

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

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

CASE NO. \_\_\_\_\_

**APPLICATION**

Chisholm Energy Operating, LLC (“Applicant”) (OGRID No. 372137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation, from the top of the Bone Spring formation to a depth of 9,651 feet, 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. In support of its application, Chisholm states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **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.
3. The completed interval of the proposed well will comply with Statewide setbacks for oil wells.
4. A depth severance exists in the Bone Spring formation within the proposed the horizontal spacing unit. Accordingly, Chisholm seeks to pool only a portion of the Bone Spring

formation, from 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). Chisholm will provide notice of this hearing to the vertical offset parties within the pool who are not subject to this pooling application.

4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 7, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Designating Applicant operator of this horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP



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