

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

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
TO RE-OPEN CASE NO. 15852 TO POOL THE INTEREST
OF AN ADDITIONAL MINERAL INTEREST OWNER UNDER
THE TERMS OF COMPULSORY POOLING ORDER
R-14540, LEA COUNTY, NEW MEXICO.**

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CASE NO. 15852 (re-opened)

APPLICATION

Chisholm Energy Operating, LLC, ("Chisholm") (OGRID No. 327137), through its undersigned attorneys, hereby makes application to the Oil Conservation Division to pool the interest of an additional mineral owner under the terms of Division Order R-14540. In support of this application, Chisholm states:

1. Division Order R-14540, entered on December 27, 2017, created a 160-acre spacing and proration unit consisting of the E/2 W/2 of Section 32, Township 18 South, Range 33 East, NMPM, in Lea County, New Mexico. This order further pooled the uncommitted interests in the Bone Spring Formation (Corbin; Bone Spring, South Pool (13160)) in this spacing and proration unit (the "Unit") and dedicated the Unit to the Gazelle 32 State Com 2BS No. 2H (API No. 30-025-43907), a horizontal well that has been drilled from a surface location 200 feet from the North line and 1370 feet from the West line (Unit C) to a bottom hole location 330 feet from the South line and 1830 feet from the West line (Unit N) of Section 32.

2. Since the entry of Order R-14540, a working interest owner has failed to sign the operating agreement as previously anticipated.

3. The pooling of this additional mineral interest owner under the terms of Division Order R-14540 will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

4. In order to obtain Chisholm's just and fair share of the oil and gas underlying the subject acreage, all remaining uncommitted mineral interests should be pooled pursuant to the terms of Order R-14540.

WHEREFORE, Chisholm Energy Operating, LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 8, 2018, and, after notice and hearing as required by law, the Division pool the remaining uncommitted mineral interest owner in the Unit pursuant to the terms of existing Division Order R-14540.

Respectfully submitted,

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CASE 15852 (re-opened): Application of Chisholm Energy Operating, LLC to Re-Open Case No. 15852 To Pool The Interests Of An Additional Mineral Owner Under The Terms Of Compulsory Pooling Order R-14540, Lea County, New Mexico. Applicant in the above-styled cause seeks to amend Division Order R-15852 to include the pooling of an additional mineral interest in the Bone Spring formation underlying the E/2 W/2 of Section 32, Township 18 South, Range 33 East, NMPM, in Lea County, New Mexico. Said unit is dedicated to the **Gazelle 32 State Com 2BS No. 2H** and is located 32 miles west of Hobbs, New Mexico.