

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MARCH 03, 2022**

CASE No. 22585

RAM 2-11 FED 1BS COM #10H WELL

LEA COUNTY, NEW MEXICO



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

APPLICATION OF CHISHOLM ENERGY OPERATING, LLC TO
AMEND ORDER R-21917 TO CORRECT THE POOLED UPPER
BONE SPRING INTERVAL, LEA COUNTY, NEW MEXICO.

CASE NO. 22585
(Formerly Case 22175)

APPLICATION

Chisholm Energy Operating, LLC (“Applicant”) (OGRID No. 372137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to correct the depth designation of the upper Bone Spring interval of the Bone Spring formation pooled by the Division under Order R-21917. In support of its application, Applicant states:

1. Applicant is the designate operator under Division Order R-21917 issued on October 29, 2021, under Case 22175.
2. Order R-21917 pooled uncommitted mineral owners in an upper Bone Spring formation underlying a standard 324.18-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 2 and 11, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico.
3. This standard spacing unit is to be initially designated to the proposed **Ram 2-11 Fed 1BS Com #10H well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Lot 1) of Section 2 to a bottom hole location in the SW/4 SE/4 (Lot O) of Section 11.
4. The materials filed in Case 22175 and the resulting pooling Order R-21917 mistakenly describe the pooled upper Bone Spring interval as “the top of the formation to a depth of 9,651 feet, as defined in the Schlumberger Lone Ranger “11” Federal No. 1 well (API No. 30-025-33560).”

5. The correct designation of the pooled interval is “the stratigraphic equivalent of the top of the Bone Spring formation to a depth of 9,561 feet, as defined in the Schlumberger Lone Ranger “11” Federal No. 1 well (API No. 30-025-33560).” (underlined language changed or added).

6. Applicant will provide notice of this hearing to the remaining pooled parties and the vertical offset parties affected by the requested amendment to the pooling order.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 3, 2022, for the purpose of amending Order R-21917 to correctly reflect the pooled interval.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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ATTORNEYS FOR CHISHOLM ENERGY OPERATING, LLC

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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SECOND AFFIDAVIT OF LUKE SHELTON, LANDMAN

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

1. My name is Luke Shelton, and I am employed by Chisholm Energy Operating, LLC (“Chisholm”) as a Landman. I previously submitted an affidavit in Case 22175 giving rise to Division Order R-21917.

2. I have testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters and my credentials as a petroleum landman have been accepted by the Division and made a matter of public record.

3. I am familiar with the application filed by Chisholm in this case and the status of the lands in the subject area.

4. I do not expect any opposition to the presentation of this case by affidavit.

5. Division Order R-21917 pooled uncommitted mineral owners in the upper interval of the Bone Spring formation underlying a standard 324.14-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 2 and 11, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico. This spacing unit will be initially dedicated to the proposed **Ram 2-11 Fed 1BS Com #10H** well. This limited pooling was done to accommodate an ownership depth severance that exists in the Bone Spring formation underlying the subject acreage.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F**

**Submitted by: Chisholm Energy Operating, LLC
Hearing Date: March 03, 2022
Case No. 22585**

6. The materials filed in Case 22175, including my initial affidavit and Order R-21917, mistakenly describe the pooled upper Bone Spring interval as “the top of the formation to a depth of 9,651 feet, as defined in the Schlumberger Lone Ranger “11” Federal No. 1 well (API No. 30-025-33560).” However, the correct designation of the pooled upper Bone Spring interval is “the stratigraphic equivalent of the top of the Bone Spring formation to a depth of 9,561 feet, as defined in the Schlumberger Lone Ranger “11” Federal No. 1 well (API No. 30-025-33560).”

7. Chisholm seeks an order correcting the depth designation of the upper Bone Spring interval of the Bone Spring formation pooled by the Division under Order R-21917. No other changes are sought to existing Order R-21917.

8. I provided the law firm of Holland & Hart LLP a list of names and addresses of the mineral owners affected by this application and instructed that they be notified of this hearing.

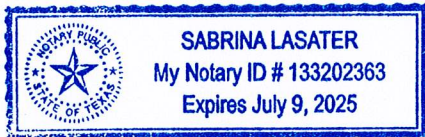
FURTHER AFFIANT SAYETH NOT.

Luke Shelton

LUKE SHELTON

STATE OF TEXAS)
)
COUNTY OF TARRANT)

SUBSCRIBED and SWORN to before me this 28th day of February 2022 by
Luke Shelton.



Sabrina Lasater
NOTARY PUBLIC

My Commission Expires:


July 9th, 2025

AMENDED COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 22585 (formerly 22175)	APPLICANT'S RESPONSE
Date: March 1, 2022	
Applicant	Chisholm Energy Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Chisholm Energy Operating, LLC (OGRID No. 327137)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF CHISHOLM ENERGY OPERATING, LLC TO AMEND ORDER R-21917 TO CORRECT THE POOLED UPPER BONE SPRING INTERVAL, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Ram 2-11 Fed 1BS Com #10H well
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Buffalo; Bone Spring, SE Pool [Pool code 8146]
Well Location Setback Rules:	Standard
Spacing Unit Size:	324.14-acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	324.14-acres, more or less
Building Blocks:	quarter-quarter sections
Orientation:	North-South
Description: TRS/County	W/2 E/2 of Sections 2 and 11, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	Yes, Chisholm seeks to pool only the stratigraphic equivalent of the top of the Bone Spring formation to a depth of 9,561 feet, as defined in the Schlumberger Lone Ranger "11" Federal No. 1 well (API No. 30-025-33560).
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-2
Well(s)	BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. G

Submitted by: Chisholm Energy Operating, LLC
Hearing Date: March 03, 2022
Case No. 22585

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	Ram 2-11 Fed 1BS Com #10H well , API No. 30-025-pending SHL:275' FNL & 1275' FEL (Lot 1) of Sec. 2, T19S, R33E BHL:100' FSL & 1810' FEL (Unit O) of Sec. 11, T19S, R33E Completion Target: Bone Spring formation Well Orientation:North to South Completion Location expected to be:Standard
Horizontal Well First and Last Take Points	See Exhibit C-1
Completion Target (Formation, TVD and MD)	See Exhibit C-3, D-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,500
Production Supervision/Month \$	\$750
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	Exhibit C-2, noting voluntary agreement with owners below depth severance
Joinder	
Sample Copy of Proposal Letter	Exhibit C-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	Exhibit C-4
Overhead Rates In Proposal Letter	Exhibit C-3
Cost Estimate to Drill and Complete	Exhibit C-3
Cost Estimate to Equip Well	Exhibit C-3
Cost Estimate for Production Facilities	Exhibit C-3
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-2
Released to / Anting: 3/1/2022 3:47:20 PM	Exhibit D-1, D-2

Well Orientation (with rationale)	Exhibit D, D-1
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael Feldewert
Signed Name (Attorney or Party Representative):	
Date:	1-Mar-22

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
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AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

Michael H. Feldewert, attorney in fact and authorized representative Chisholm Energy Operating, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.



Michael H. Feldewert

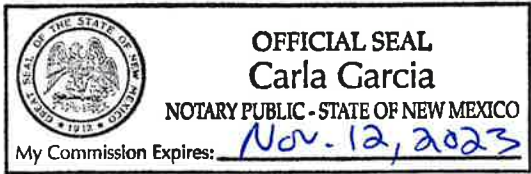
SUBSCRIBED AND SWORN to before me this 1st day of March, 2022 by Michael H. Feldewert.



Notary Public

My Commission Expires:

Nov. 12, 2023



**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. H
Submitted by: Chisholm Energy Operating, LLC
Hearing Date: March 03, 2022
Case No. 22585**



Michael H. Feldewert
Partner
Phone (505) 988-4421
mfeldewert@hollandhart.com

February 11, 2022

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL AFFECTED MINERAL OWNERS

Re: Application of Chisholm Energy Operating, LLC to Amend Order R-21917 to Correct the Pooled Upper Bone Spring Interval, Lea County, New Mexico. Ram 2-11 Fed 1BS Com #10H 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.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. Application has requested a hearing on March 3, 2022, beginning at 8:15 a.m. To monitor this case and to participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

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,

Michael H. Feldewert
**ATTORNEY FOR CHISHOLM ENERGY
OPERATING, LLC**

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Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Chisholm - Amend Pooling Order Ram 10H
Case No. 22585 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765844619009	EOG Resources, Inc., Attn Chris Leyendecker	5509 Champions Dr	Midland	TX	79706-2843	Your item was picked up at a postal facility at 8:07 am on February 15, 2022 in MIDLAND, TX 79702.
9414811898765844619092	Nearburg Exploration Company, L.L.C.	PO Box 823085	Dallas	TX	75382-3085	Your item was delivered at 1:05 pm on February 16, 2022 in DALLAS, TX 75382.
9414811898765844619047	OXY USA Inc., Attn Clay Carroll	5 Greenway Plz Ste 11	Houston	TX	77046-0526	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77046 on February 17, 2022 at 11:09 am.