

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

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

CASE NOS. 20520 & 20521

**CHISHOLM ENERGY OPERATING, LLC'S
CONSOLIDATED PRE-HEARING STATEMENT**

Chisholm Energy Operating, LLC ("Chisholm") (OGRID No. 327137), the applicant in the above-referenced matters, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Chisholm Energy Operating, LLC

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

In Case No. 20520, Chisholm seeks an order pooling all uncommitted interests in the Bone Spring formation in the Grama Ridge; Bone Spring Pool (Pool Code 28430) underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 14 and the W/2 NE/4 of Section 23, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico.

Chisholm seeks to dedicate the above-referenced horizontal spacing unit to its proposed **Outland 14-23 State Com 1BS 8H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 14 to bottom hole location in the SW/4 NE/4 (Unit G) of Section 23. The completed interval will comply with the Statewide setback requirements for oil wells.

In Case No. 20521, Chisholm seeks an order pooling all uncommitted interests in the Bone Spring formation in the Grama Ridge; Bone Spring Pool (Pool Code 28430) underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Section 14 and the E/2 NE/4 of Section 23, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico. Chisholm seeks to dedicate the above-referenced horizontal spacing unit to its proposed **Outland 14-23 State Com 1BS 9H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 14 to bottom hole location in the SE/4 NE/4 (Unit H) of Section 23. The completed interval will comply with the Statewide setback requirements for oil wells.

APPLICANT’S PROPOSED EVIDENCE

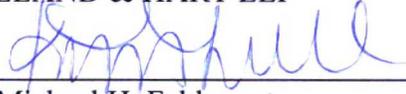
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Beau Sullivan, Landman	Approx. 10	Approx. 5
Bill Francis, Geologist	Approx. 10	Approx. 3

PROCEDURAL MATTERS

Chisholm requests that Case Nos. 20520 and 20521 be consolidated for purposes of hearing. If uncontested, Chisholm anticipates presenting these cases by affidavits.

Respectfully submitted,

HOLLAND & HART LLP



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