

**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING APRIL 07, 2022**

**CASE NOS. 22616-22617  
(FORMERLY CASE NOS. 21799-21800)**

*JADE 34-3 FED COM 2BS 5H & 9H WELLS  
JADE 34-3 FED COM 2BS 6H & 10H WELLS*

**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  
NO. R-21682, LEA COUNTY, NEW  
MEXICO.**

**CASE NO. 22616  
(Formerly Case 21799)**

**APPLICATION**

Chisholm Energy Operating, LLC (“Applicant”) (OGRID No. 372137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, to amend Order No. R-21682 to allow an additional year to commence drilling the proposed initial wells. In support of this request Applicant states:

1. Division Order No. R-21682, entered on May 17, 2021, in Case No. 21799, pooled all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre horizontal spacing unit comprised of the W/2 W/2 of Section 34, Township 19 South, Range 33 East, and the W/2 W/2 of Section 3, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, and dedicated the unit to the proposed **Jade 34-3 Fed Com 2BS 5H** and the **Jade 34-3 Fed Com 1BS 9H** wells.

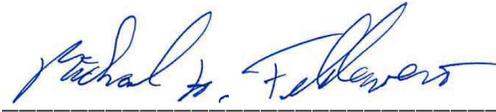
2. Paragraph 19 of Order No. R-21682 requires Applicant to commence drilling the wells “within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.”

3. Good cause exists to extend the drilling deadline and Applicant requests that Order No. R-21682 be amended to allow an additional year to commence drilling the initial well under the Order.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 7, 2022, and, after notice and hearing as required by law, the Division enter an order extending the time for Applicant to commence drilling the proposed initial wells under the Order R-21682 to May 17, 2023.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert  
Adam G. Rankin  
Julia Broggi  
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**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 TO AMEND ORDER  
NO. R-21681, LEA COUNTY, NEW  
MEXICO.**

**CASE NO. 22617  
(Formerly Case 21800)**

**APPLICATION**

Chisholm Energy Operating, LLC (“Applicant”) (OGRID No. 372137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division, to amend Order No. R-21681 to allow an additional year to commence drilling the proposed initial wells. In support of this request Applicant states:

1. Division Order No. R-21681, entered on May 17, 2021, in Case No. 21800, pooled all uncommitted interest owners in the Bone Spring formation underlying a standard 320-acre horizontal spacing unit comprised of the E/2 W/2 of Section 34, Township 19 South, Range 33 East, and the E/2 W/2 of Section 3, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, and dedicated the unit to the proposed **Jade 34-3 Fed Com 2BS 6H** and the **Jade 34-3 Fed Com 1BS 10H** wells.<sup>1</sup>

2. Paragraph 19 of Order No. R-21681 requires Applicant to commence drilling the wells “within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.”

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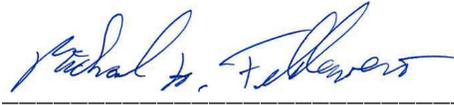
<sup>1</sup> The acreage description pooled under Order R-21681 was corrected under Order R-21681-A.

3. Good cause exists to extend the drilling deadline and Applicant requests that Order No. R-21681 be amended to allow an additional year to commence drilling the initial well under the Order.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on April 7, 2022, and, after notice and hearing as required by law, the Division enter an order extending the time for Applicant to commence drilling the proposed initial wells under the Order R-21681 to May 17, 2023.

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  
OIL CONSERVATION DIVISION**

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC TO AMEND ORDER  
NO. R-21682, LEA COUNTY, NEW MEXICO.**

**CASE NO. 22616  
(Formerly Case 21799)**

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC TO AMEND ORDER  
NO. R-21681, LEA COUNTY, NEW MEXICO.**

**CASE NO. 22617  
(Formerly Case 21800)**

**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 have previously 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.

2. I am familiar with the applications filed by Chisholm in these consolidated cases and the status of the development plans for the subject area.

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

4. Chisholm seeks orders extending for an additional year the obligation to commence drilling under Division Orders R-21682 and R-21681 issued on May 17, 2021. These orders pooled all uncommitted interest owners in the Bone Spring formation underlying standard 320-acre horizontal spacing units in the W/2 of Section 34, Township 19 South, Range 33 East, and the W/2 of Section 3, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico as follows:

**BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Exhibit No. A  
Submitted by: Chisholm Energy Operating, LLC  
Hearing Date: April 07, 2022  
Case Nos. 22616-22617**

- Order R-21682 pooled the W/2 W/2 of Sections 34 and 3 and dedicated the 320-acre spacing unit to the proposed **Jade 34-3 Fed Com 2BS 5H** and the **Jade 34-3 Fed Com 1BS 9H** wells.
- Order No. R-21681 pooled the E/2 W/2 of Sections 34 and 3 and dedicated the 320-acre spacing unit c to the proposed **Jade 34-3 Fed Com 2BS 6H** and the **Jade 34-3 Fed Com 1BS 10H** wells.<sup>1</sup>

Each order requires Applicant to commence drilling the wells “within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.”

5. Chisholm intends to drill the initial wells for the spacing units approved by Division Orders R-21682 and R-21681 from two enlarged well pads in the N/2 NW/4 (Units C and D) of Section 34.

6. Chisholm encountered delays obtaining the necessary approvals from the Bureau of Land Management to enlarge the drilling pads for the proposed wells. Applicant has recently received the necessary approvals and anticipates being able to commence drilling within a year.

7. Applicant therefore requests that the Division amend the existing pooling orders to extend the time to commence drilling the initial wells to May 17, 2023.

8. I provided the law firm of Holland & Hart LLP a list of names and addresses of the working interest owners that remain subject to these pooling orders and instructed that they be notified of this hearing.

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
LUKE SHELTON

<sup>1</sup> The acreage description pooled under Order R-21681 was corrected under Order R-21681-A.

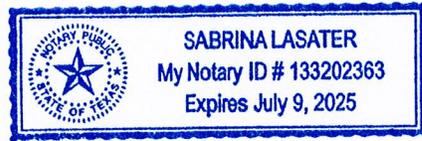
STATE OF TEXAS )  
 )  
COUNTY OF TARRANT )

SUBSCRIBED and SWORN to before me this 31<sup>st</sup> day of March 2022 by  
Luke Shelton.

Sabrina Lasater  
NOTARY PUBLIC

My Commission Expires:

July 9<sup>th</sup> 2025







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

March 18, 2022

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING ORDER R-21862**

**Re: Application of Chisholm Energy Operating, LLC to Amend Order No. R-21682, Lea County, New Mexico.  
Jade 34-3 Fed Com 2BS 5H & 9H wells**

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. A hearing has been requested before a Division Examiner on April 7, 2022, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.state.nm.us/ocd/>.

**During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely 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 at [LShelton@chisholmenergy.com](mailto:LShelton@chisholmenergy.com).

Sincerely,

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

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Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming



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

March 18, 2022

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING ORDER R-21861**

**Re: Application of Chisholm Energy Operating, LLC to Amend Order No. R-21681, Lea County, New Mexico.**  
**Jade 34-3 Fed Com 2BS 6H & 10H wells**

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. A hearing has been requested before a Division Examiner on April 7, 2022, and the status of the hearing can be monitored through the Division’s website at <http://www.emnrd.state.nm.us/ocd/>.

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If you have any questions about this matter, please contact Luke Shelton at (817) 953-0359 or at [LShelton@chisholmenergy.com](mailto:LShelton@chisholmenergy.com).

Sincerely,

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

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

Chisholm - Jade 5H-6H, 9H-10H  
Case Nos. 22616-22617

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765841876405	Legacy Reserves Operating, LP	PO Box 207418	Dallas	TX	75320-7418	Your item was picked up at a postal facility at 1:48 am on March 22, 2022 in DALLAS, TX 75266.
9414811898765841876498	Devon Energy Production, L.P.	333 W Sheridan Ave	Oklahoma City	OK	73102-5010	Your item was picked up at the post office at 7:58 am on March 22, 2022 in OKLAHOMA CITY, OK 73102.
9414811898765841876443	Marathon Oil Permian, LLC	5555 San Felipe St	Houston	TX	77056-2701	Your item was delivered to the front desk, reception area, or mail room at 1:21 pm on March 28, 2022 in HOUSTON, TX 77024.
9414811898765841876481	Murchison Oil & Gas, LLC	7250 Dallas Pkwy Ste 1400	Plano	TX	75024-5002	Your item was delivered to an individual at the address at 11:23 am on March 23, 2022 in PLANO, TX 75024.
9414811898765841876436	Timothy R. McDonald	3003 Paleo Pt	College Station	TX	77845-6153	Your item was delivered to an individual at the address at 11:38 am on March 22, 2022 in COLLEGE STATION, TX 77845.
9414811898765841876474	Marshall & Winston, Inc.	PO Box 50880	Midland	TX	79710-0880	Your item was delivered at 11:00 am on March 22, 2022 in MIDLAND, TX 79705.
9414811898765841876559	Maverick Oil & Gas Corporation	1001 W Wall St	Midland	TX	79701-6637	Your item was delivered to an individual at the address at 9:41 am on March 22, 2022 in MIDLAND, TX 79701.