

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING OCTOBER 07, 2021**

CASE No. 22175

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 FOR COMPULSORY
POOLING LEA COUNTY, NEW MEXICO.**

CASE NO. 22175

TABLE OF CONTENTS

Chisholm Exhibit A – Compulsory Pooling Application Checklist

Chisholm Exhibit B – Application of Chisholm Energy Operating, LLC for Compulsory Pooling, Eddy County, New Mexico

Chisholm Exhibit C – Affidavit of Luke Shelton, Landman

Chisholm Exhibit C-1 – C-102

Chisholm Exhibit C-2 – Tract/Unit Recap

Chisholm Exhibit C-3 – Well Proposal/AFE

Chisholm Exhibit C-4 – Chronology of Contact with Uncommitted Interests

Chisholm Exhibit D – Affidavit of Josh Kuhn, Geologist

Chisholm Exhibit D-1 – Project Locator Map

Chisholm Exhibit D-2 – Bone Spring Structure & Cross-Section Map

Chisholm Exhibit D-3 – Bone Spring Cross-Section

Chisholm Exhibit E – Notice Affidavit

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

Case: 22175	APPLICANT'S RESPONSE
Date: October 7, 2021	
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 FOR COMPULSORY POOLING, 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	No
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)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	<p style="text-align: center;">BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Chisholm Energy Operating, LLC Hearing Date: October 07, 2021 Case No. 22175</p>

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, Chisholm seeks to pool only the first Bone Spring interval 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)
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
Gunbarrel/Lateral Trajectory Schematic	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):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	
Date:	5-Oct-21

**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. 22175

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

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

**Submitted by: Chisholm Energy Operating, LLC
Hearing Date: October 07, 2021
Case No. 22175**

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



By: _____

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

ATTORNEYS FOR CHISHOLM ENERGY OPERATING, LLC

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. 22175

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.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Chisholm in this case, and I am familiar with the status of the lands in the subject area.
4. I do not expect any opposition to the presentation of this case by affidavits.
5. Chisholm seeks 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.
6. This unit will be initially dedicated 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.
7. This acreage contains federal lands.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Chisholm Energy Operating, LLC
Hearing Date: October 07, 2021
Case No. 22175

8. An ownership depth severance exists in the Bone Spring formation underlying the spacing unit. Accordingly, Chisholm seeks to pool only the first Bone Spring interval 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).

9. There are no unleased mineral interest owners.

10. **Chisholm Exhibit C-1** contains Form C-102 for the proposed initial well that indicates the well is located in the Buffalo; Bone Spring, SE Pool [Pool code 8146]. They reflect that the well will comply with the standard setback requirements for oil wells.

11. **Chisholm Exhibit C-2** identifies the tracts of lands comprising the proposed spacing unit, and identifies ownership by tract in the proposed spacing unit from the top of the Bone Spring formation to a depth of 9,651 feet. Ownership is different above and below the depth severance line. This exhibit reflects the interest owners that remain to be pooled. Chisholm is currently in a voluntary agreement with the vertical offset party within the Bone Spring formation who is not subject to this pooling application.

12. **Chisholm Exhibit C-3** contains a sample of the well proposal letters and AFE’s Chisholm sent to the working interest owners. The costs reflected in each AFE are consistent with what Chisholm and other operators have incurred for drilling similar horizontal wells in this formation in this area.

13. **Chisholm Exhibit C-4** contains a chronology of the contacts with the uncommitted working interest owners Chisholm have been able to locate. It reflects that Chisholm has made a good faith effort to obtain voluntary joinder of these owners in the proposed wells.

14. If Chisholm reaches an agreement with any of the proposed pool parties before the Division enters any order, I will let the Division know that Chisholm is no longer seeking to pool that party.

15. Chisholm seeks approval of overhead and administrative rates of \$7,500/month while drilling and \$750/month while producing. These rates are consistent with what Chisholm and other operators are charging in this area for these types of wells.

16. Chisholm has conducted a diligent search of company records, county records, telephone directories, and conducted computer searches to locate contact information for each of the mineral owners that it seeks to pool. I provided the law firm of Holland & Hart LLP a list of names and addresses of the mineral owners that Chisholm seeks to pool and instructed that they be notified of this hearing. Chisholm has included with **Chisholm Exhibit E** a copy of the waiver of notice from the overriding royalty interest owners that remains to be pooled.

17. **Chisholm Exhibits C-1 through C-4** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

[Handwritten signature of Luke Shelton]

LUKE SHELTON

STATE OF TEXAS)
)
COUNTY OF TARRANT)

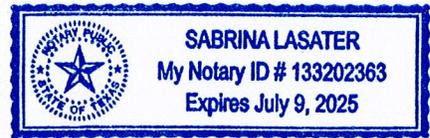
SUBSCRIBED and SWORN to before me this 30th day of September 2021 by
Luke Shelton.

[Handwritten signature of Sabrina Lasater]

NOTARY PUBLIC

My Commission Expires:

July 9th, 2025



Submitted by: Chisholm Energy Operating, LLC

Hearing Date: October 07, 2021

Form C-102

Case No. 22175

Revised August 1, 2011

Submit one copy to appropriate District Office

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

□ AMENDED REPORT

API Number	Pool Code	Pool Name
	8146	BUFFLAO; BONE SPRING, SE
Property Code	Property Name	Well Number
	RAM 2-11 FED 2BS COM	10H
OGRID No.	Operator Name	Elevation
372137	CHISHOLM ENERGY OPERATING, LLC	3766'

Surface Location

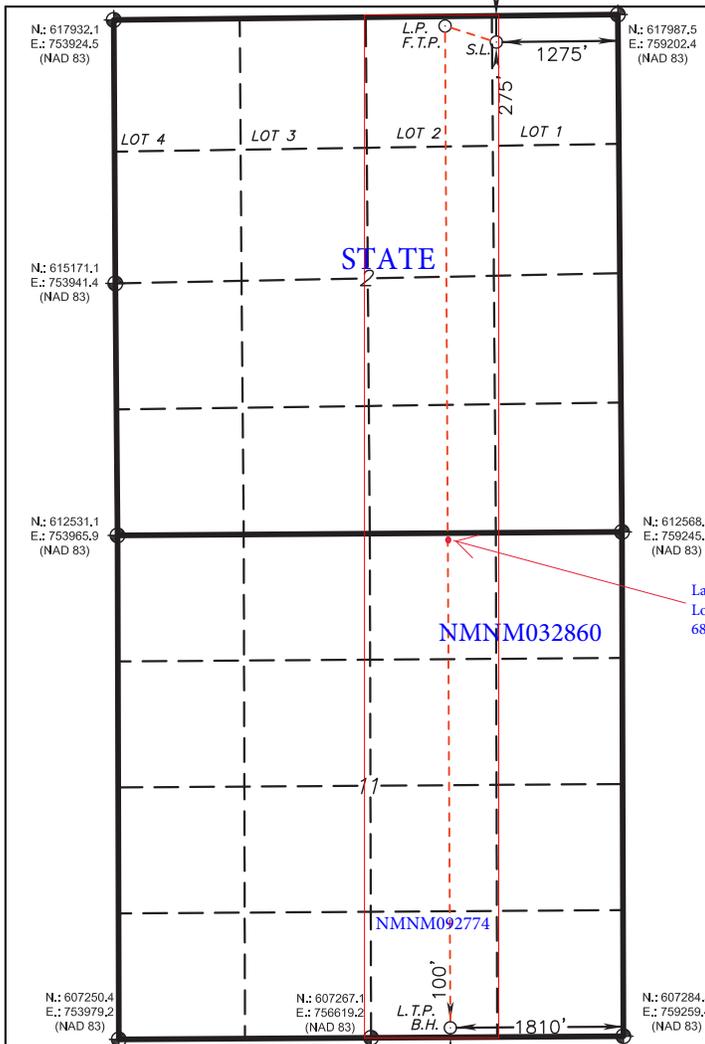
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
LOT 1	2	19 S	33 E		275	NORTH	1275	EAST	LEA

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
O	11	19 S	33 E		100	SOUTH	1810	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
324.18			

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



SURFACE LOCATION

Lat - N 32.696122°
Long - W 103.629258°
NMSPC- N 617699.2
E 757929.6
(NAD-83)

LANDING POINT

FIRST TAKE POINT
100' FNL & 1810' FEL
Lat - N 32.696597°
Long - W 103.630998°
NMSPC- N 617868.6
E 757393.2
(NAD-83)

Lat- 32.681686
Long - 103.63106
68' FNL & 1810' FEL

LAST TAKE POINT/
PROPOSED BOTTOM
HOLE LOCATION

Lat - N 32.667748°
Long - W 103.631042°
NMSPC- N 607372.6
E 757449.1
(NAD-83)

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jennifer Elrod 07/06/2021
Signature Date

JENNIFER ELROD

Printed Name

JELROD@CHISHOLMENERGY.COM

Email Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JUNE 30, 2021
Date Surveyed
Signature & Seal of Professional Surveyor
7977
Certificate No. Gury L. Jones 7977
BASIN SURVEYORS

0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'
WO Num.: 35417

Intent As Drilled

API #		
Operator Name: CHISHOLM ENERGY OPERATING, LLC	Property Name: RAM 2-11 FED 1BS COM	Well Number 10H

Kick Off Point (KOP)

UL	Section 2	Township 19S	Range 33E	Lot 1	Feet 275	From N/S NORTH	Feet 1275	From E/W EAST	County LEA
Latitude 32.696122					Longitude -103.629258			NAD 83	

First Take Point (FTP)

UL	Section 2	Township 19S	Range 33E	Lot 1	Feet 100	From N/S NORTH	Feet 1810	From E/W EAST	County LEA
Latitude 32.696597					Longitude -103.630998			NAD 83	

Last Take Point (LTP)

UL O	Section 11	Township 19S	Range 33E	Lot	Feet 100	From N/S SOUTH	Feet 1810	From E/W EAST	County LEA
Latitude 32.667748					Longitude -103.631042			NAD 83	

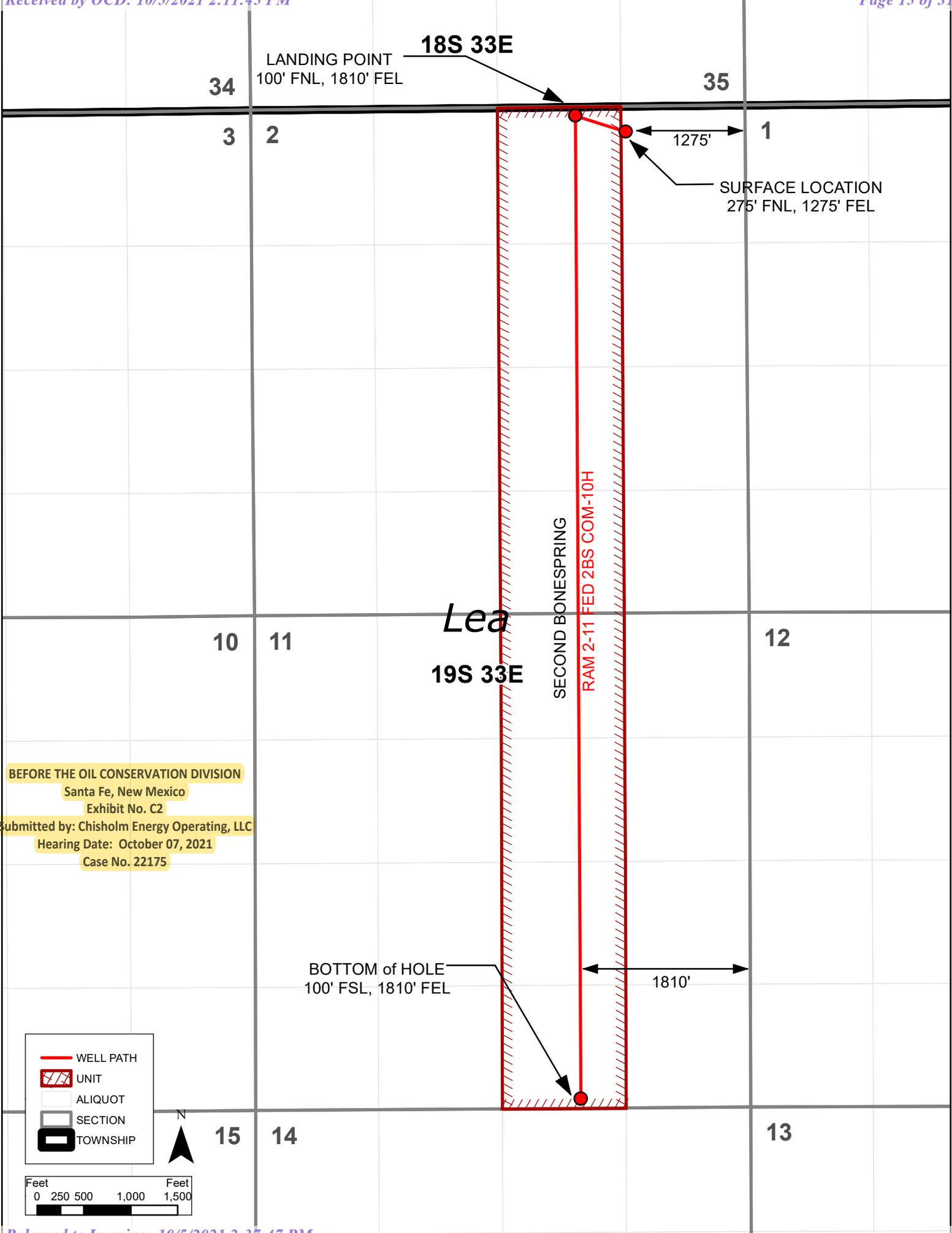
Is this well the defining well for the Horizontal Spacing Unit? **NO**

Is this well an infill well? **YES**

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

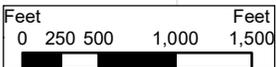
API # 30-025 43832		
Operator Name: CHISHOLM ENERGY OPERATING, LLC	Property Name: BUFFALO WEST 2 STATE COM 2BS	Well Number 5H

KZ 06/29/2018



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C2
 Submitted by: Chisholm Energy Operating, LLC
 Hearing Date: October 07, 2021
 Case No. 22175

WELL PATH
 UNIT
 ALIQUOT
 SECTION
 TOWNSHIP



Ram 2-11 Fed 1BS Com #10H
W/2 E/2, Sections 2 and 11, T19S-R33E
Lea County, NM



Tract 1: Lot 2, Sec. 2, 44.18 AC

CHISHOLM ENERGY OPERATING, LLC	1.00000000
Total:	1.00000000

Tract 2: SW/4 NE/4, Sec. 2, 40.0 AC

CHISHOLM ENERGY OPERATING, LLC	1.00000000
Total:	1.00000000

Tract 3: W/2 SE/4, Sec. 2, 80.0 AC

CHISHOLM ENERGY OPERATING, LLC	1.00000000
Total:	1.00000000

Tract 4: W/2 NE/4, Sec. 11, 80.0 AC

OXY USA INC.	1.00000000
Total:	1.00000000

Tract 5: NW/4 SE/4, Sec. 11, 40.0 AC

OXY USA INC.	1.00000000
Total:	1.00000000

Tract 6 : SW/4 SE/4, Sec. 11, 40.0 AC

OXY USA INC.	0.66667000
<i>EOG RESOURCES, INC.</i>	<i>0.33333000</i>
	1.00000000

UNIT RECAPITULATION

Ram 2-11 Fed 1BS Com #10H
W/2 E/2, Sections 2 and 11, T19S-R33E
Lea County, NM
Lea County, NM, 324.18 acres

CHISHOLM ENERGY OPERATING, LLC	0.5064470356
OXY USA INC.	0.4524239620
<i>EOG RESOURCES, INC.</i>	<i>0.0411290024</i>
TOTAL:	1.00000000

INTERESTS SEEKING TO COMPULSORY POOL



July 26, 2021

VIA CERTIFIED MAIL: 7020 2450 0000 2358 2154

EOG RESOURCES, INC.
Attn: Laci Stretcher
5509 Champions Drive
Midland, TX 79706

RE: Ram 2-11 Fed 1BS Com 10H
W/2 E/2 Section 2 and W/2 E/2 Section 11, 19S-33E
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of the Ram 2-11 Fed 1BS 10H well to TVD of approximately 9,409' and a MD of approximately 19,484'. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$6,418,767, being the total estimated cost to drill and complete said well.

Approximate surface hole location:

275' FNL, 1275' FEL, Section 2, Township 19 South, Range 33 East, Unit A

Approximate bottom hole location:

100' FSL, 1810' FEL, Section 11, Township 19 South, Range 33 East, Unit O

Chisholm is proposing to drill this well under the terms of a modified 1989 AAPL form Operating Agreement covering the SW/4 NW/4; SW/4; E/2 NW/4 of Section 5 and W/2 of Section 8, Township 19 South, Range 33 East, Lea Co. Said Operating Agreement will be made available for your review upon request and contains the following general provision.

- 100/300 Non-consenting penalty
- \$7,500/\$750 Drilling and Production Rate
- Chisholm Energy Operating, LLC named as Operator

Enclosed is our Authority for Expenditures ("AFE").

Please indicate your election in the space provided below and return one copy of this letter to the undersigned. If you elect to participate under this well proposal, please sign and return one copy of the AFE.

Please call at your earliest convenience to discuss our proposal.

Chisholm Energy Operating, LLC

Luke Shelton
Senior Landman
lshelton@chisholmenergy.com
817-953-0359

Enclosures

_____ Elect to participate in the drilling of the Ram 2-11 Fed 1BS Com 10H.

_____ Elect to farmout/assign our interest in the Ram 2-11 Fed 1BS Com 10H.

EOG RESOURCES, INC.

By: _____
Name: _____
Title: _____
Date: _____

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C3
Submitted by: Chisholm Energy Operating, LLC
Hearing Date: October 07, 2021
Case No. 22175

Address: Chisholm Energy Operating, LLC 801 Cherry Street Suite 1200 Unit 20 Fort Worth, TX 76102

#	Name	Address	Contact	Phone	Email	Comments
1	EOG RESOURCES, INC.	5509 Champions Drive Midland, TX 79706	Chris Leyendecker	432-686-3673	chris_leyendecker@eogresources.com	8/2-Corrected proposal, changed 2BS to 1BS, Verified interest

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C4
Submitted by: Chisholm Energy Operating, LLC
Hearing Date: October 07, 2021
Case No. 22175

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. 22175

AFFIDAVIT OF JOSH KUHN, GEOLOGIST

Josh Kuhn, of lawful age and being first duly sworn, declares as follows:

1. My name is Josh Kuhn. I work for Chisholm Energy Operating, LLC (“Chisholm”) as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by Chisholm in this case, and I have conducted a geologic study of the lands in the subject area.
4. In this case, Chisholm is targeting the Bone Spring formation.
5. **Chisholm Exhibit D-1** is a project location map showing the area comprising the standard horizontal spacing unit in this case in relation to the surrounding area.
6. **Chisholm Exhibit D-2** is a subsea structure map that I prepared off the base of the 1st Bone Spring Sandstone. Within Sections 2 and 11, there is a dashed line on the map that reflect the path of the proposed wellbore for the **Ram 2-11 Fed 1BS Com #10H well**. The contour interval is 50 feet. The structure map shows that the targeted interval is dipping gently to the south. The structure appears consistent in these sections. I do not observe any faulting, pinchouts, or other geologic hazards to developing horizontal wells.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Chisholm Energy Operating, LLC
Hearing Date: October 07, 2021
Case No. 22175

7. **Chisholm Exhibit D-2** also shows the location of the four wells, depicted by the blue line, that were used to construct a cross-section from A to A'. I consider these wells to be representative of the geology of the area.

8. **Chisholm Exhibit D-3** is a stratigraphic cross section prepared by me for the four representative wells from A to A'. The exhibit shows logs for gamma ray, resistivity, and porosity for the wells. The proposed targeted interval for the wells is labeled and depicted with a green shading. The logs in the cross-section demonstrate that the targeted interval within the Bone Spring formation is consistent in thickness, across the entire spacing unit.

9. Based on my geologic study of the areas, I have not identified any geologic impediments to drilling horizontal wells in the area.

10. In my opinion, each tract comprising the proposed spacing unit will be productive and contribute more-or-less equally to production from the wellbore.

11. In my opinion, the stand-up orientation of the proposed well is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

12. In my opinion, the granting of Chisholm application in this case is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

13. **Chisholm Exhibits D-1 through D-3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Josh Kuhn

JOSH KUHN

STATE OF TEXAS)
)
COUNTY OF TARRANT)

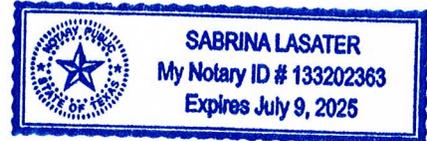
SUBSCRIBED and SWORN to before me this 30th day of September 2021 by
Josh Kuhn.

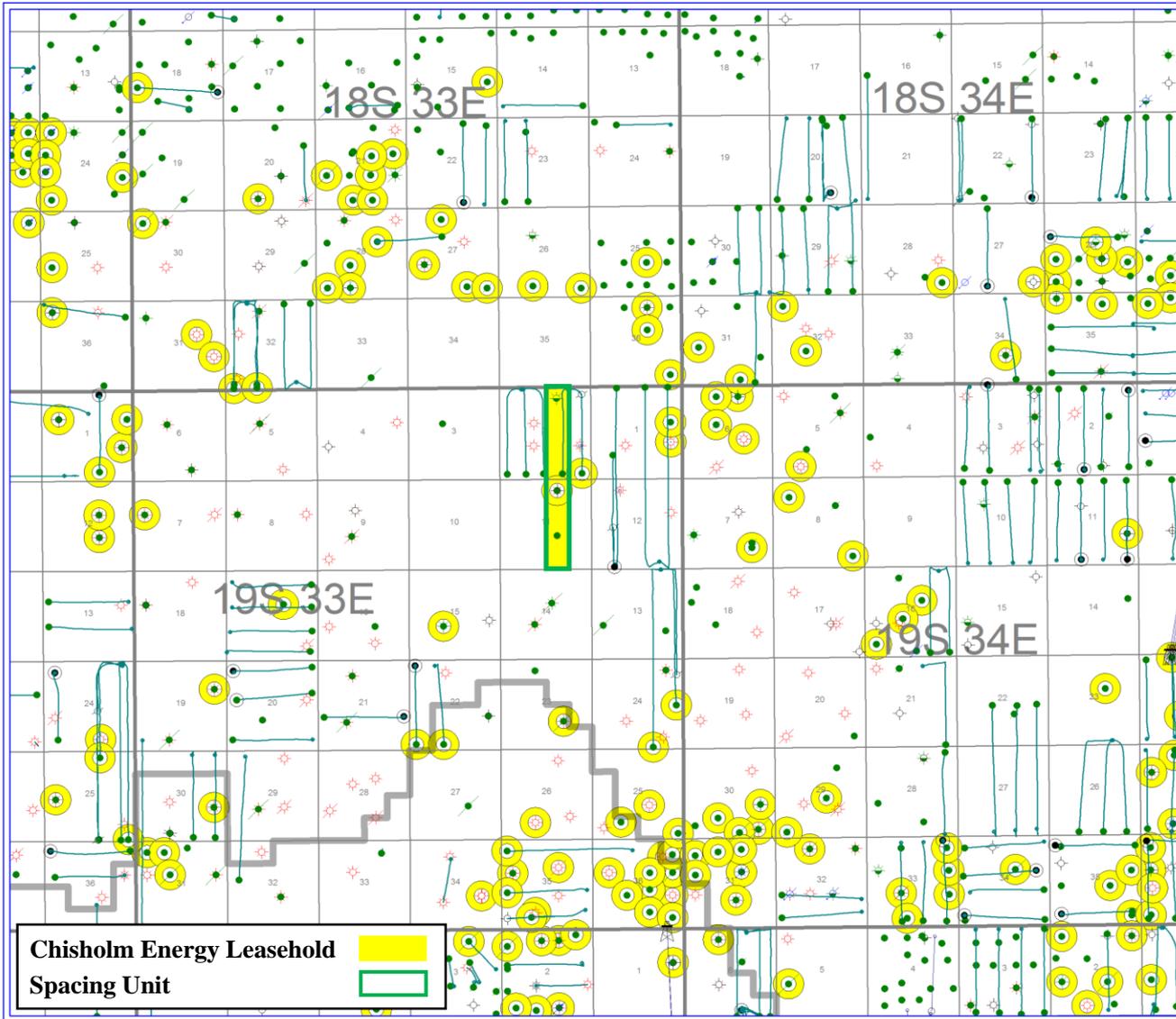
Sabrina Lasater

NOTARY PUBLIC

My Commission Expires:

July 9th, 2025





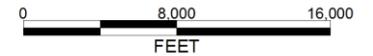
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D1
Submitted by: Chisholm Energy Operating, LLC
Hearing Date: October 07, 2021
Case No. 22175

Lea County, NM

Ram Prospect

S2 & 11 / T19S / R33E

Project Locator Map

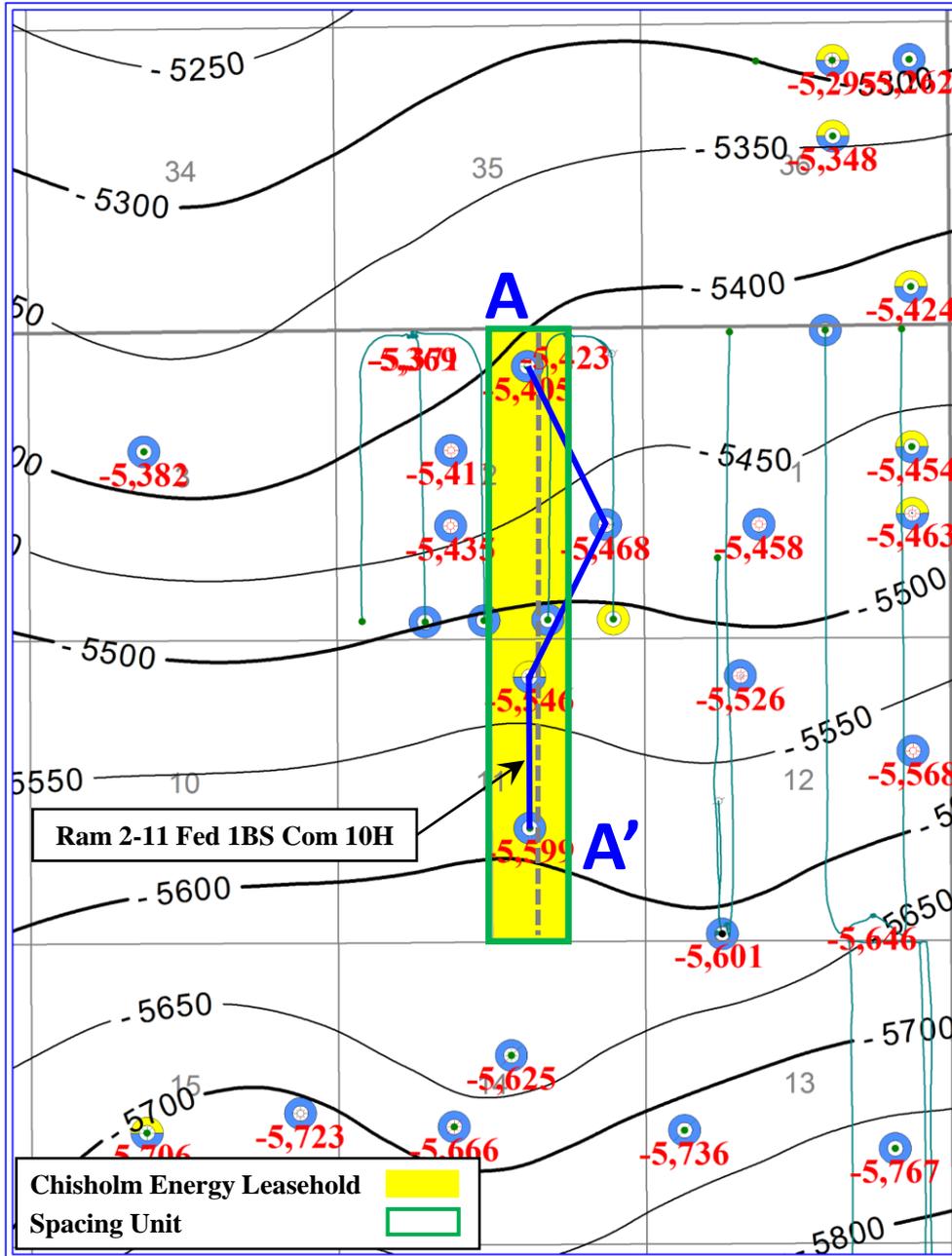


- ATTRIBUTE MAP
-  1ST BONE SPRING SS PRODUCER

REMARKS
 Wells > 8000 ft

By: Joshua Kuhn

DETRA 10/07/2021 2:54:07 PM



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D2
 Submitted by: Chisholm Energy Operating, LLC
 Hearing Date: October 07, 2021
 Case No. 22175

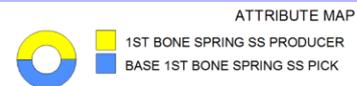
Lea County, NM

Ram Prospect

S2 & 11 / T19S / R33E

Base 1st Bone Spring Sandstone

Subsea Structure Map



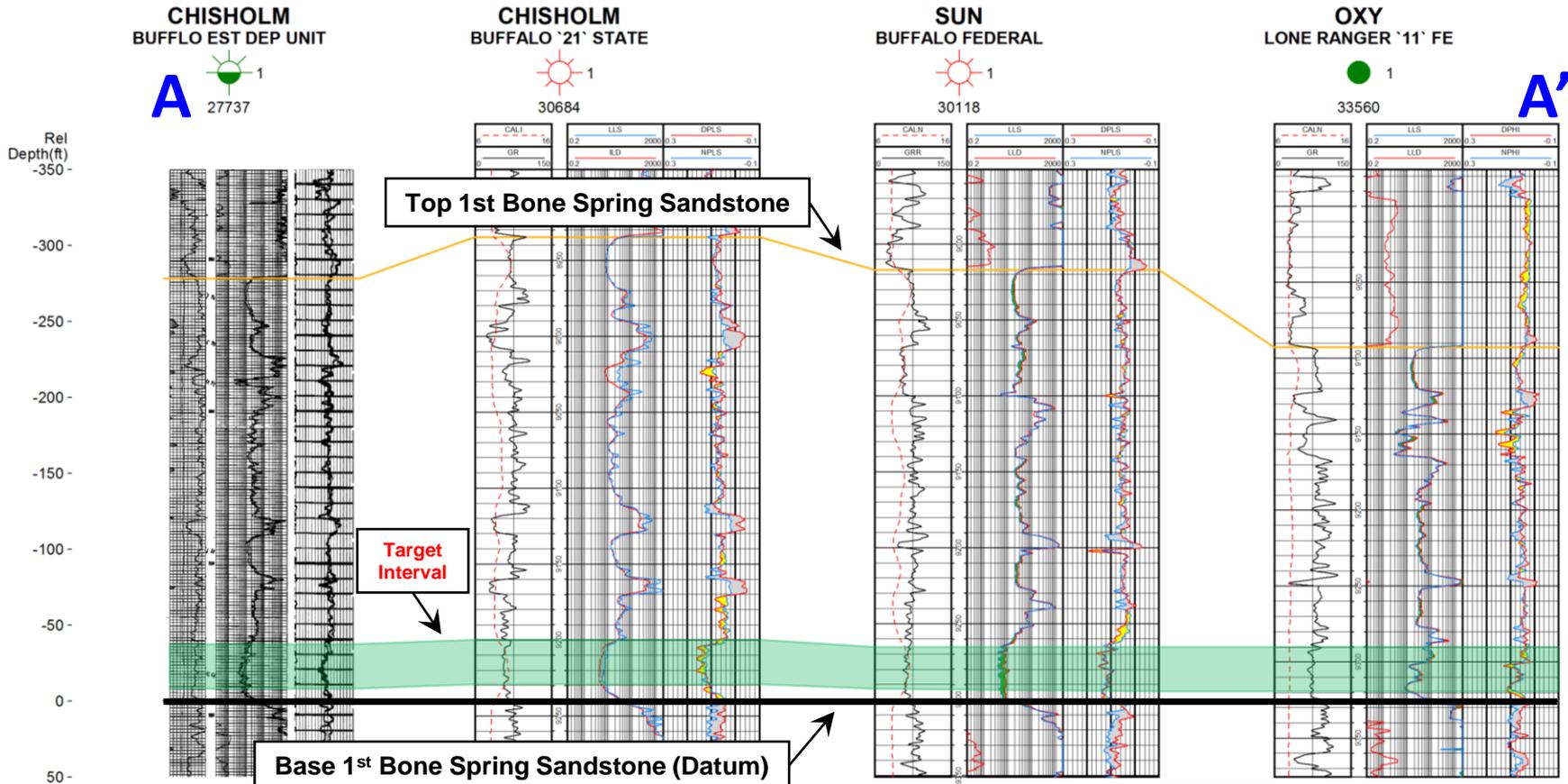
REMARKS

Contour Interval: 50 ft
 Wells > 8000 ft

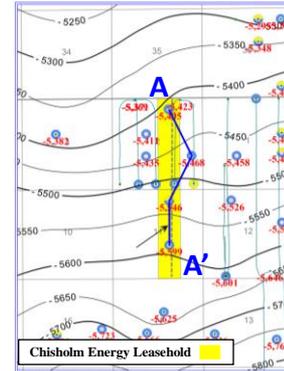
By: Joshua Kuhn

N

S



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. D3
 Submitted by: Chisholm Energy Operating, LLC
 Hearing Date: October 07, 2021
 Case No. 22175



Lea County, NM
Ram Prospect
S2 & 11 / T19S / R33E
1st Bone Spring Sandstone Stratigraphic Cross Section (A-A')
Operator Well Name ● Well Number API Series
By: Joshua Kuhn



Kaitlyn A. Luck
Phone (505) 988-4421
kaluck@hollandhart.com

September 17, 2021

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Chisholm Energy Operating LLC for compulsory pooling, 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. The hearing will be conducted on October 7, 2021 beginning at 8:15 a.m. 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,

Kaitlyn A. Luck
ATTORNEY FOR CHISHOLM ENERGY OPERATING, LLC

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

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

Chisholm - Ram 10H
Case No. 22175

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765854917072	EOG RESOURCES, INC.	5509 Champions Dr	Midland	TX	79706-2843	Your item was picked up at a postal facility at 7:50 am on September 22, 2021 in MIDLAND, TX 79702.

Kaitlyn A. Luck

From: Luke Shelton <LShelton@chisholmenergy.com>
Sent: Tuesday, September 28, 2021 1:58 PM
To: Kaitlyn A. Luck; Michael Feldewert
Cc: Josh Kuhn
Subject: FW: Ram- Oct 7 Hearing Notice

External Email

See below:

From: Marissa Delacruz <mdelacruz@nearburg.com>
Sent: Tuesday, September 28, 2021 2:51 PM
To: Luke Shelton <LShelton@chisholmenergy.com>
Subject: RE: Ram- Oct 7 Hearing Notice

Luke,

We are ok to waive notice.

Thanks,
Marissa

From: Luke Shelton <LShelton@chisholmenergy.com>
Sent: Monday, September 27, 2021 12:04 PM
To: Marissa Delacruz <mdelacruz@nearburg.com>
Subject: Ram- Oct 7 Hearing Notice

Marissa,

Please see the attached notice regarding our upcoming hearing for the Ram 2-11 Fed 1BS Com #10H in the W/2 E/2 of Sections 2 and 11, 19S-33E.

We're just outside the notice window, and I was checking to see if Nearburg would be willing to waive the notice period for ORRI owners in order for us to proceed with the hearing on October 7?

Please acknowledge if Nearburg is ok with the hearing occurring on that date.

Thanks,

Luke Shelton
Senior Landman
Office: 817-953-0359



Chisholm Energy Operating, LLC
801 Cherry Street, Suite 1200

Fort Worth, TX 76102