

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING JANUARY 25, 2018**

**CASE NOS. 15865, 15866, 15867, 15868,
15875, AND 15876**

***GRAMA RIDGE EAST 34 STATE 3BS NO. 2H WELL
GRAMA RIDGE EAST 34 STATE 3BS NO. 3H WELL
GRAMA RIDGE EAST 34 STATE 2BS NO. 8H WELL; AND
GRAMA RIDGE EAST 34 STATE 2BS NO. 9H WELL***

LEA COUNTY, NEW MEXICO



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

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

CASE NO. 15865

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

CASE NO. 15866

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

CASE NO. 15867

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

CASE NO. 15868

**APPLICATION OF GREAT WESTERN DRILLING LTD.
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 15875

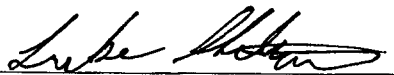
**APPLICATION OF GREAT WESTERN DRILLING LTD.
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

STATE OF TEXAS)
) ss.
COUNTY OF TARRANT)

AFFIDAVIT OF LUKE SHELTON

1. My name is Luke Shelton and I am employed by Chisholm Energy Operating, LLC ("Chisholm") in Fort Worth, Texas, as a Landman. I previously testified as an expert in petroleum land matters in Case Nos. 15865-15868 on December 13, 2017.
2. Case Nos. 15865-15868 requested formation of four non-standard 160-acre spacing and proration units and compulsory pooling for acreage located in Section 34, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico.
3. The Division required supplemental notice be provided to overriding royalty owners whose conveyance instruments did not provide for pooling of the subject acreage.
4. I have reviewed ownership of overriding royalty interest owners in Section 34 and the conveyance instruments creating said interest. The attached list reflects all overriding royalty owners whose conveyance documents do not provide for pooling of the subject acreage.
5. Notice of this application and hearing has been provided to the overriding royalty interest owners reflected on this list in accordance with the Division's request.
6. Attachment A is an affidavit and letter from my attorney at Holland and Hart providing supplemental notice of this hearing.

FURTHER AFFIANT SAYETH NOT.



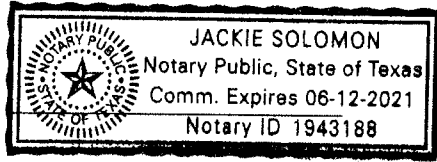
Luke Shelton

SUBSCRIBED AND SWORN before me on this 24 day of January 2018.

A handwritten signature in black ink, appearing to read "Jackie Solomon", written over a horizontal line.

Notary Public

My Commission Expires:



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

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

CASE NO. 15865

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

CASE NO. 15866

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

CASE NO. 15867

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

CASE NO. 15868

**APPLICATION OF GREAT WESTERN DRILLING LTD.
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 15875

**APPLICATION OF GREAT WESTERN DRILLING LTD.
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 15876

AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

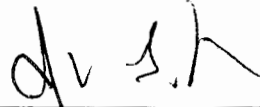
Exhibit No. 27-A

Submitted by:

CHISHOLM ENERGY OPERATING LLC

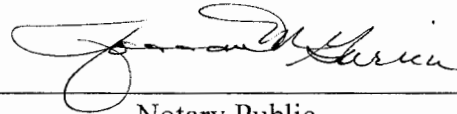
Hearing Date: January 25, 2018

Jordan L. Kessler, attorney in fact and authorized representative of Chisholm Energy Operating, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts (for case nos. 15865, 15866, 15867, and 15868) attached hereto.

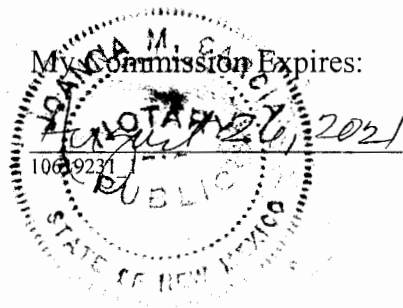


Jordan L. Kessler

SUBSCRIBED AND SWORN to before me this 24th day of January 2018, by Jordan L. Kessler.



Notary Public



Grama Ridge East 34 State 3BS No. 2H Well
Grama Ridge East 34 State 3BS No. 3H Well
Grama Ridge East 34 State 2BS No. 8H Well
Grama Ridge East 34 State 2BS No. 9H Well
Case Nos. 15865-15868 (7)

JOHN R. DELANEY
581 Sarepta Lane NW
Meadville, MS 39653

ALLENCRESTNM I
5151 Beltline Rd. Ste. 360
Dallas, TX 75254

WAYNE NEWKUMET
P.O. Box 11330
Midland, TX 79702

TIM S. CASHON
2917 Wilton Ln.
Oklahoma City, OK 73120

NEARBURG PRODUCING COMPANY
F/B/O NEARBURG PRODUCING
COMPANY EMPLOYEE FUND
P.O. Box 823085
Dallas, TX 75382

TED F. GAWLOSKE
3900 Edgebrook Ct.
Midland, TX 79707

DAVID F. ALDERKS
4404 Pasadena Dr.
Midland, TX 79703

☐ 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 \$

Postage
 \$ 22.22

JOHN R. DELANEY
 581 Sarepta Lane NW
 Meadville, MS 39653

OFFICIAL MAIL

Certified Mail Fee

delivery information, visit our

Postmark Here

See Reverse for Instructions

Postmark Here

Certified Mail Fee

OFFICIAL

SPS SANTA FE NM 87507

APR 26 2017

ALLENCRESTNM I

5151 Beltline Rd. Ste. 360

Dallas, TX 75254

Postage

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 \$ _____

See Reverse for Instructions

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, given the front if space permits.

1. Article Addressed to:

JOHN R. DELANEY
581 Sarepta Lane NW
Meadville, MS 39653

2. Article Number (Transfer from service label)

7016 0750 0000 3569 0687

3. Service Type

☒ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Mail Restricted Delivery (RM)

9590 9402 2949 7094 5869 48

3. Service Type (continued)

☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

A. Signature **X** *[Signature]*

B. Received by (Printed Name) *[Signature]*

C. Date of Delivery *12-26-79*

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ALLENCRESTNM I
5151 Beltline Rd. Ste. 360
Dallas, TX 75254

2. Article Number (Transfer from service label)

9590 9402 2949 7094 5869 62

7016 0750 0000 3569 0694

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery, Restricted Delivery
☐ Collect on Delivery, Restricted Delivery Mail Restricted Delivery

☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

4. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

A. Signature ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

Ryan Smith

CONFIDENTIAL - THIS SECTION ON DELIVERY

PS Form 3811, July 2005 PSN7550-02-000-9003

CERTIFIED MAIL® RECEIPT
Residential Mail Only

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

OFFICIAL Case No.

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 \$

Postage \$

Postmark Here

WAYNE NEWKUMET
P.O. Box 11330
Midland, TX 79702

PS Form 3800 April 2015 PSN 7530-02-000-9053 See Reverse for instructions

CERTIFIED MAIL® RECEIPT
Residential Mail Only

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

OFFICIAL Case No.

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 \$

Postage \$

Postmark Here

TIM S. CASHON
2917 Wilton Ln.
Oklahoma City, OK 73120

PS Form 3800 April 2015 PSN 7530-02-000-9053 See Reverse for instructions

CERTIFIED MAIL® RECEIPT
Residential Mail Only

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

OFFICIAL Case No.

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 \$

Postage \$

Postmark Here

WAYNE NEWKUMET
P.O. Box 11330
Midland, TX 79702

PS Form 3800 April 2015 PSN 7530-02-000-9053 See Reverse for instructions

CERTIFIED MAIL® RECEIPT
Residential Mail Only

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

OFFICIAL Case No.

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 \$

Postage \$

Postmark Here

TIM S. CASHON
2917 Wilton Ln.
Oklahoma City, OK 73120

PS Form 3800 April 2015 PSN 7530-02-000-9053 See Reverse for instructions

SENDER

Complete return instructions:

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

NEARBURG PRODUCING COMPANY
F/B/O NEARBURG PRODUCING
COMPANY EMPLOYEE FUND
P.O. Box 823085
Dallas, TX 75382

2. Article Number (Transfer from service label)

7016 0750 0000 3569 0755

PS Form 3811, July 2015 PSN 7550-02-000-9053

3. Service Type

☒ Adult Signature Restricted Delivery
☐ Adult Signature Restricted Delivery
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail Restricted Delivery

☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☒ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

4. Is delivery address different from item #1? ☐ Yes ☒ No

5. Received by (Printed Name) **C. Date of Delivery**

6. Agent ☒ Agent ☐ Addressee

7. Signature

8. Postmark Here

9. Extra Services & Fees (check box, add fees as appropriate)

☐ Return Receipt (hardcopy)
☐ Return Receipt (electronic)
☐ Certified Mail Restricted Delivery
☐ Adult Signature Restricted Delivery
☐ Adult Signature Restricted Delivery

10. Postmark Here

11. City, State, ZIP+4®

12. See Reverse for Instructions

5520 695E 0000 0520 9702

7016 0750 0000 0520 9102

U.S. POSTAL SERVICE
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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

OFFICE
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	

Postage \$

DEC 22 2017

TED F. GAWLOSKI
3900 Edgebrook Ct.
Midland, TX 79707

Postmark Here

PS Form 3800 April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SENDER

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

TED F. GAWLOSKI
3900 Edgebrook Ct.
Midland, TX 79707

2. Article Number (Transfer from service label)

9590 9402 2949 7094 5870 44

7016 0750 0000 3569 0779

PS Form 3800 July 2015 PSN 7530-02-000-9053

3. Service Type

☐ Adult Signature	☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery	☐ Registered Mail®
☐ Certified Mail®	☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery	☐ Return Receipt for Merchandise
☐ Collect on Delivery	☐ Signature Confirmation
☐ Collect on Delivery Restricted Delivery	☐ Signature Confirmation Restricted Delivery

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) ☐ C. Date of Delivery

D. Is delivery address different from item 1? Yes ☐ No ☐

If YES, enter delivery address below:

7016 0750 0000 0520 9102

U.S. POSTAL SERVICE
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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

OFFICE
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	

Postage \$

DEC 22 2017

DAVID F. ALDERKS
4404 Pasadena Dr.
Midland, TX 79703

Postmark Here

PS Form 3800 April 2015 PSN 7530-02-000-9053 See Reverse for Instructions

SENDER

Complete items 1, 2, and 3.

Print your name and address on the reverse so that we can return the card to you.

Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DAVID F. ALDERKS
4404 Pasadena Dr.
Midland, TX 79703

2. Article Number (Transfer from service label)

9590 9402 2949 7094 5870 37

7016 0750 0000 3569 0762

PS Form 3800 July 2015 PSN 7530-02-000-9053

3. Service Type

☐ Adult Signature	☐ Priority Mail Express®
☐ Adult Signature Restricted Delivery	☐ Registered Mail®
☐ Certified Mail®	☐ Registered Mail Restricted Delivery
☐ Certified Mail Restricted Delivery	☐ Return Receipt for Merchandise
☐ Collect on Delivery	☐ Signature Confirmation
☐ Collect on Delivery Restricted Delivery	☐ Signature Confirmation Restricted Delivery

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) ☐ C. Date of Delivery

D. Is delivery address different from item 1? Yes ☐ No ☐

If YES, enter delivery address below: