

2016.08.16.144777

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

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
FOR AN UNORTHODOX WELL LOCATION, NON-STANDARD
SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 16406

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

Chisholm Energy Operating, LLC ("Chisholm") (OGRID No. 327137) submits the following 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

Chisholm seeks an order (1) creating, if necessary, a 319.95-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 34, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico, and W/2 E/2 of Section 3, Township 20 South, Range 33 East,

NMPM, Lea County, New Mexico; (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage; and (3) approving the unorthodox well location. Chisholm proposes to dedicate the above-referenced spacing and proration unit to the **Jade 34-3 Fed Com 1BS No. 7H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 34 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 3. Chisholm also seeks approval of a non-standard location for the proposed well. The completed interval for this well will be unorthodox because it will be closer to the eastern boundary of the spacing unit than allowed by the statewide rules set forth in 19.15.15 NMAC

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Jacob Daniels – Landman	Approx. 10	Approx. 5
Josh Kuhn – Geologist	Approx. 10	Approx. 4

PROCEDURAL MATTERS

If unopposed, Chisholm will present this case by affidavits.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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