	Conductor Casing or Drive Pipe	\$15,000		\$15,000
8510-405	Surface Casing	\$11,408		\$11,408
8510-410	Intermediate Casing/Drilg Liner	\$42,060		\$42,060
8510-415	Wellhead Equipment - Surface & MLS	\$22,000		\$22,000
8510-420	Other Sub-Surface Equipment	\$0		
8510-425	Cementing Equipment	\$8,000		\$8,000
8510-600	Nonoperated	\$0		
8510-700	Impairment	\$0		
8510-999	Accruals	\$0		
	TOTAL COST TO CASING POINT - TANGIBLES	\$98,468		\$98,468
COSTS TO CASING POINT: INTANGIBLES				
8500-100	Roads/Location	\$40,000		\$40,000
8500-105	Drilling Turnkey	\$0		
8500-110	Drilling Daywork	\$396,000		\$396,000
8500-115	Fuel/Power	\$96,000		\$96,000
8500-125	Equipment Rental	\$134,460		\$134,460
8500-130	Legal Fees	\$0		
8500-135	Bonds, Permits and Inspection	\$50,000		\$50,000
8500-155	Mud and Chemicals	\$70,000		\$70,000
8500-160	Cementing Services	\$59,000		\$59,000
8500-170	Supervision/Consulting	\$52,000		\$52,000
8500-175	Casing and Other Tangible Crew	\$29,000		\$29,000
8500-180	Damages/Penalties	\$0		
8500-185	Coring and Analysis	\$0		
8500-190	Cuttings/Fluids Disposal	\$125,000		\$125,000
8500-195	Directional Drilling Services	\$233,500		\$233,500
8500-200	Drill Bits	\$66,500		\$66,500
8500-210	Surface Damages/ROW	\$0		
8500-215	Contract Labor and Services	\$10,000		\$10,000
8500-220	Mud Logging	\$0		
8500-235	Reclamation	\$0		
8500-240	Rig Mobilization/Demob	\$120,000		\$120,000
8500-245	Fishing Tools and Services	\$0		
8500-250	Testing-Drill Stem/Production	\$0		
8500-260	Wireline Services	\$0		
8500-265	Water	\$16,750		\$16,750
8500-270	Camp Expenses	\$43,300		\$43,300
8500-285	Contingencies	\$0		
8500-290	Environmental	\$0		
8500-300	Overhead	\$0		
8500-350	Insurance	\$0		
8500-600	Nonoperated	\$0		
8500-700	Impairment	\$0		
8500-999	Accruals	\$0		
	TOTAL COST TO CASING POINT - INTANGIBLES	\$1,541,510		\$1,541,510
COMPLETION COSTS: TANGIBLES				
8530-415	Wellhead		\$30,000	\$30,000
8530-420	Subsurface Equipment		\$15,000	\$15,000
8530-500	Production Casing		\$272,104	\$272,104
8530-510	Tubing		\$38,160	\$38,160
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		\$118,000	\$118,000
8530-560	Vapor Recovery Unit		\$0	
8530-590	Other Misc Equipment		\$20,500	\$20,500
8530-600	Nonoperated		\$0	
8530-700	Impairment		\$0	

8530-999	Accruals			\$0	
	TOTAL COMPLETION COST - TANGIBLES			\$761,764	\$761,764
	COMPLETION COSTS: INTANGIBLES				
8520-100	Roads/Location			\$0	
8520-120	Perforating Services			\$206,800	\$206,800
8520-125	Equipment Rental			\$193,000	\$193,000
8520-135	Bonds, Permits and Inspection			\$0	
8520-145	Completion Unit			\$45,000	\$45,000
8520-150	Frac Plugs			\$47,000	\$47,000
8520-155	Mud and Chemicals			\$15,000	\$15,000
8520-160	Cementing Services			\$80,000	\$80,000
8520-165	Acidizing and Fracturing			\$1,938,750	\$1,938,750
8520-170	Supervision/Consulting			\$36,000	\$36,000
8520-175	Casing and Other Tangible Crew			\$15,000	\$15,000
8520-190	Cuttings/Fluids Disposal			\$60,000	\$60,000
8520-200	Drill Bits			\$10,000	\$10,000
8520-210	Surface Damages/ROW			\$0	
8520-215	Contract Labor and Services			\$5,000	\$5,000
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			\$522,250	\$522,250
8520-285	Contingencies			\$0	
8520-290	Environmental			\$0	
8520-300	Overhead			\$0	
8520-350	Insurance			\$0	
8520-600	Nonoperated			\$0	
8520-700	Impairment			\$0	
8520-999	Accruals			\$0	
	TOTAL COMPLETION COST - INTANGIBLES			\$3,288,800	\$3,288,800
	TOTAL WELL COST		\$1,639,978	\$4,050,564	\$5,690,541

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____



August 8, 2018

VIA CERTIFIED MAIL:

Marathon Oil Permian LLC
Attn: Jessica Gorman
555 San Felipe St.
Houston, TX 77056

RE: Cletus 28-21 Fed Com WCB 1H
E/2 of Section 28-T23S-R26E &
E/2 of Section 21-T23S-R26E
Eddy County, New Mexico

To whom it may concern,

This proposal is in replacement of the prior Cletus 28-21 Fed Com WCB 1H to change the bottom hole location of said well. Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of a horizontal Wolfcamp "B" to a Measured Depth of approximately 19,300'. The expected surface location for this well is approximately 175' FSL & 760' FEL of Section 28-T23S-R26E with a bottom hole location of 330' FNL & 2540' FEL of Section 21-T23S-R26E.

Enclosed is our Authority for Expenditure ("AFE") reflecting estimated costs of \$6,644,391 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 28, Township 23 South, Range 26 East and the E/2 of Section 21, Township 23 South, Range 26 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, Marathon Oil Permian LLC, owns an undivided 28.197102% 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

Luke Shelton
Landman
817-953-0359

Enclosures

_____ Elect to participate in the drilling of the Cletus 28-21 Fed Com WCB 1H.

_____ Elect to farmout/assign our interest on the Cletus 28-21 Fed Com WCB 1H.

Marathon Oil Permian LLC

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

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



Statement of Estimated Well Cost (100%)

Well	Cletus 28-21 State Com WCB 1H		
Field	Wolfcamp B		
County, State:	Eddy, NM		
BHL:	Horizontal		
Proposed TD:	19,300 MD	9,399 TVD	AFE# 118210
Normal Pressure?	Yes		

		BCP	ACP	TOTAL
COSTS TO CASING POINT: TANGIBLES				
8510-400	Conductor Casing or Drive Pipe	\$15,000		\$15,000
8510-405	Surface Casing	\$13,775		\$13,775
8510-410	Intermediate Casing/Drilg Liner	\$212,240		\$212,240
8510-415	Wellhead Equipment - Surface & MLS	\$22,000		\$22,000
8510-420	Other Sub-Surface Equipment	\$0		
8510-425	Cementing Equipment	\$8,000		\$8,000
8510-600	Nonoperated	\$0		
8510-700	Impairment	\$0		
8510-999	Accruals	\$0		
	TOTAL COST TO CASING POINT - TANGIBLES	\$271,015		\$271,015
COSTS TO CASING POINT: INTANGIBLES				
8500-100	Roads/Location	\$40,000		\$40,000
8500-105	Drilling Turnkey	\$0		
8500-110	Drilling Daywork	\$412,500		\$412,500
8500-115	Fuel/Power	\$100,000		\$100,000
8500-125	Equipment Rental	\$139,550		\$139,550
8500-130	Legal Fees	\$0		
8500-135	Bonds, Permits and Inspection	\$50,000		\$50,000
8500-155	Mud and Chemicals	\$150,000		\$150,000
8500-160	Cementing Services	\$89,000		\$89,000
8500-170	Supervision/Consulting	\$54,000		\$54,000
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	\$125,000		\$125,000
8500-195	Directional Drilling Services	\$233,500		\$233,500
8500-200	Drill Bits	\$66,500		\$66,500
8500-210	Surface Damages/ROW	\$0		
8500-215	Contract Labor and Services	\$10,000		\$10,000
8500-220	Mud Logging	\$0		
8500-235	Reclamation	\$0		
8500-240	Rig Mobilization/Demob	\$120,000		\$120,000
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	\$17,000		\$17,000
8500-270	Camp Expenses	\$44,850		\$44,850
8500-285	Contingencies	\$137,684		\$137,684
8500-290	Environmental	\$0		
8500-300	Overhead	\$0		
8500-350	Insurance	\$0		
8500-600	Nonoperated	\$0		
8500-700	Impairment	\$0		
8500-999	Accruals	\$0		
	TOTAL COST TO CASING POINT - INTANGIBLES	\$1,833,584		\$1,833,584
COMPLETION COSTS: TANGIBLES				
8530-415	Wellhead		\$30,000	\$30,000
8530-420	Subsurface Equipment		\$15,000	\$15,000
8530-500	Production Casing		\$281,587	\$281,587
8530-510	Tubing		\$38,160	\$38,160
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		\$118,000	\$118,000
8530-560	Vapor Recovery Unit		\$0	
8530-590	Other Misc Equipment		\$20,500	\$20,500
8530-600	Nonoperated		\$0	
8530-700	Impairment		\$0	

8530-999	Accruals			\$0	
	TOTAL COMPLETION COST - TANGIBLES			\$771,247	\$771,247
	COMPLETION COSTS: INTANGIBLES				
8520-100	Roads/Location			\$0	
8520-120	Perforating Services			\$206,800	\$206,800
8520-125	Equipment Rental			\$193,000	\$193,000
8520-135	Bonds, Permits and Inspection			\$0	
8520-145	Completion Unit			\$45,000	\$45,000
8520-150	Frac Plugs			\$47,000	\$47,000
8520-155	Mud and Chemicals			\$15,000	\$15,000
8520-160	Cementing Services			\$80,000	\$80,000
8520-165	Acidizing and Fracturing			\$1,938,750	\$1,938,750
8520-170	Supervision/Consulting			\$36,000	\$36,000
8520-175	Casing and Other Tangible Crew			\$15,000	\$15,000
8520-190	Cuttings/Fluids Disposal			\$60,000	\$60,000
8520-200	Drill Bits			\$10,000	\$10,000
8520-210	Surface Damages/ROW			\$0	
8520-215	Contract Labor and Services			\$5,000	\$5,000
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			\$705,000	\$705,000
8520-285	Contingencies			\$296,996	\$296,996
8520-290	Environmental			\$0	
8520-300	Overhead			\$0	
8520-350	Insurance			\$0	
8520-600	Nonoperated			\$0	
8520-700	Impairment			\$0	
8520-999	Accruals			\$0	
	TOTAL COMPLETION COST - INTANGIBLES			\$3,768,546	\$3,768,546
	TOTAL WELL COST		\$2,104,599	\$4,539,793	\$6,644,391

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____

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

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 20181

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 20182

AFFIDAVIT OF GEORGE W. ROTH

George W. Roth, of lawful age and being first duly sworn, declares as follows:

1. My name is George W. Roth. I work for Chisholm Energy Operating, LLC ("Chisholm") as a geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by Chisholm Energy Operating, LLC in these cases and I have conducted a geologic study of the Bone Spring and Wolfcamp formations underlying the subject acreage.
4. Chisholm is targeting the Bone Spring formation (Third Bone Spring interval) with the proposed **Cletus 28-21 Fed Com 3BS No. 3H Well**.
5. **Chisholm Exhibit No. 2A** is a subsea structure map that I prepared for the top of the 3rd Bone Spring Carbonate formation. The contour interval is 50 feet and the proposed

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 2
Submitted by: **CHISHOLM ENERGY OPERATING**
Hearing Date: January 24, 2019
Case Nos. 20181 & 20182

wellbore path for the 3H well is depicted by a red line. The structure map shows that the area is gently dipping to the east. I do not observe any faulting, pinchouts, or other geologic impediments to developing this targeted interval with a horizontal well.

6. **Chisholm Exhibit No. 2B** is a subsea structure map that I prepared for the top of the Wolfcamp formation. The contour interval is 25 feet and the proposed wellbore path for the 1H and 2H wells are depicted by a red line. The structure map shows that the area is gently dipping to the east. I do not observe any faulting, pinchouts, or other geologic hazards to developing the targeted interval with a horizontal well.

7. Chisholm Exhibit No. 2B shows four wells penetrating the 3rd Bone Spring and Wolfcamp formations that I used to construct a cross-section from A to A'. I consider these wells to be representative of the geology of the area in both formations.

8. **Chisholm Exhibit No. 2C** is a cross section of the Bone Spring formation using the representative wells depicted on Exhibit 2B. Each well in the cross-section contains gamma ray, resistivity, and or porosity logs. The proposed target interval for the 3H well is labeled and depicted in yellow. The cross-section demonstrates that the targeted interval extends across the proposed spacing unit.

9. Chisholm is targeting the Wolfcamp formation (the Wolfcamp A Sandstone and the Wolfcamp B Siltstone intervals) with the proposed **Cletus 28-21 Fed Com 3BS No. 2H** and **Cletus 28-21 Fed Com 3BS No. 3H** wells.

10. Chisholm Exhibit No. 2B shows four wells penetrating the Wolfcamp formation that I used to construct a cross-section from A to A'. I consider these wells to be representative of the geology of the area in the Wolfcamp formation.

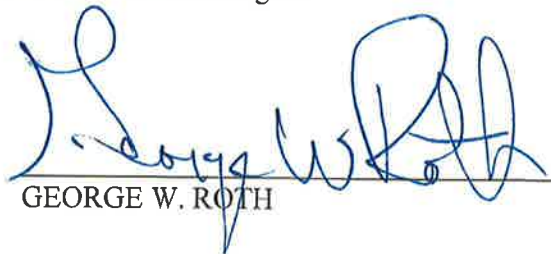
11. **Chisholm Exhibit No. 2D** is a cross section using the representative wells shown on Exhibit 2B. Each well in the cross-section contains gamma ray, resistivity, and or porosity logs. The proposed target interval is labeled and depicted in yellow. The cross-section demonstrates that the targeted interval extends across the proposed spacing unit.

12. In my opinion the south to north orientation of the proposed wells in the Bone Spring and Wolfcamp formations is appropriate in order to effectively drain the targeted reservoirs and be perpendicular to the maximum stress regime observed in the area.

13. Based on my geologic study of the area, both the Bone Spring and Wolfcamp formations underlying the subject area are suitable for development by horizontal wells and the acreage comprising the proposed spacing units will contribute more-or-less equally to the production from the wellbores.

14. In my opinion, the granting of Chisholm's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

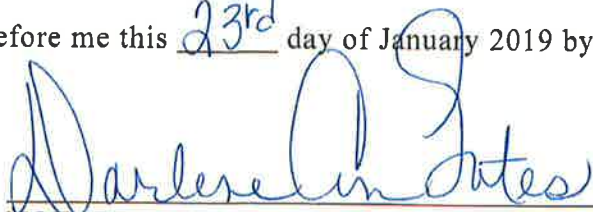
FURTHER AFFIANT SAYETH NOT.



GEORGE W. ROTH

STATE OF TEXAS)
)
COUNTY OF TARRANT)

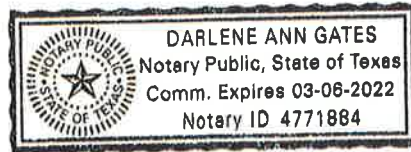
SUBSCRIBED and SWORN to before me this 23rd day of January 2019 by
George W. Roth.



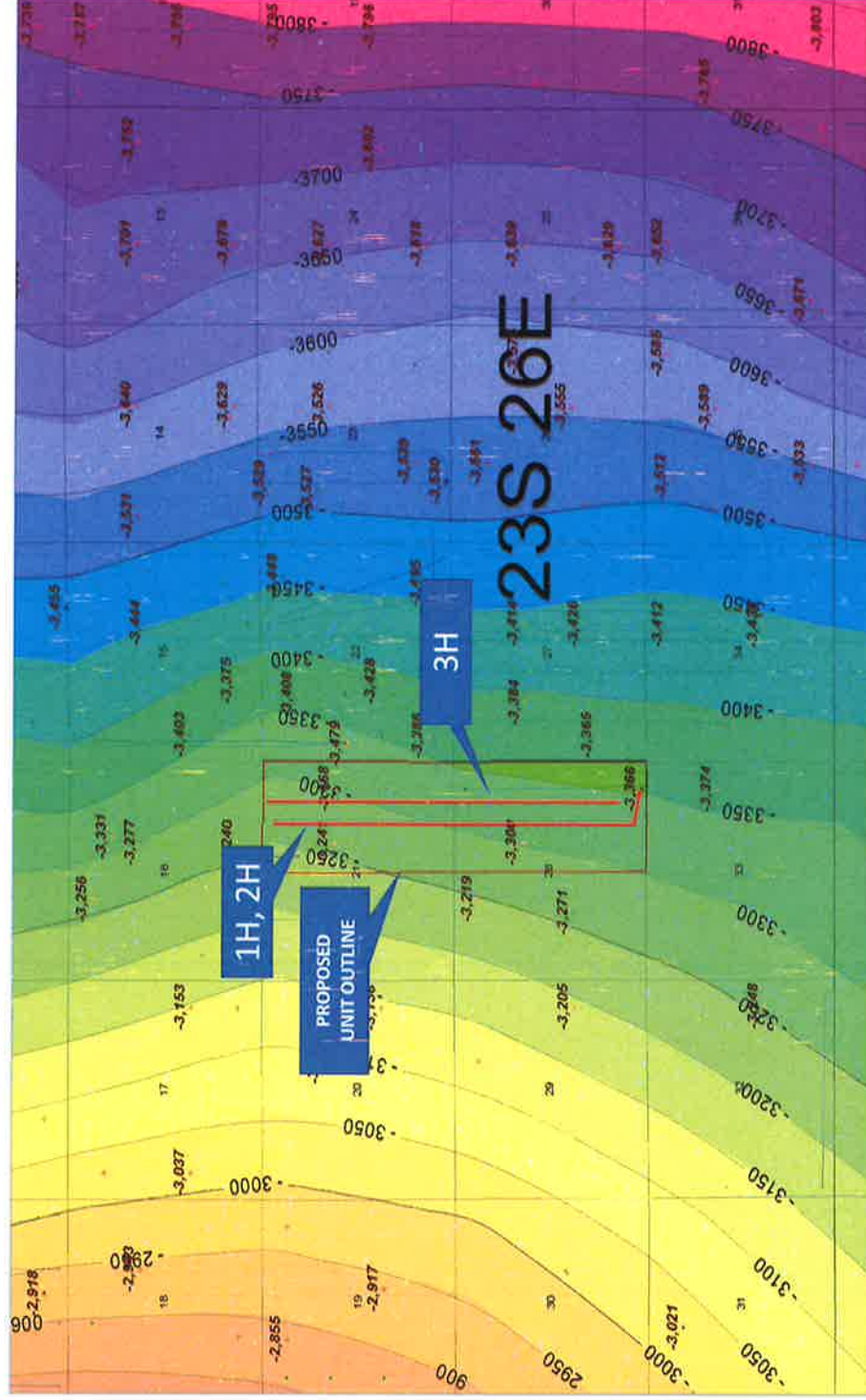
NOTARY PUBLIC

My Commission Expires:

03-06-2022



STRUCTURE MAP
TOP 3RD BONE SPRING CARBONATE
C.I. = 50 FEET



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

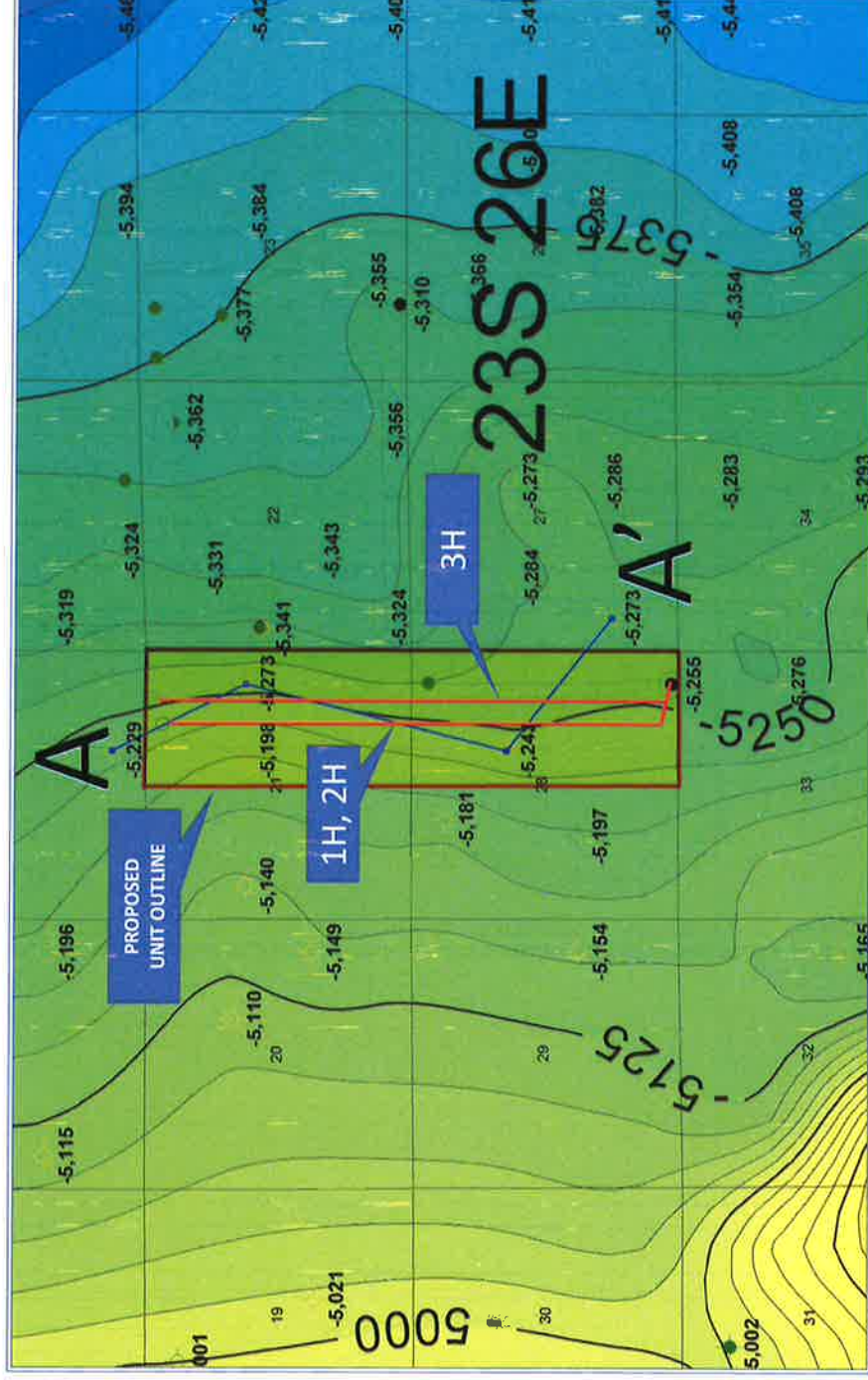
Exhibit No. 2A

Submitted by: CHISHOLM ENERGY OPERATING

Hearing Date: January 24, 2019

Case Nos. 20181 & 20182

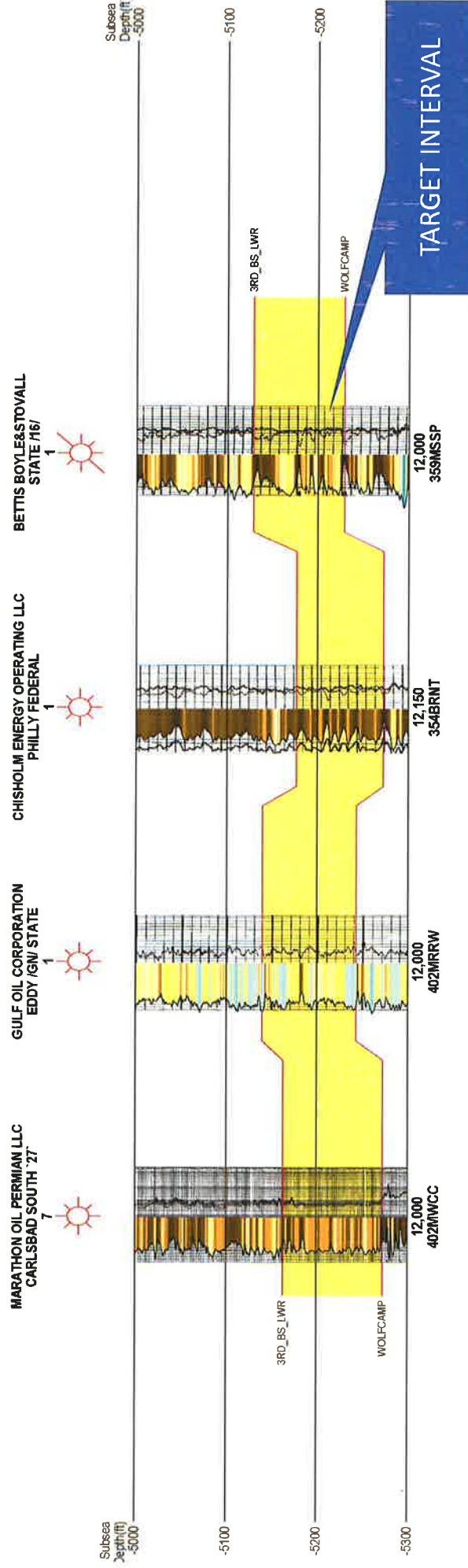
STRUCTURE MAP TOP WOLFCAMP FORMATION C.I. = 25 FEET



A

A'

STRUCTURAL CROSS SECTION TARGET INTERVAL 3RD BONE SPRING SANDSTONE



BEFORE THE OIL CONSERVATION DIVISION

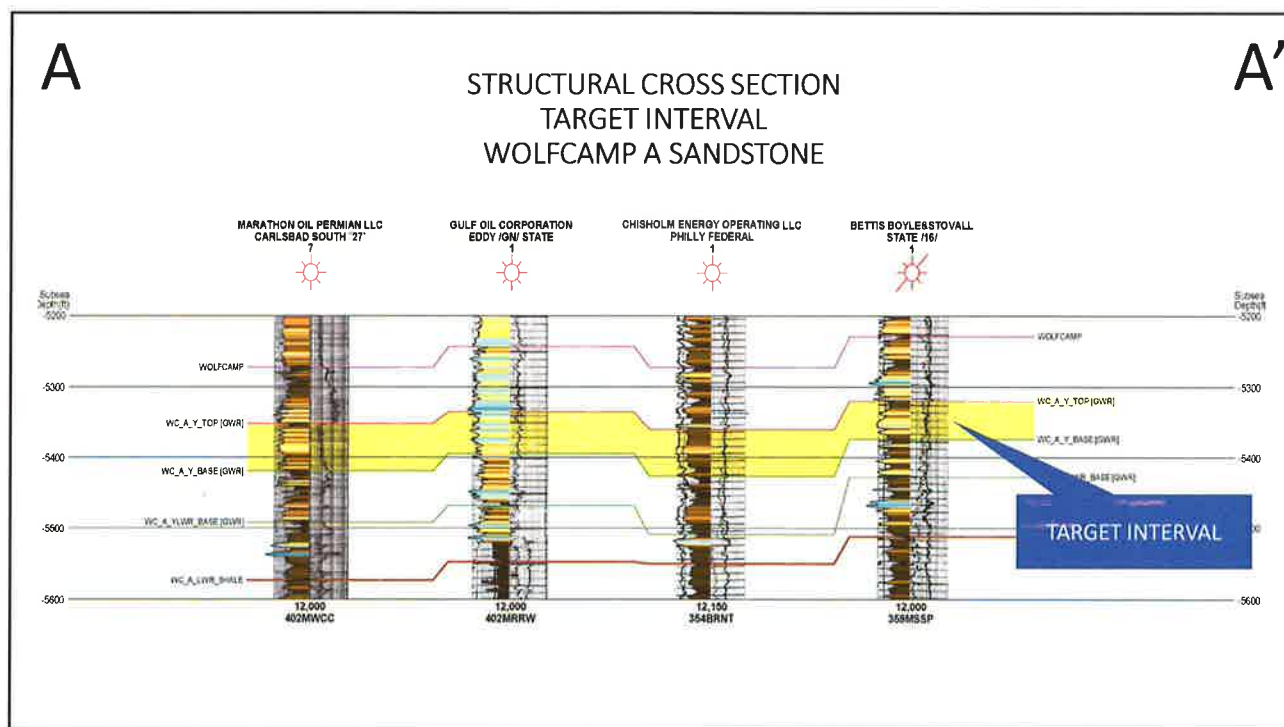
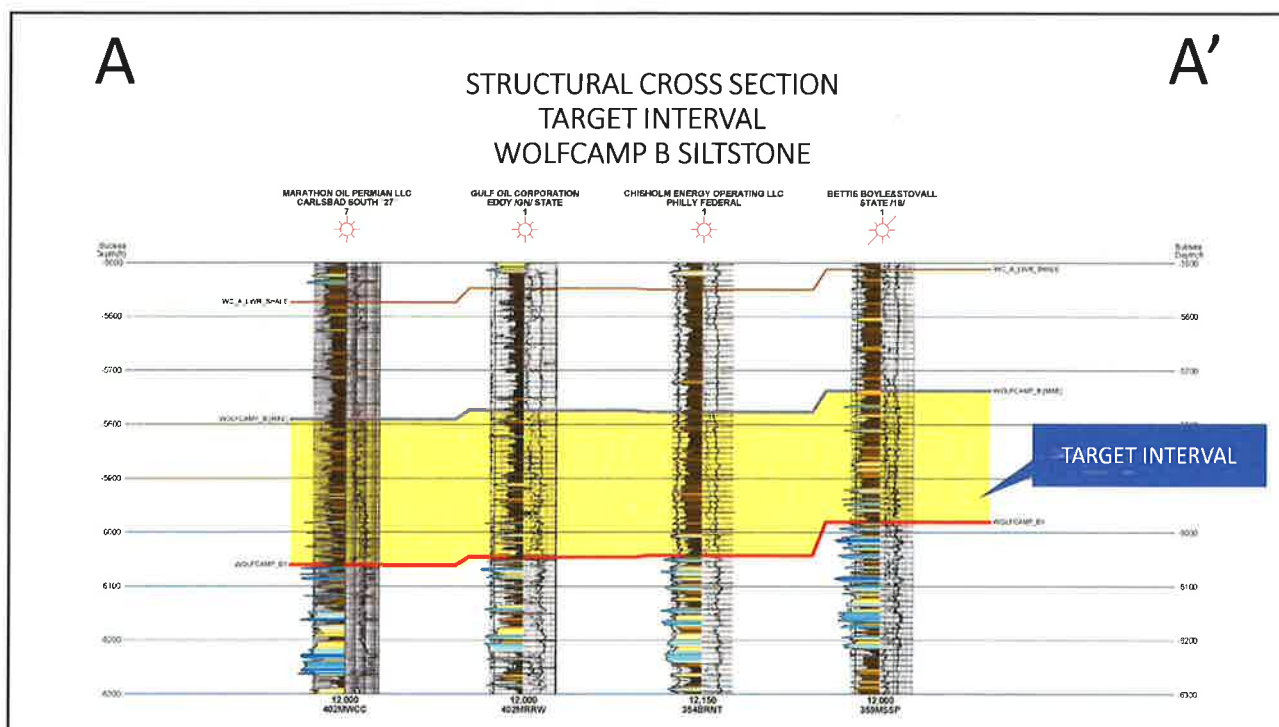
Santa Fe, New Mexico

Exhibit No. 2C

Submitted by: CHISHOLM ENERGY OPERATING

Hearing Date: January 24, 2019

Case Nos. 20181 & 20182



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 2D

Submitted by: CHISHOLM ENERGY OPERATING

Hearing Date: January 24, 2019

Case Nos. 20181 & 20182

HOLLAND & HART



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
jlkessler@hollandhart.com

November 21, 2018

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of Chisholm Energy Operating LLC for compulsory pooling,
Eddy County, New Mexico.**
Cletus 28-21 Fed Com WCB No. 1H Well
Cletus 28-21 Fed Com WCA No. 2H 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 January 10, 2019. 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 Luke Shelton at (817) 953-0359 or lshelton@chisholmenergy.com.

Sincerely,

Jordan L. Kessler
ATTORNEY FOR CHISHOLM ENERGY OPERATING LLC

HOLLAND & HART



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

jlkessler@hollandhart.com

December 21, 2018

VIA CERTIFIED MAIL

CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Application of Chisholm Energy Operating LLC for compulsory pooling Eddy
County, New Mexico.
Cletus 28-21 Fed Com BS3 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 January 10, 2019. 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.

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If you have any questions about this matter please contact Luke Shelton at (817) 953-0359 or lshelton@chisholmenergy.com.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR

CHISHOLM ENERGY OPERATING LLC

1	A	B	C	E	F	G	I	J	K
CustomField1	MailClass	TrackingNo	ToCompanyName	ToName	DeliveryAddress	City	St	Zip	
1	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 1	Certified with Return Receipt (Signature)	9414810898765023639241		WPX Energy Permian, LLC	Tulsa	OK	74172	
2	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 2	Certified with Return Receipt (Signature)	9414810898765023639258		S & P Co.	Shreveport	LA	71101	
3	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 3	Certified with Return Receipt (Signature)	9414810898765023639265		Sklarco, LLC	Boulder	CO	80301	
4	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 4	Certified with Return Receipt (Signature)	9414810898765023639272		JIS Working Interest, LLC	Houston	TX	77019	
5	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 5	Certified with Return Receipt (Signature)	9414810898765023639289		Michael Y. McGovern	The Woodlands	TX	77389	
6	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 6	Certified with Return Receipt (Signature)	9414810898765023639296		MWE Energy, Inc. c/o Michael W. Englehart	Houston	TX	77002	
7	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 7	Certified with Return Receipt (Signature)	9414810898765023639302		Sherri B. Clark	Hannibal	MO	63401	
8	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 8	Certified with Return Receipt (Signature)	9414810898765023639319		Scott Gutterman	Folsom	LA	70437	
9	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 9	Certified with Return Receipt (Signature)	9414810898765023639326		Danny Stephens	Satec Nacoochee	GA	30571	
10	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 10	Certified with Return Receipt (Signature)	9414810898765023639333		Charles C. Johnston	North Palm Beach	FL	33408	
11	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 11	Certified with Return Receipt (Signature)	9414810898765023639340		Charles C. Johnston	Jupiter	FL	33458	
12	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 12	Certified with Return Receipt (Signature)	9414810898765023639357		EOG Y Resources, Inc.	Houston	TX	77210	
13	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 13	Certified with Return Receipt (Signature)	9414810898765023639371	Orrick, Herrington & Sutcliffe, LLP.	c/o Adolph P. Schuman Marital Trust	San Francisco	CA	94115	
14	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 14	Certified with Return Receipt (Signature)	9414810898765023639388		J. Frederick Van Vranken, Jr.	Vero Beach	FL	32967	
15	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 15	Certified with Return Receipt (Signature)	9414810898765023639395	Estate of Edward C. Hallock	c/o Construction Specialties Inc.	Lebanon	NJ	08833	
16	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 16	Certified with Return Receipt (Signature)	9414810898765023639401		Estate of Ruby F. Kawasaki	Honolulu	HI	96816	
17	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 17	Certified with Return Receipt (Signature)	9414810898765023639418	Irwin M. Kurashige Trust Dated March 23	Irwin M. Kurashige, Trustee	Honolulu	HI	96822	
18	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 18	Certified with Return Receipt (Signature)	9414810898765023639432	Dennis I. Maehara Trust	Irwin M. Kurashige, Trustee	Honolulu	HI	96822	
19	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 19	Certified with Return Receipt (Signature)	9414810898765023639449		Lester G. Naito	Aiea	HI	96707	
20	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 20	Certified with Return Receipt (Signature)	9414810898765023639456	The Estate of J. Patrick Arbow	C/O Michael Arbow	Seattle	WA	98148	
21	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 21	Certified with Return Receipt (Signature)	9414810898765023639463		Joseph R. Hodge	Houston	TX	77008	
22	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 22	Certified with Return Receipt (Signature)	9414810898765023639470	Payne Lifetime Trust Dated November 7, 1974	Sanford J. Hodge, III	Dallas	TX	75219	
23	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 23	Certified with Return Receipt (Signature)	9414810898765023639487		Winfield Smith Payne, Jr., Trustee	Honolulu	HI	96815	
24	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 24	Certified with Return Receipt (Signature)	9414810898765023639494		Teckla Oil Co., LLC	Ocala	FL	34478	
25	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 25	Certified with Return Receipt (Signature)	9414810898765023639500	Elizabeth J. Norman Living Trust	Camterra Resources Partners, Ltd.	Marshall	TX	75671	
26	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 26	Certified with Return Receipt (Signature)	9414810898765023639517		Teresa Rene Norman And Robert Clay Norman	Tulsa	OK	74136	
27	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 27	Certified with Return Receipt (Signature)	9414810898765023639524		Map 98A-Ok	Oklahoma City	OK	73126	
28	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 28	Certified with Return Receipt (Signature)	9414810898765023639531		Low Royalty Partners, LP	Houston	TX	77027	
29	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 29	Certified with Return Receipt (Signature)	9414810898765023639548		Paul R. Barwis C/O Dutton, Harris & Co.	Midland	TX	79702	
30	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 30	Certified with Return Receipt (Signature)	9414810898765023639555		Jareed Partners, Ltd.	Midland	TX	79710	
31	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 31	Certified with Return Receipt (Signature)	9414810898765023639579		Moveast Capital	Albany	TX	76430	
32	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 32	Certified with Return Receipt (Signature)	9414810898765023639586		Map 98B-Net	Oklahoma City	OK	73126	
33	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 33	Certified with Return Receipt (Signature)	9414810898765023639593		Larry T. Long	Kilgore	TX	75663	
34	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 34	Certified with Return Receipt (Signature)	9414810898765023639596		Thomas R. Smith	Midland	TX	79706	
35	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 35	Certified with Return Receipt (Signature)	9414810898765023639623		Penwell Employee Royalty Pool	Midland	TX	79701	
36	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 36	Certified with Return Receipt (Signature)	9414810898765023639630		Wildcat Energy, L.L.C.	Odessa	TX	79768	
37	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 37	Certified with Return Receipt (Signature)	9414810898765023639654	Joint Tenants With Right Of Survivorship	Wambaugh Exploration, LLC	The Woodlands	TX	77381	
38	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 38	Certified with Return Receipt (Signature)	9414810898765023639661		Good New Minerals, LLC	Midland	TX	79710	
39	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 39	Certified with Return Receipt (Signature)	9414810898765023639678		Shawn P. Hannifin And Frances A. Hannifin,	Denver	CO	80202	
40	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 40	Certified with Return Receipt (Signature)	9414810898765023639685		S & E Royalty, LLC	Lakewood	CO	80226	
41	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 41	Certified with Return Receipt (Signature)	9414810898765023639692		MW Oil Investment Company, Inc.	Westminster	CO	80035	
42	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 42	Certified with Return Receipt (Signature)	9414810898765023639708		Alan R. Hannifin, A Single Man	Denver	CO	80201	
43	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 43	Certified with Return Receipt (Signature)	9414810898765023639715		FFF, Inc.	Denver	CO	80201	
44	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 44	Certified with Return Receipt (Signature)	9414810898765023639722		Michelle R. Sandoval	Denver	CO	80201	
45	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 45	Certified with Return Receipt (Signature)			Axis Energy Corporation	Roswell	NM	88202	
46	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 46	Certified with Return Receipt (Signature)			Black Stone Minerals Company, L.P.	Houston	TX	77002	
47	65187 - Cletus 28-21 Fed Com 1H and 3H Well - 47	Certified with Return Receipt (Signature)			Marathon Oil Permian LLC	Houston	TX	77056	

CARLSBAD
CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No.
0001272210


DAVID WASHINGTON
110 NORTH GUADALUPE, SUITE 1 PO BOX 2208
SANTA FE NM 87504

I, a legal clerk of the **Carlsbad Current-Argus**,
a newspaper published daily at the City of
Carlsbad, in said county of Eddy, state of New
Mexico and of general paid circulation in said
county; that the same is a duly qualified
newspaper under the laws of the State wherein
legal notices and advertisements may be
published; that the printed notice attached
hereto was published in the regular and entire
edition of said newspaper and not in supplement
thereof on the date as follows, to wit:

12/22/18


Legal Clerk

Subscribed and sworn before me this
24th of December 2018.


State of WI, County of Brown
NOTARY PUBLIC

11/9/22
My Commission Expires



Ad#:0001272210
P O : 0001272210
of Affidavits :0.00

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 3B
Submitted by: **CHISHOLM ENERGY OPERATING**
Hearing Date: January 24, 2019
Case Nos. 20181 & 20182

**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 **January 10, 2019**, 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 **December 31, 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 and pooled parties, including: Oxy USA Inc.; Marathon Oil Permian LLC; WPX Energy Permian, LLC; S & P Co.; Sklarco, LLC; JS Working Interest, LLC; Michael Y. McGovern, his heirs and devisees; MWE Energy, Inc. c/o Michael W. Englert; Sherri B. Clark, her heirs and devisees; Scott Gutterman, his heirs and devisees; Danny Stephens, his heirs and devisees; Charles C. Johnston, his heirs and devisees; EOG Y Resources, Inc.; Adolph P. Schuman Marital Trust c/o Orrick, Herrington & Sutcliffe, LLP; J. Frederick Van Vranken, Jr., his heirs and devisees; Estate of Edward C. Hallock c/o Construction Specialties Inc., his heirs and devisees; Estate of Ruby F. Kawasaki, her heirs and devisees; Irwin M. Kurashige Trust Dated March 23, 2001; Irwin M. Kurashige, Trustee; Dennis I. Maehara Trust; Irwin M. Kurashige, Trustee; Lester G. Naito, his heirs and devisees; The Estate of J. Patrick Arbow c/o Michael Arbow, his heirs and devisees; Joseph R. Hodge, his heirs and devisees; Sanford J. Hodge, III, his heirs and devisees; Payne Lifetime Trust Dated November 7, 1974; Winfield Smith Payne, Jr., Trustee; Teckla Oil Co., LLC; Camterra Resources Partners, Ltd.; Elizabeth J. Norman Living Trust Dated September 13, 1994; Teresa Rene Norman And Robert Clay Norman, Co-Trustees; Map 98A-Ok; Lowe Royalty Partners, LP; Paul R. Barwis C/O Dutton, Harris & Co.; Jared Partners, Ltd.; Movest Capital; Map 98B-Net; Larry T. Long, his heirs and devisees; Thomas R. Smith, his heirs and devisees; Penwell Employee Royalty Pool; Wildcat Energy, L.L.C.; Wambaugh Exploration, LLC; Good New Minerals, LLC; Shawn P. Hannifin And Frances A. Hannifin, their heirs and devisees; S & E Royalty, LLC; MW Oil Investment Company, Inc.; Alan R. Hannifin, his heirs and devisees; FFF, Inc.; Michelle R. Sandoval, her heirs and devisees; Axis Energy Corporation; Black Stone Minerals Company,

L.P.

Case No. 20181: Application of Chisholm Energy Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation underlying a 640-acre horizontal spacing unit comprised of the E/2 of Section 21 and the E/2 of Section 28, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. The above-referenced unit will be dedicated to two initial wells: its proposed Cletus 28-21 Fed Com WCB No. 1H Well and its proposed Cletus 28-21 Fed Com WCA No. 2H Well. Both wells will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 28 to bottom hole location in the NW/4NE/4 (Unit B) of Section B. The completed interval for each well will comply with the setback requirements set forth in the Special Rules. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating LLC as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 20 miles southwest of Eunice, New Mexico.

Pub: December 22, 2018 # 1272210

CARLSBAD
CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

Ad No.
0001272207

DAVID WASHINGTON
110 NORTH GUADALUPE, SUITE 1 PO BOX 2208
SANTA FE NM 87504


I, a legal clerk of the **Carlsbad Current-Argus**,
a newspaper published daily at the City of
Carlsbad, in said county of Eddy, state of New
Mexico and of general paid circulation in said
county; that the same is a duly qualified
newspaper under the laws of the State wherein
legal notices and advertisements may be
published; that the printed notice attached
hereto was published in the regular and entire
edition of said newspaper and not in supplement
thereof on the date as follows, to wit:

12/22/18



Legal Clerk

Subscribed and sworn before me this
24th of December 2018.



State of WI, County of Brown
NOTARY PUBLIC

11/9/22

My Commission Expires

Ad#:0001272207
P O : 0001272207
of Affidavits :0.00



**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 **January 10, 2019**, 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 **December 31, 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.

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To: All offset owners and pooled parties, including: Oxy USA Inc.; Marathon Oil Permian LLC; WPX Energy Permian, LLC; S & P Co.; Sklarco, LLC; JS Working Interest, LLC; Michael Y. McGovern, his heirs and devisees; MWE Energy, Inc. c/o Michael W. Englert; Sherri B. Clark, her heirs and devisees; Scott Gutterman, his heirs and devisees; Danny Stephens, his heirs and devisees; Charles C. Johnston, his heirs and devisees; EOG Y Resources, Inc.; Adolph P. Schuman Marital Trust c/o Orrick, Herrington & Sutcliffe, LLP; J. Frederick Van Vranken, Jr., his heirs and devisees; Estate of Edward C. Hallock c/o Construction Specialties Inc., his heirs and devisees; Estate of Ruby F. Kawasaki, her heirs and devisees; Irwin M. Kurashige Trust Dated March 23, 2001; Irwin M. Kurashige, Trustee; Dennis I. Maehara Trust; Irwin M. Kurashige, Trustee; Lester G. Naito, his heirs and devisees; The Estate of J. Patrick Arbow c/o Michael Arbow, his heirs and devisees; Joseph R. Hodge, his heirs and devisees; Sanford J. Hodge, III, his heirs and devisees; Payne Lifetime Trust Dated November 7, 1974; Winfield Smith Payne, Jr., Trustee; Teckla Oil Co., LLC; Camterra Resources Partners, Ltd.; Elizabeth J. Norman Living Trust Dated September 13, 1994; Teresa Rene Norman And Robert Clay Norman, Co-Trustees; Map 98A-Ok; Lowe Royalty Partners, LP; Paul R. Barwis C/O Dutton, Harris & Co.; Jared Partners, Ltd.; Movest Capital; Map 98B-Net; Larry T. Long, his heirs and devisees; Thomas R. Smith, his heirs and devisees; Penwell Employee Royalty Pool; Wildcat Energy, LLC; Wambaugh Exploration, LLC; Good New Minerals, LLC; Shawn P. Hannifin And Frances A. Hannifin, their heirs and devisees; S & E Royalty, LLC; MW Oil Investment Company, Inc.; Alan R. Hannifin, his heirs and devisees; FFF, Inc.; Michelle R. Sandoval, her heirs and devisees; Axis Energy Corporation; Black Stone Minerals Company,

L.P.

Case No. 20182: Application of Chisholm Energy Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 640-acre horizontal spacing unit comprised of the E/2 of Section 21 and the E/2 of Section 28, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. The above-referenced unit, including the adjacent proximity tracts, will be dedicated to its proposed Cletus 28-21 Fed Com BS3 No. 3H Well, which will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 28 to bottom hole location in the NW/4NE/4 (Unit B) of Section B. The completed interval will comply with the Statewide rules for oil wells, and the horizontal spacing unit will include the adjacent proximity tracts. Also to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating LLC as operator, and a 200% charge for risk involved in drilling and completing the well. Said area is located approximately 20 miles southwest of Eunice, New Mexico.

Pub: December 22, 2018 #1272207