

Electronic on L-drive

Revised March 23, 2017

RECEIVED: 09/21/2017	REVIEWER: LRL	TYPE: NSL	APP NO: pLEL1727239750
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

6/10/12/17

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Chisholm Energy Operating, LLC **OGRID Number:** 372137
Well Name: Buffalo West 2 State Com 2BS 003H **API:** 03-025-43830
Pool: Buffalo; Bone Spring, Southeast **Pool Code:** 08146

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

NSL-7597

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location - Spacing Unit - Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Bettie Watson

Print or Type Name

Bettie Watson

Signature

09-21-2017

Date

817-864-1104

Phone Number

bwatson@chisholmenergy.com

e-mail Address



September 21, 2017

Via E-mail to Leonard.Lowe@state.nm.us

New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

Attn: Mr. Leonard Lowe

RE: NSL Application
Buffalo West 2 State Com 2BS 003H
API 30-025-43830
Unit C, Sec. 2, T19S, R33E; SHL 125 FNL & 1325' FWL
Lea County, New Mexico

Mr. Lowe,

Pursuant to Division Rule 19.15.15.13, Chisholm Energy Operating, LLC, respectfully requests administrative approval of a non-standard location (NSL) for the Buffalo West 2 State Com 2BS 003H in Lea County, New Mexico. This application is being sent in regard to the State Buffalo West 2 State Com 2BS 003H production interval being 164' from the Quarter/Quarter line in Sect. 2, T19S, R33E in the Buffalo; Bone Spring, Southeast (08146).

The adjoining spacing unit wells to the Sect. 2, T19S, R33E Buffalo West 2 State Com 2BS 003H well are the Buffalo West 2 State Com 2BS 002H, Buffalo West 2 State Com 2BS 004H, and Buffalo West 2 State Com 2BS 005H. All wells are operated by Chisholm Energy Operating, LLC. The wells 003H, 002H, 004H have the same interest and the well 005H is slightly different as noted on the attached Section 2 map. The affected parties are listed on Exhibit A and are being sent a copy of this application by certified mail, return receipt. Also attached are:

- 1) Map showing Section 2 that is operated by Chisholm Energy Operating, LLC and the placement of the wells within that section, affected parties, and ownership percentages of the wells.
- 2) Form C-102 showing the project area of the proposed 003H well and Form C-102 for the adjoining spacing unit wells.
- 3) A copy of affected parties letter and the documentation of the certified mailings.

Approval of this application will allow Chisholm Energy Operating, LLC to recover additional oil and gas reserves from the Buffalo; Bone Spring, Southeast pool underlying the Section 2 that may otherwise not be recovered by the existing and proposed wells, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (817) 864-1104 or Jennifer Elrod at (817) 953-3728.

Sincerely,


Bettie Watson,
Regulatory Consultant



EXHIBIT "A"

**Application of Chisholm Energy Operating, LLC
for approval of a Non-Standard Location
Buffalo West 2 State Com 2BS 003H
Unit C, Section 2, T19S, R33E
Lea County, New Mexico**

**CHISHOLM ENERGY OPERATING, LLC
801 Cherry Street, Suite 1200-Unit 20
Fort Worth, Texas 76102**

**EAU ROUGE, LLC
801 Cherry Street, Suite 1200-Unit 20
Fort Worth, Texas 76102**

**CONOCOPHILLIPS CO.
600 N. Dairy Asford
Houston, Texas 77079-1175**

**OCCIDENTAL PERMIAN LP
ATTN: David Stewart
6001 Deauville Blvd
Midland, Texas 79706**

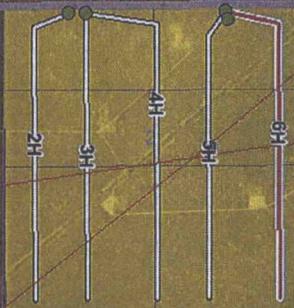
**OXY USA INC.
5 Greenway Plaza, Suite 110
Houston, Texas 77046**

NON STANDARD APPLICATION FOR
BUFFALO WEST 2 STATE COM 2BS #3H

Chisholm Energy Operating LLC (CEO) Operates Offsett Spacing
Units in Section 2:

DIVISION OF WI-INTERESTS		CEO % EAU ROUGE, LLC %	
Buffalo West 2 State Com 2BS 2H	.38569340	.61430660	
Buffalo West 2 State Com 2BS 3H	.38569340	.61430660	
Buffalo West 2 State Com 2BS 4H	.38569340	.61430660	
Buffalo West 2 State Com 2BS 5H	.17975000	.82025000	

Affected Parties in All of Sec 35,
T18S, R33E
ConocoPhillips Co. 50 %
Occidental Permian LP 50%



Affected Party in N/2 of Sec 11,
T19S, R33E OXY USA, INC 100%



**CHISHOLM
ENERGY**

**Buffalo West 2 State Com 2BS
Lea County, NM**

NAD 27 SPCS NEW MEXICO EAST

3Bear Facilities COMMODITY

3Bear Pipelines

Commodity

— CRUDE

— GAS

— PHASE 2 - CRUDE

— PHASE 2 - GAS

— Crude Oil

— LPG/NGL

— Natural Gas

● CHISHOLM SHL

DEVELOPMENT_PLAN

— Buffalo West 2 State Com 2BS

— Buffalo West 2 State Com 2BS #6H

Drill Island Status

■ Approved

■ Nominated

Nearburg

■ Assumed

■ Non-Operated

■ Operated

■ Unknown



0 1,000 2,000 Feet



DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
Phone (505) 592-5151 Fax: (505) 593-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 749-1255 Fax: (505) 749-0720

DISTRICT III
1000 Rio Brazos Rd., Asteo, NM 87410
Phone (505) 534-8175 Fax: (505) 534-8170

DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3450 Fax: (505) 476-3453

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1226 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

~~X~~ AMENDED REPORT

API Number 30-025-43830	Pool Code 8146	Pool Name Buffalo; Bone Spring, Southeast
Property Code 317783	Property Name BUFFALO WEST 2 STATE COM 2BS	Well Number 3H
OGRID No. 327137	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3766'

Surface Location

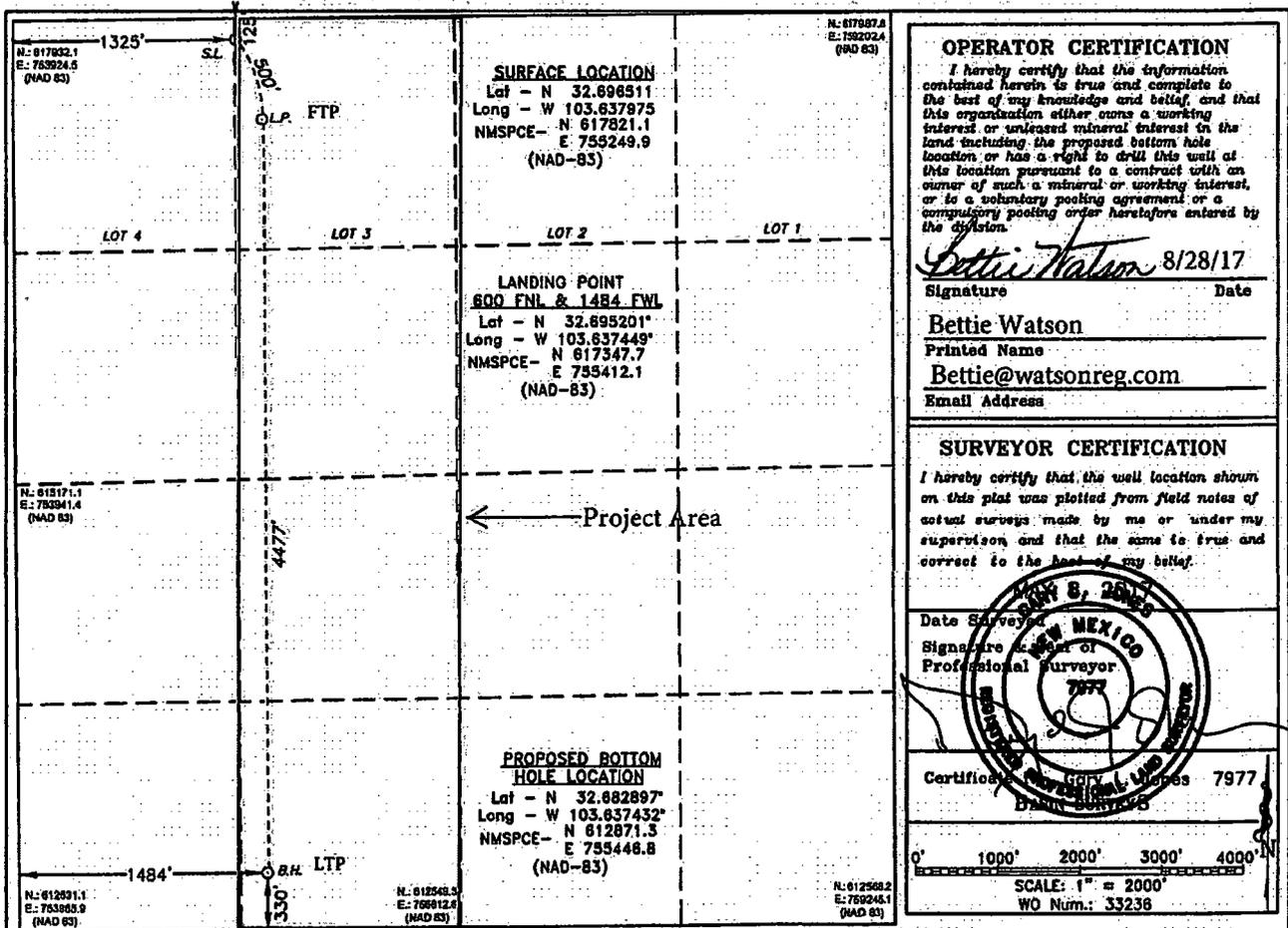
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
LOT 3	2	19 S	33 E		125	NORTH	1325	WEST	LEA

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
N	2	19 S	33 E		330	SOUTH	1484	WEST	LEA

Dedicated Acres 163.86	Joint or Infill	Consolidation Code	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



Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-43830
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator CHISHOLM ENERGY OPERATING, LLC		6. State Oil & Gas Lease No.
3. Address of Operator 801 Cherry Street, Suite 1200-Unit 20 - Fort Worth, Texas 76102		7. Lease Name or Unit Agreement Name Buffalo West 2 State Com 2BS
4. Well Location Unit Letter <u>C</u> : <u>125</u> feet from the <u>N</u> line and <u>1325</u> feet from the <u>W</u> line Section <u>2</u> Township <u>19S</u> Range <u>33E</u> NMPM County <u>Lea</u>		8. Well Number <u>003H</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3766 GR		9. OGRID Number 372137
		10. Pool name or Wildcat <u>Buffalo; Bone Spring, Southeast</u>

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input checked="" type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER <input type="checkbox"/>		SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Request change of LP and BHL. Plat attached
 Intent to change LP from 560' FNL & 1584' FWL to 600' FNL & 1484' FWL
 Intent to change BHL from 330' FSL & 1584' FWL to 330' FSL & 1484' FWL

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
 SIGNATURE Bettie Watson TITLE Regulatory Manager DATE 8-28-17

Type or print name Bettie Watson E-mail address: bwatson@chisholmenergy.com PHONE: 817-864-1104

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
 Conditions of Approval (if any): _____



September 21, 2017

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: OFFSET INTEREST OWNERS LISTED ON EXHIBIT A

**Re: Application of Chisholm Energy Operating, LLC
for approval of a Non-Standard Location
Buffalo West 2 State Com 2BS 003H
Unit C, Section 2, T19S, R33E
Lea County, New Mexico**

Ladies & Gentlemen:

Chisholm Energy Operating, LLC has filed an application with the New Mexico Oil Conservation Division seeking approval of non-standard well location pursuant to Division Rule 19.15.15.13 for its Buffalo West 2 State Com 2BS 003H, Section 2, T-19S, R-33E, Lea County, New Mexico. A copy of the application is enclosed.

Objections to this application must be filed with the Oil Conservation Division (1220 South St. Francis Dr., Santa Fe, NM 87505) in writing no later than 20 days from the date of this letter. Failure to file an objection within the 20-day period will preclude you from contesting this matter at a later date.

If you have any questions please contact the undersigned at (817) 864-1104 or Jennifer Elrod at (817) 953-3728.

Sincerely,

A handwritten signature in cursive script that reads 'Bettie Watson'.

Bettie Watson
Regulatory Consultant

CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$
- Return Receipt (electronic) \$
- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

Postmark Here

Postage \$

Total Postage and Fees \$

Sent To **Crisholm Energy Operating LLC**
 Street and Apt. No., or PO Box No. **801 Cherry Street Ste 1200 unit 20**
 City, State, ZIP+4® **Ft Worth, TX 76102**

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

U.S. Postal Service™

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- Return Receipt (electronic) \$
- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

Postmark Here

Postage \$

Total Postage and Fees \$

Sent To **OXY USA Inc**
 Street and Apt. No., or PO Box No. **5 Greenway Plaza Suite 110**
 City, State, ZIP+4® **Houston TX 77046**

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

Postmark Here

Postage \$

Total Postage and Fees \$

Sent To **OCCIDENTAL PERMIAN LP**
 Street and Apt. No., or PO Box No. **6001 Beauville Blvd**
 City, State, ZIP+4® **Midland, TX 79706**

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

ATTN: David Stewart

U.S. Postal Service™

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- Return Receipt (hardcopy) \$
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- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

Postmark Here

Postage \$

Total Postage and Fees \$

Sent To **EAU Rouge LLC**
 Street and Apt. No., or PO Box No. **801 Cherry St. Ste 1200 Unit 20**
 City, State, ZIP+4® **Ft Worth, TX 76102**

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

U.S. Postal Service™

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For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

- Return Receipt (hardcopy) \$
- Return Receipt (electronic) \$
- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$

Postmark Here

Postage \$

Total Postage and Fees \$

Sent To **CONOCOPHILLIPS Co.**
 Street and Apt. No., or PO Box No. **600 N. Dairy Asford**
 City, State, ZIP+4® **Houston, TX 77079-1175**

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Lowe, Leonard, EMNRD

From: Jennifer Elrod <jelrod@chisholmenergy.com>
Sent: Thursday, October 12, 2017 8:38 AM
To: Lowe, Leonard, EMNRD
Subject: RE: NSL Application VITAL INFORMATION NEEDED
Attachments: Buffalo West 2 State Com 2BS _Location Calls_NSL.DOCX; BUFFALO WEST 2 STATE COM 2BS 3H NSL_Rev Plat_ Sbmted.pdf; BUFFALO WEST 2 STATE COM 2BS 4H NSL_Rev Plat_smbtd.pdf

Leonard,

Please let me know if this satisfies your request for location calls for both NSL applications.

To the best of our knowledge this is where the FTP and LTP will be located. We are currently drilling the 4H well and the 3H is next on the schedule.

Thank you,
Jennifer Elrod

From: Lowe, Leonard, EMNRD [mailto:Leonard.Lowe@state.nm.us]
Sent: Wednesday, October 11, 2017 3:51 PM
To: Jennifer Elrod <jelrod@chisholmenergy.com>
Cc: Bettie Watson <bwatson@chisholmenergy.com>; Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>
Subject: RE: NSL Application VITAL INFORMATION NEEDED
Importance: High

Ms. Jennifer Elrod,

I can assume what you are trying to state in your attached edited C-102. An assumption of critical information is not kosher for such an Administrative Application request.

What are the First Take Points and the Last Take Points for your request. For each well.

Remember you are requesting an approval of an **unorthodox location** for your well to produce from. A request for an exception to the rules.

In order to process an exception, sufficient information must be provided to the OCD for review, for the exception. This in return I will need to present to the Director, on your behalf.

Sooooo....please provide.

Buffalo West 2 State Com 2BS No. 3H

S.H.L. = (fill in the blank)

FTP = (fill in the blank)

LTP = (fill in the blank)

B.H.L. = (fill in the blank)

Buffalo West 2 State Com 2BS No. 4H

Buffalo West 2 State Com 2BS No. 3H

SHL = 125 FNL, 1325 FWL
FTP = 340 FNL, 1484 FWL
LTP = 360 FSL, 1484 FWL
BHL = 330 FSL, 1484 FWL

Buffalo West 2 State Com 2BS No. 4H

SHL = 125 FNL, 1385 FWL
FTP = 340 FNL, 2520 FWL
LTP = 360 FSL, 2520 FWL
BHL = 330 FSL, 2520 FWL

DISTRICT I
 1825 N. French Dr., Hobbs, NM 88240
 Phone (505) 393-8181 Fax: (505) 393-8728

DISTRICT II
 811 S. First St., Artesia, NM 88210
 Phone (505) 748-1303 Fax: (505) 748-8728

DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
 1226 S. St. Francis Dr., Santa Fe, NM 87505
 Phone (505) 476-3466 Fax: (505) 476-3482

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised August 1, 2011

Submit one copy to appropriate
 District Office

OIL CONSERVATION DIVISION
 1226 South St. Francis Dr.
 Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-43830	Pool Code 8146	Pool Name Buffalo; Bone Spring, Southeast
Property Code 317783	Property Name BUFFALO WEST 2 STATE COM 2BS	Well Number 3H
OGRID No. 327137	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3766'

Surface Location

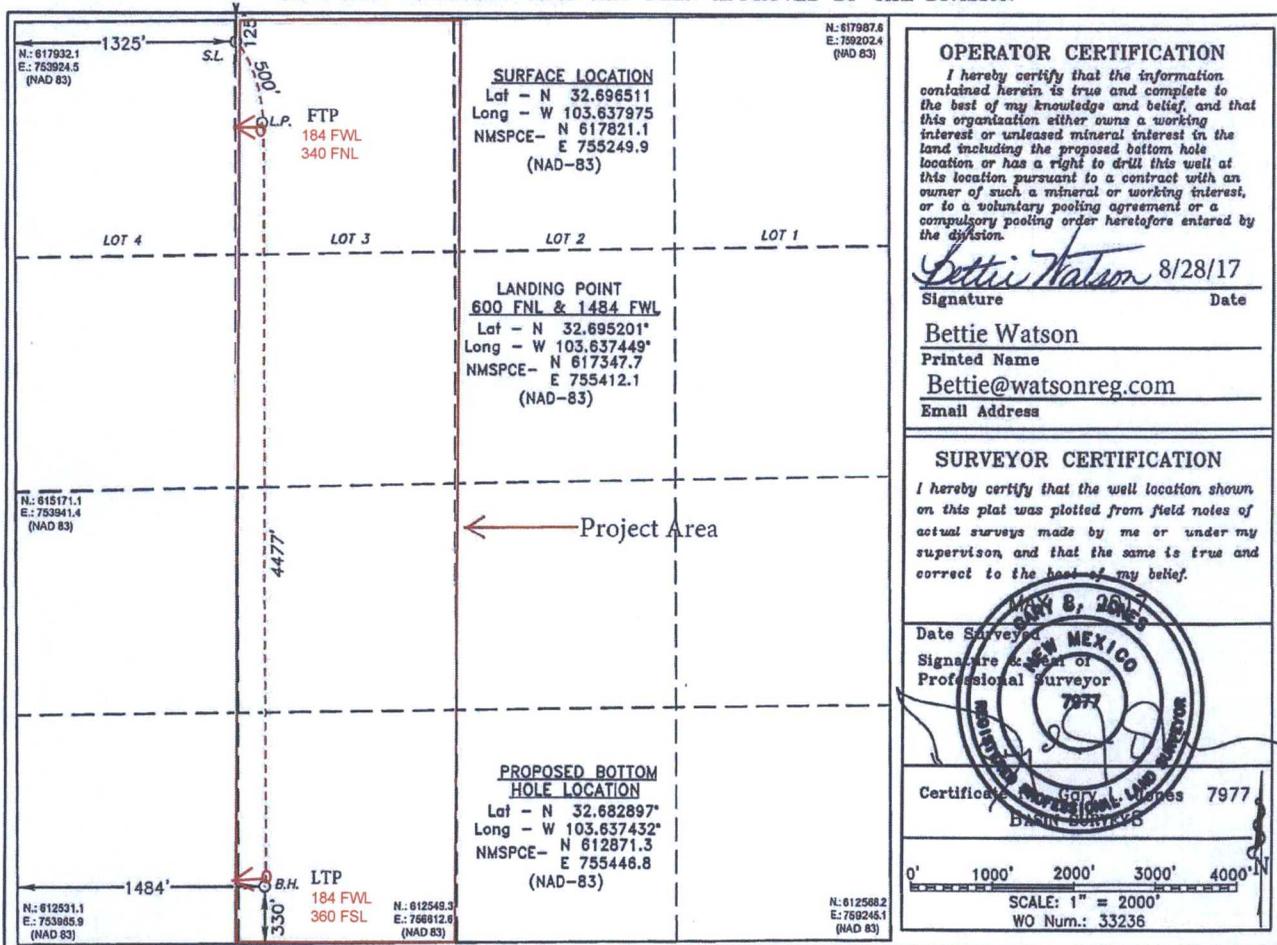
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
LOT 3	2	19 S	33 E		125	NORTH	1325	WEST	LEA

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
N	2	19 S	33 E		330	SOUTH	1484	WEST	LEA

Dedicated Acres 163.86	Joint or Infill	Consolidation Code	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



Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, October 20, 2017 1:28 PM
To: 'Bettie Watson'
Cc: Brown, Maxey G, EMNRD; Kautz, Paul, EMNRD; Sharp, Karen, EMNRD; 'lisa@rwbyram.com'; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; Holm, Anchor E.; Martin, Ed
Subject: APPROVED NSL-7597 & NSL-7698_Chisholm Energy Operating LLC_Buffalo West 2 State Com 2BS Well No. 3H & 4H_SEC 2 19S 33E
Importance: High

Ms. Bettie Watson,

The following administrative orders have been issued and will soon be available on the Division's web site: <http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7597

Chisholm Energy Operating, LLC
API #: 30-025-43830
WELL: Buffalo West 2 State Com 2BS Well No. 3H

NSL-7598

Chisholm Energy Operating, LLC
API #: 30-025-43831
WELL: Buffalo West 2 State Com 2BS Well No. 4H

Leonard Lowe

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Frances
Santa Fe, New Mexico 87004
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>