

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

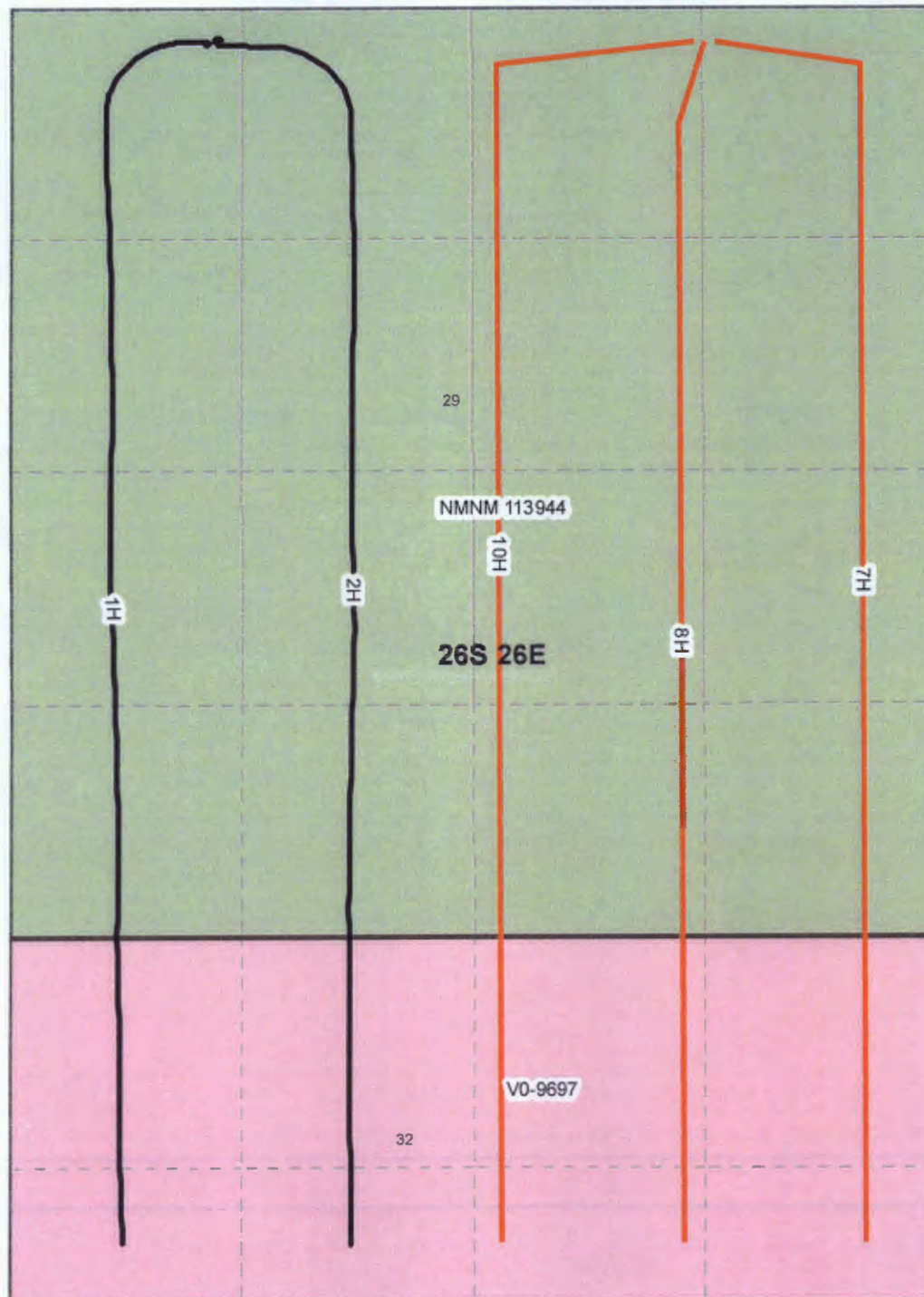
CASE No. 15953

COTTONWOOD NSPA

EDDY COUNTY, NEW MEXICO



COTTONWOOD 29-32 FED COM BONE SPRING AREA WELLS



REGULATORY STATUS

— APD PENDING

— DRILLED

— Federal

— State

0 500 1,000 Feet

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

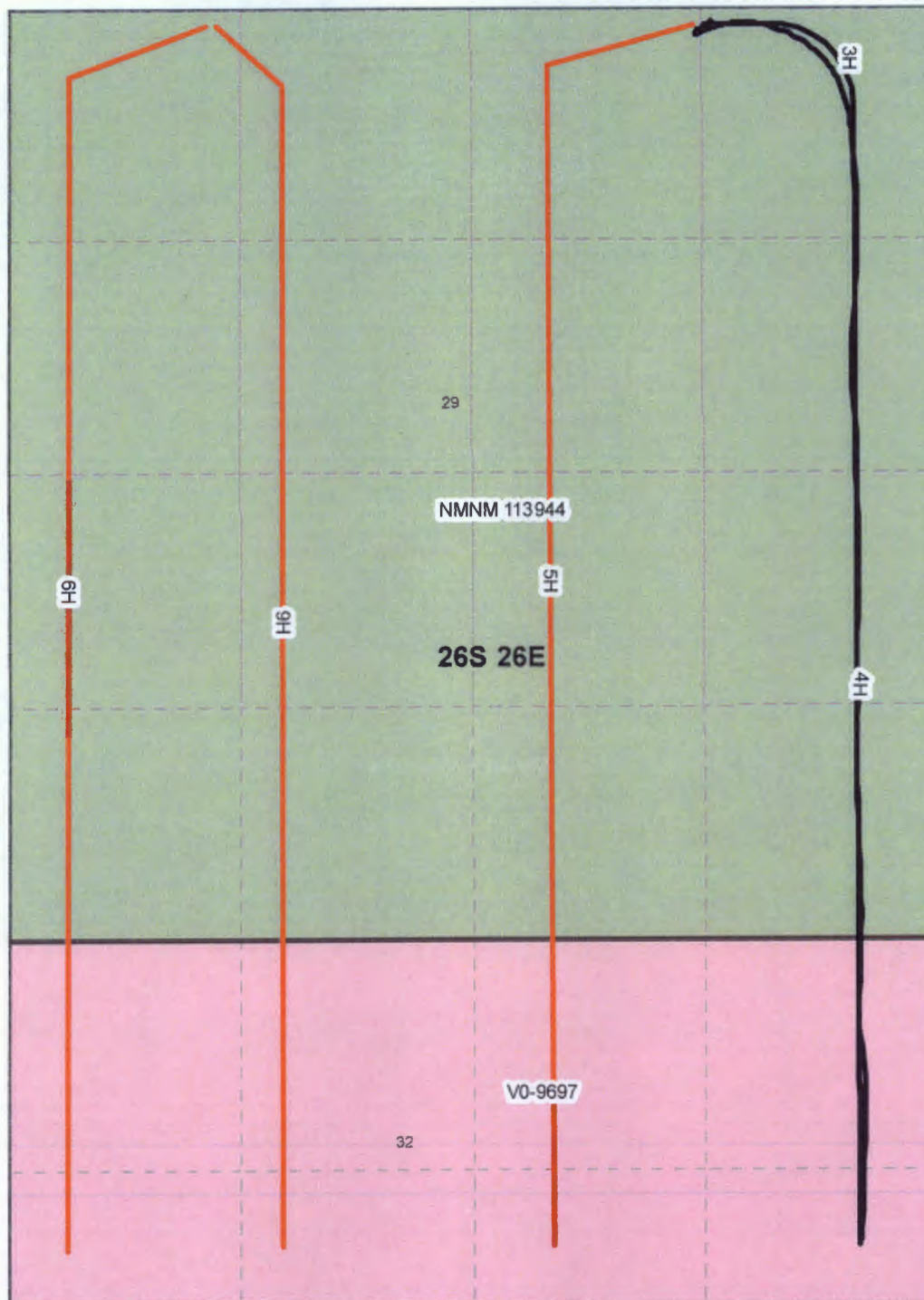
Exhibit No. 1

Submitted by:

CHISHOLM ENERGY OPERATING LLC

Hearing Date: January 25, 2018

COTTONWOOD 29-32 FED COM WOLFCAMP AREA WELLS



REGULATORY STATUS

— APD PENDING

— DRILLED

Federal

State

0 500 1,000 Feet

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

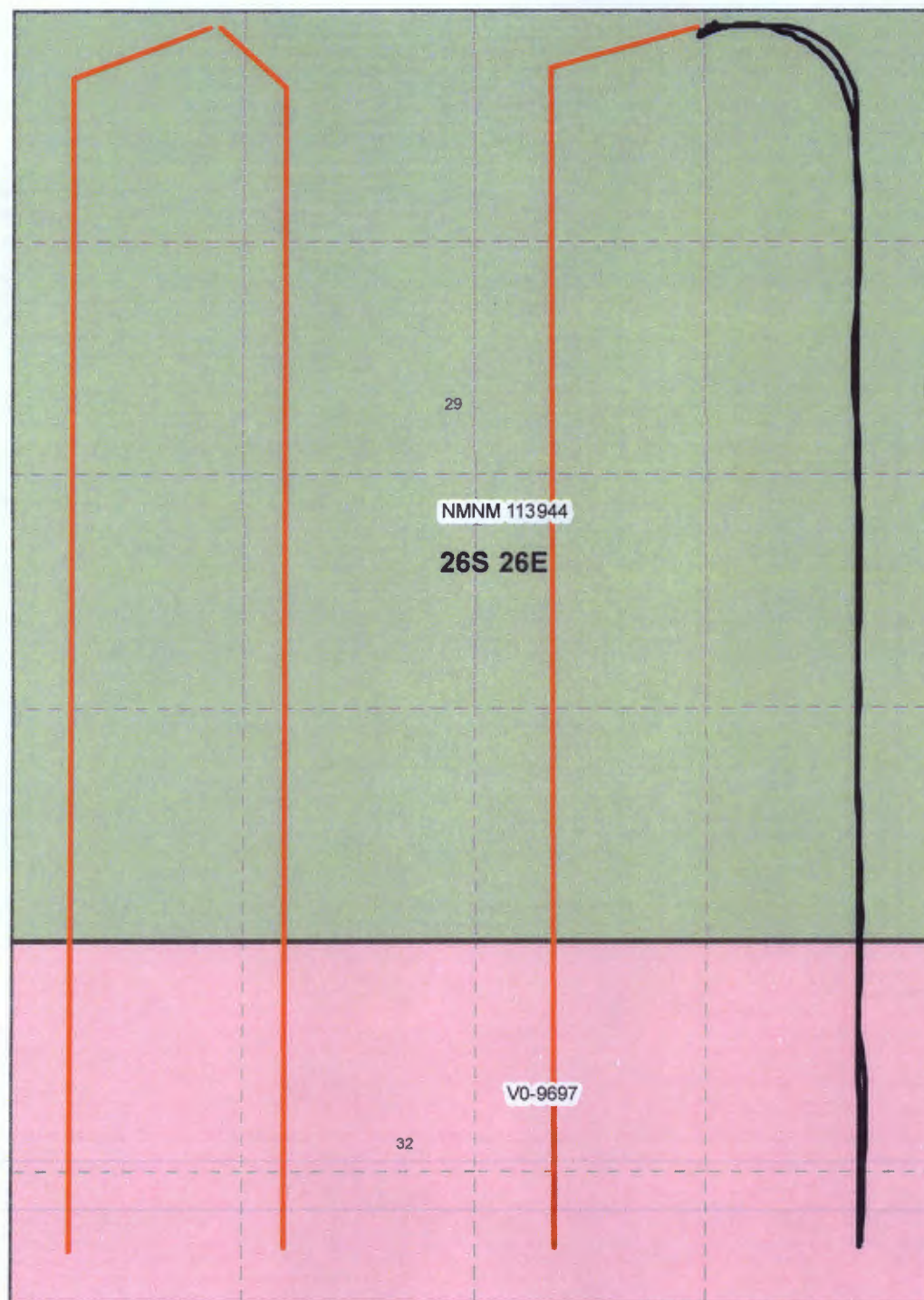
Exhibit No. 2

Submitted by:

CHISHOLM ENERGY OPERATING LLC

Hearing Date: January 25, 2018

COTTONWOOD 29-32 FED COM WOLFCAMP AREA WELLS



REGULATORY STATUS

— APD PENDING

— DRILLED

■ Federal

■ State

0 500 1,000 Feet

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 3
Submitted by:
CHISHOLM ENERGY OPERATING LLC

District I
1623 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) 748-0720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-43704	² Pool Code 64010	³ Pool Name Welch; Bone Spring
⁴ Property Code	⁵ Property Name COTTONWOOD 29-32 FED COM 2BS 2H	⁶ Well Number 2H
⁷ OGRID No. 372137	⁸ Operator Name CHISHOLM ENERGY OPERATING, LLC	⁹ Elevation 3433

¹⁰ Surface Location

UL or lot no. D	Section 29	Township 26S	Range 26E	Lot Idn	Feet from the 200	North/South line NORTH	Feet from the 1205	East/West line WEST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. L-3	Section 32	Township 26S	Range 26E	Lot Idn	Feet from the 330	North/South line SOUTH	Feet from the 1995	East/West line WEST	County EDDY
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¹² Dedicated Acres 892.20	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

	<p>¹⁷ 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 undivided 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.</p> <p><u>Bettie Watson</u> 12-11-17 Signature Date</p> <p>Bettie Watson Printed Name</p> <p>bettie@watsonreg.com E-mail Address</p>
	<p>¹⁸ 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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

DISTRICT I
1020 N. French Dr., Hobbs, NM 88240
Phone (505) 509-0181 Fax: (505) 509-0750

DISTRICT II
611 S. First St., Artesia, NM 88210
Phone (505) 749-1253 Fax: (505) 749-0725

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 834-0170 Fax: (505) 834-0170

DISTRICT IV
1825 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 478-5400 Fax: (505) 478-5405

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
	64010	WELCH; BONE PSRING
Property Code	Property Name	Well Number
	COTTONWOOD 29-32 FED COM 2BS	7H
OGRID No.	Operator Name	Elevation
372137	CHISHOLM ENERGY OPERATING, LLC	3421'

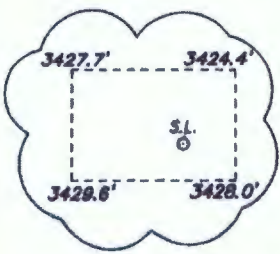
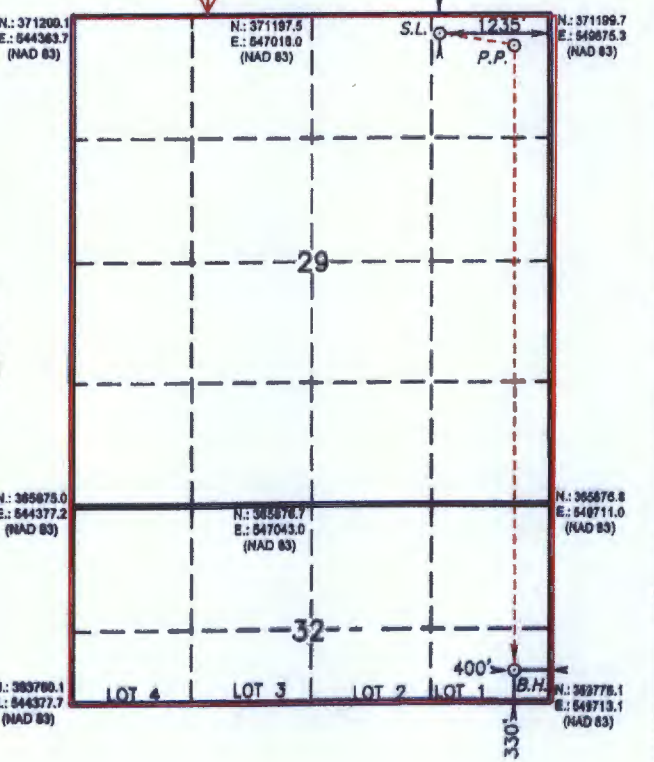
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
A	29	26 S	26 E		200	NORTH	1235	EAST	EDDY

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
LOT 1	32	26 S	26 E		330	SOUTH	400	EAST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
892.20									

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

<p>SURFACE LOCATION Lat - N 32.01995311° Long - W 104.31041007° NMSPC- N 370998.6 E 548441.9 (NAD-83)</p> <p>PENETRATION POINT 330' FNL & 400' FEL Lat - N 32.01999742° Long - W 104.30771367° NMSPC- N 370869.4 E 549277.6 (NAD-83)</p>  <p>BOTTOM HOLE LOCATION Lat - N 32.00100536° Long - W 104.30760529° NMSPC- N 384106.2 E 549312.8 (NAD-83)</p>	<p>Project Area 892.20 Acres</p>  <p>NOVEMBER 14, 2017</p> <p>Date Surveyed</p> <p>Signature of Professional Surveyor</p> <p>Certification</p> <p>Scale: 1" = 2000'</p> <p>WO Num.: 33404</p>	<p>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.</p> <p>Bettie Watson 12-11-2017 Signature Date</p> <p>Bettie Watson Printed Name</p> <p>bettie@watsonreg.com Email Address</p> <p>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.</p> <p>NOVEMBER 14, 2017 Date Surveyed</p> <p>Signature of Professional Surveyor</p> <p>Certification</p> <p>Scale: 1" = 2000'</p> <p>WO Num.: 33404</p>
---	---	--

DISTRICT I
1885 N. French Dr., Hobbs, NM 88240
Phone (505) 285-3151 Fax: (505) 285-2720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 745-1255 Fax: (505) 745-2720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 335-5175 Fax: (505) 335-5175

DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-9400 Fax: (505) 476-2422

State of New Mexico
Energy, Minerals and Natural Resources Department

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

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District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 64010	Pool Name WELCH; BONE SPRING
Property Code	Property Name COTTONWOOD 29-32 FED COM 2BS	Well Number 8H
OGRID No. 372137	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3421'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
B	29	26 S	26 E		200	NORTH	1295	EAST	EDDY

Bottom Hole Location If Different From Surface

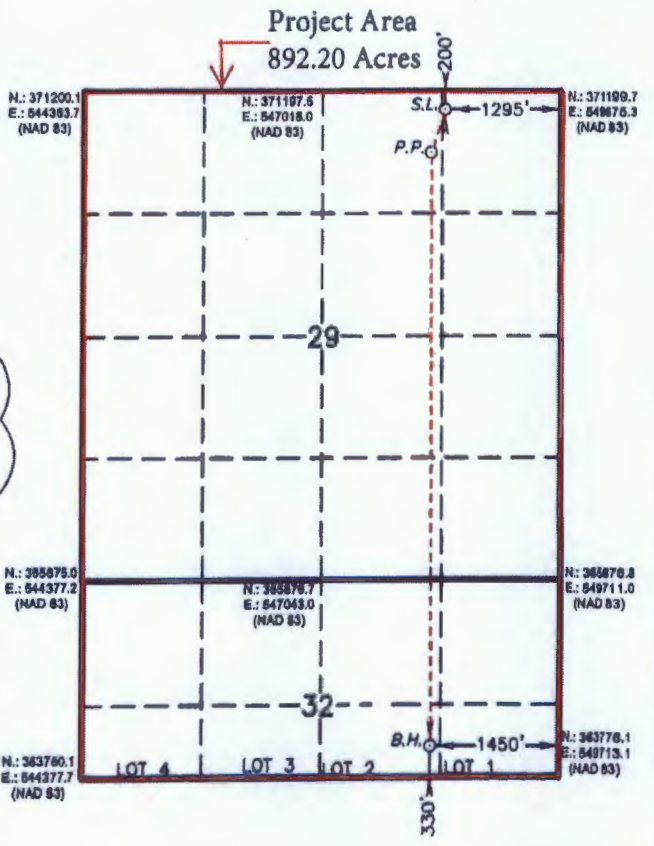
UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
LOT 2	32	26 S	26 E		330	SOUTH	1450	EAST	EDDY

Dedicated Acres 892.20	Joint or Infill	Consolidation Code	Order No.
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SURFACE LOCATION
Lat - N 32.01995287°
Long - W 104.31060334°
NMSPCE- N 370998.5
E 548582.0
(NAD-83)

PENETRATION POINT
670' FNL & 1450' FEL
Lat - N 32.01866148°
Long - W 104.31109410°
NMSPCE- N 370528.7
E 548230.0
(NAD-83)



BOTTOM HOLE LOCATION
Lat - N 32.00100793°
Long - W 104.31099158°
NMSPCE- N 384106.9
E 548263.1
(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 undivided 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 is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Bettie Watson 12-11-2017
Signature Date

Bettie Watson
Printed Name

bettie@watsonreg.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.

Date Surveyed
Signature of Professional Surveyor
7977

Certified Surveyor
7977

SCALE: 1" = 2000'
WO Num.: 33403

DISTRICT I
1885 N. French Dr., Hobbs, NM 88240
Phone (505) 888-8181 Fax: (505) 888-8780

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 748-1226 Fax: (505) 748-8780

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 884-8178 Fax: (505) 884-8178

DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-8400 Fax: (505) 476-8400

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☒ AMENDED REPORT

API Number	Pool Code 64010	Pool Name WELCH; BONE SPRING
Property Code	Property Name COTTONWOOD 29-32 FED COM 2BS	Well Number 10H
OGRID No. 372137	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3421'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
B	29	26 S	26 E		200	NORTH	1355	EAST	EDDY

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
LOT 2	32	26 S	26 E		330	SOUTH	2500	EAST	EDDY

Dedicated Acres 892.20	Joint or Infill	Consolidation Code	Order No.
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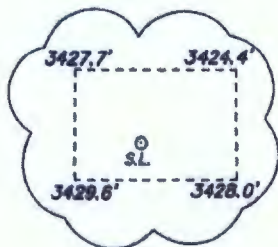
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
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SURFACE LOCATION

Lat - N 32.01995263°
Long - W 104.31079758°
NMSPC- N 370998.4
E 548321.8
(NAD-83)

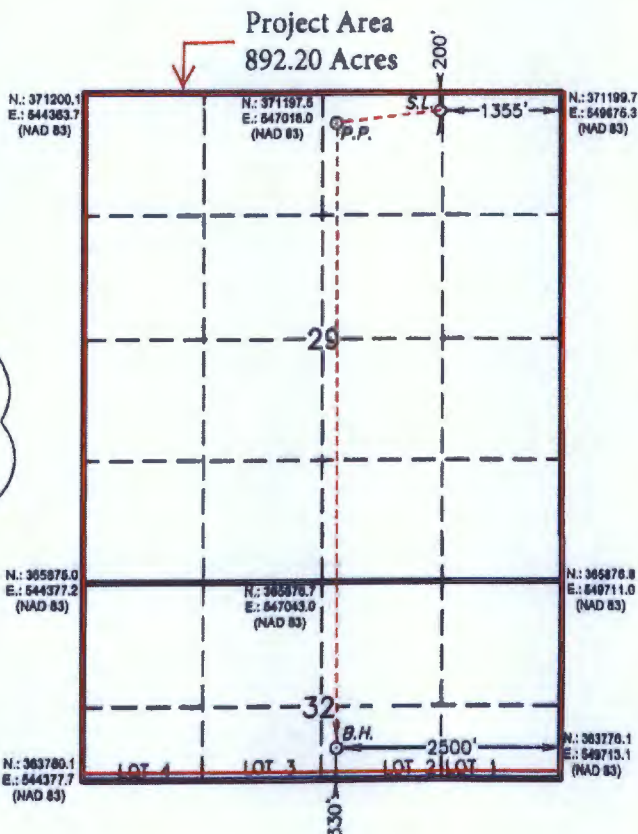
PENETRATION POINT
330' FNL & 2500' FEL

Lat - N 32.01959394°
Long - W 104.31448793°
NMSPC- N 370867.7
E 547178.1
(NAD-83)



PROPOSED BOTTOM
HOLE LOCATION

Lat - N 32.00101013°
Long - W 104.31437788°
NMSPC- N 364107.5
E 547213.4
(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.

Bettie Watson 12-11-2017

Signature Date

Bettie Watson

Printed Name

bettie@watsonreg.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.

NOVEMBER 14, 2017

Date Surveyed
Signature of Professional Surveyor
7977
Certification Number 7977
Brett Watson

0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'
WO Num: 33402

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 298-5151 Fax (575) 298-0720

DISTRICT II
611 S. First St., Artesia, NM 88210
Phone (505) 745-1255 Fax (505) 745-0720

DISTRICT III
1000 Rio Brazos Rd., Antec, NM 87410
Phone (505) 234-8170 Fax (505) 234-6170

DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-6400 Fax (505) 476-6452

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-43703	Pool Code 98220	Pool Name PURPLE SAGE; WOLFCAMP
Property Code	Property Name COTTONWOOD 29-32 FED COM WCA	Well Number 3H
OGRID No. 372137	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3421'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
A	29	26 S	26 E		100	NORTH	1300	EAST	EDDY

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
LOT 1	32	26 S	26 E		330	SOUTH	440	EAST	EDDY

Dedicated Acres 892.20	Joint or Infill	Consolidation Code	Order No.
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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 32.02022827°
Long - W 104.31062173°
NWSPE- N 371098.7
E 548376.3
(NAD-83)

N: 371200.1
E: 544363.7
(NAD 83)

N: 371197.5
E: 547018.0
(NAD 83)

N: 371180.7
E: 548675.3
(NAD 83)

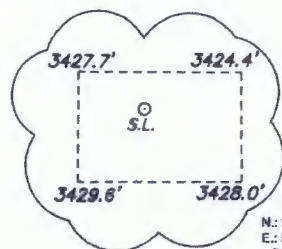
LANDING POINT

600' ENL & 440' FEL
Lat - N 32.01885489°
Long - W 104.30783787°
NWSPE- N 370599.3
E 549239.2
(NAD-83)

N: 365875.0
E: 544377.2
(NAD 83)

N: 365876.7
E: 547043.0
(NAD 83)

N: 365876.8
E: 549711.0
(NAD 83)



BOTTOM HOLE LOCATION

Lat - N 32.00100577°
Long - W 104.30773458°
NWSPE- N 364106.3
E 549272.7
(NAD-83)

N: 363780.1
E: 544377.7
(NAD 83)

N: 363776.1
E: 549713.1
(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 12/21/17
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.

DATE SURVEYED
Signature of Professional Surveyor
7977
Certified true and correct
7977
BASIC SURVEY

0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'
WO Num.: 33258

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 4

Submitted by:

CHISHOLM ENERGY OPERATING LLC

Hearing Date: January 25, 2018

DISTRICT I
1626 N. French Dr., Hobbs, NM 88240
Phone (876) 896-0181 Fax: (876) 895-0750

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (876) 748-1289 Fax: (876) 748-0750

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (805) 334-8178 Fax: (805) 334-8178

DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (805) 476-3400 Fax: (805) 476-8488

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☒ AMENDED REPORT

API Number 30-015-43705	Pool Code 98220	Pool Name Purple Sage; Wolfcamp
Property Code	Property Name COTTONWOOD 29-32 FED COM WCB	Well Number 4H
GRID No. 372137	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3421'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
A	29	26 S	26 E		100	NORTH	1240	EAST	EDDY

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
LOT 1	32	26 S	26 E		330	SOUTH	440	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
892.2			

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

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 12/22/17
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.

APPROVED
Date Surveyed
Signature & Seal of
Professional Surveyor
7977
Certification Copy
BRAIN SURVEYS

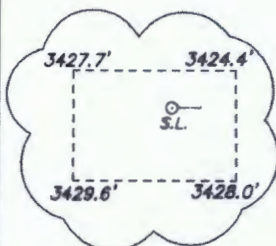
0' 1000' 2000' 3000' 4000'
SCALE: 1" = 2000'
WO Num.: 33259

SURFACE LOCATION

Lat - N 32.02022817"
Long - W 104.31042797"
NMSPCE- N 371098.7
E 548436.3
(NAD-83)

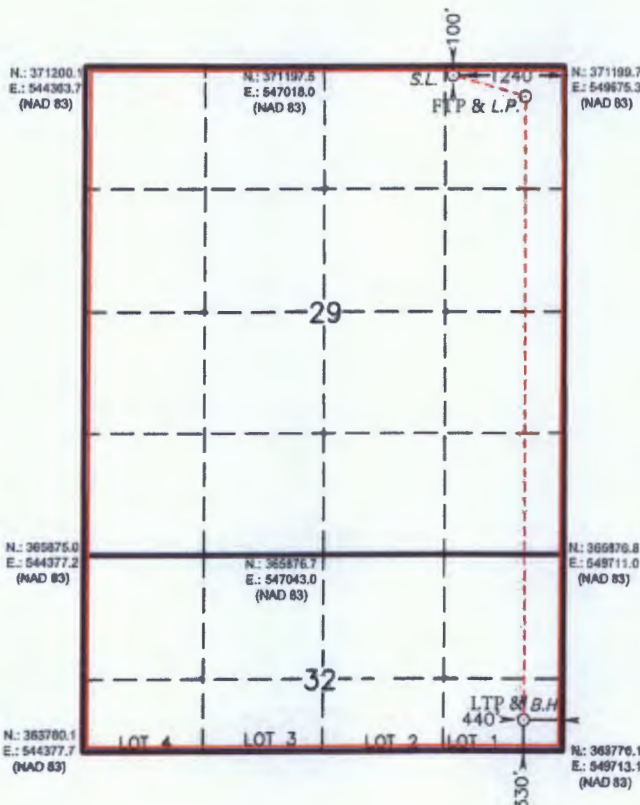
LANDING POINT

330' FNL & 440' FEL
Lat - N 32.01959722"
Long - W 104.30784324"
NMSPCE- N 370869.3
E 549237.4
(NAD-83)



BOTTOM HOLE LOCATION

Lat - N 32.00100577"
Long - W 104.30773456"
NMSPCE- N 364106.3
E 549272.7
(NAD-83)



DISTRICT I
1626 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6181 Fax: (575) 393-0730

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1253 Fax: (575) 748-0730

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

DISTRICT IV
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Phone (505) 476-8480 Fax: (505) 476-8480

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 98220	Pool Name Purple Sage; Wolfcamp
Property Code	Property Name COTTONWOOD 29-32 FED COM WCB	Well Number 5H
OGRID No. 372137	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3421'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
B	29	26 S	26 E		100	NORTH	1360	EAST	EDDY

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
LOT 2	32	26 S	26 E		330	SOUTH	2200	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
892.20			

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 32.02022791°
Long - W 104.31081543°
NMSPC - N 371098.5
E 548316.2
(NAD-83)

PENETRATION POINT
330' FNL & 2200' FEL
Lat - N 32.01959417°
Long - W 104.31352217°
NMSPC - N 370867.8
E 547477.4
(NAD-83)

BOTTOM HOLE LOCATION
Lat - N 32.00100980°
Long - W 104.31341226°
NMSPC - N 364107.4
E 547512.7
(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 12/22/17
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.

Date Surveyed
Signature of Professional Surveyor
Certificate No. 7977

Scale: 1" = 2000'
WO Num.: 33113

DISTRICT I
1026 N. French Dr., Hobbs, NM 88240
Phone (575) 299-6161 Fax: (575) 299-9720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 748-1283 Fax: (505) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 354-6179 Fax: (505) 354-6179

DISTRICT IV
1228 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 478-6460 Fax: (505) 478-6460

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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 98220	Pool Name PURPLE SAGE; WOLFCAMP
Property Code	Property Name COTTONWOOD 29-32 FED COM WCA	Well Number 6H
OGRID No. 372137	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3433'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
D	29	26 S	26 E		100	NORTH	1145	WEST	EDDY

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
LOT 4	32	26 S	26 E		330	SOUTH	528	WEST	EDDY
Dedicated Acres 892.20	Joint or Infill	Consolidation Code	Order No.						

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

<p>SURFACE LOCATION Lat - N 32.02023041° Long - W 104.31987442° NMSPC- N 371099.0 E 545508.7 (NAD-83)</p> <p>PENETRATION POINT 330' FNL & 528' FWL Lat - N 32.01960007° Long - W 104.32186264° NMSPC- N 370869.6 E 544892.5 (NAD-83)</p> <p>BOTTOM HOLE LOCATION Lat - N 32.00101696° Long - W 104.32182260° NMSPC- N 364109.7 E 544905.7 (NAD-83)</p>	<p>1145' S.L. 100' 330' 528' B.H. LOT 4 LOT 3 LOT 2 LOT 1</p>	<p>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.</p> <p><i>Jennifer Elrod</i> 12/21/17 Signature Date JENNIFER ELROD Printed Name jelrod@chisholmenergy.com Email Address</p> <p>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.</p> <p>Date Surveyed Signature & Seal of Professional Surveyor Certified Surveyor 7977 BACON SURVEYING</p> <p>0' 1000' 2000' 3000' 4000' SCALE: 1" = 2000' WO Num.: 33112</p>
---	---	--

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 383-6161 Fax: (575) 383-6720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1252 Fax: (575) 748-0788

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 478-3480 Fax: (505) 478-3488

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

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

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 98220	Pool Name PURPLE SAGE; WOLFCAMP
Property Code	Property Name COTTONWOOD 29-32 FED COM WCA		Well Number 9H
GRID No.	Operator Name CHISHOLM ENERGY OPERATING, LLC		Elevation 3433'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/SOUTH LINE	FEET from the	East/West Line	County
D	29	26 S	26 E		100	NORTH	1205	WEST	EDDY

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
LOT 3	32	26 S	26 E		330	SOUTH	1584	WEST	EDDY

Dedicated Acres 892.20	Joint or Infill	Consolidation Code	Order No.
---------------------------	-----------------	--------------------	-----------

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 32.02023030°
Long - W 104.31968087°
NMSPCE- N 371098.9
E 545568.7
(NAD-83)

PENETRATION POINT
435' FNL & 1584' FWL
Lat - N 32.01930812°
Long - W 104.31845451°
NMSPCE- N 370763.5
E 545948.8
(NAD-83)

BOTTOM HOLE LOCATION
Lat - N 32.00101390°
Long - W 104.31841018°
NMSPCE- N 364108.7
E 545961.6
(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 12/22/17
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.

Date Surveyed
Signature of Professional Surveyor
Certificate No. 7977

Scale: 1" = 2000'
WO Num.: 33113



AUBREY DUNN
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Linda Slone
Chisholm Energy Operating, LLC
801 Cherry St. Suite 1200 Unit 20
Fort Worth, TX, 76102

December 1st, 2017

Re: Communitization Agreement Approval
Cottonwood 29-32 Fed Com 2BS #1H-4H
Vertical Extent: Bone Spring
Township: 26 South, Range 26 East, NMPM
Section 29: ALL
Section 32: ALL
Eddy County, New Mexico

Dear Ms Slone,

The Commissioner of Public Lands has this date approved the Cottonwood 29-32 Fed Com 2BS #1H-4H Communitization Agreement for the Bone Spring formation effective 10/30/2017. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for Two Years, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

If we may be of further service, please contact Niranjana Khalsa at (505) 827-6628.

Sincerely,

A handwritten signature in blue ink, appearing to be "A. Dunn", is written over the printed name and title.

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 5

Submitted by:

CHISHOLM ENERGY OPERATING LLC

Hearing Date: January 25, 2018

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

Chisholm Energy Operating, LLC
Cottonwood 29-32 Fed Com 2BS #1H-4H
Vertical Extent: Bone Spring
Township: 26 South, Range: 26 East, NMPM
Section 29 : ALL
Section 32: ALL
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **October 30, 2017**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **1st Day of December, 2017**.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows, and as depicted on "Exhibit "A":

**Township 26 South, Range 26 East, N.M.P.M.
Section 29: All
Section 32: N2N2, Lots 1 - 4
Eddy County, New Mexico**

containing 892.2 acres, more or less, and this agreement shall include only the Bone Spring Formation underlying said lands and the crude oil and associated natural gas substances, hereinafter referred to as "communitized substances"), producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "A", a plat designating the communitized area and Exhibit "B" designating the operator of the communitized area and showing

2017 NOV 27 AM 8:23

the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.

5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement. All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and

2017 NOV 27 AM 8:23

comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is October 30, 2017, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production If, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.

2017 NOV 27 AM 8:23

13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

DATE: 11/17/17

Operator:
CHISHOLM ENERGY OPERATING, LLC

Mike Middlebrook
Mike Middlebrook
Chief Operating Officer

DATE: 11/17/17

Lessees of Record:
CHISHOLM ENERGY AGENT, LLC and
EAU ROUGE, LLC

Mike Middlebrook
Mike Middlebrook
Chief Operating Officer

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on November 17, 2017, by Mike Middlebrook, COO, on behalf of Chisholm Energy Operating, LLC.

Trish L. Landers
Notary Public in and for the State of Texas



STATE OF TEXAS

§

COUNTY OF TARRANT

§

§

This instrument was acknowledged before me on November 17, 2017, by Mike Middlebrook, COO, on behalf of Chisholm Energy Agent, LLC.

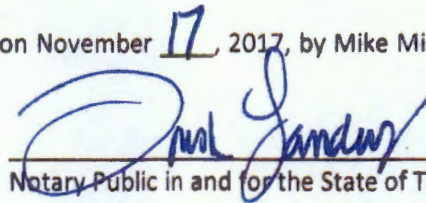


STATE OF TEXAS

§

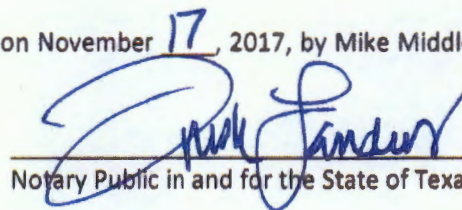
COUNTY OF TARRANT

§


Notary Public in and for the State of Texas

This instrument was acknowledged before me on November 17, 2017, by Mike Middlebrook, COO, on behalf of Eau Rouge, LLC.




Notary Public in and for the State of Texas

2017 NOV 27 AM 8:23

EXHIBIT A

To Communitization Agreement dated October 30, 2017

Plat of communitized area covering the All of Section 29
and N2N2 and Lots 1 - 4 of Section 32,
T-26S-R-26E, N.M.P.M., Eddy County, NM

Operator of Communitized Area: Chisholm Energy Operating, LLC

Tract 1
NMNM-113944
640 acres

Tract 2
V0-9697
252.20 acres

EXHIBIT B

To Communitization Agreement dated October 30, 2017, Chisholm Energy Operating, LLC, Operator covering All of Section 29, T26S, R26E, N.M.P.M. and N2N2 and Lots 1 - 4 of Section 32, T26S, R26E, N.M.P.M., Eddy County, NM

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial No.: NMNM-113944

Lease Date: June 1, 2005

Lease Term: Ten (10) years

Lessor: The United States of America

Original Lessee: Nearburg Exploration Company, LLC

Present Lessee: Chisholm Energy Agent, LLC

Description of Land Committed: All of Section 29, T26S, R26E, N.M.P.M, Eddy County, NM

Number of Acres: 640.00

Royalty Rate: 12 ½ %

Name and Percent WI Owners: Chisholm Energy Agent, LLC – 100%

TRACT NO. 2

State Lease: V0-9697

Lease Date: June 1, 2014

Lease Term: Five (5) years

Lessor: State of New Mexico

Original Lessee: Nearburg Exploration Company, LLC

Present Lessee: Eau Rouge, LLC

Description of Land Committed: N2N2 and Lots 1 - 4 of Section 32, T26S, R26E, N.M.P.M., Eddy County, NM

Number of Acres: 252.20

Royalty Rate: 1/6

Name and Percent WI Owners: Chisholm Energy Operating, LLC – 100%

RECAPITULATION

Tract No.	Acres Committed	% of Communitized Area
1	640.00	71.7328%
2	252.20	28.2672%
Total:	892.20	100.00%

2017 NOV 27 AM 8:52

Jordan L. Kessler

From: Linda Slone <lsone@chisholmenergy.com>
Sent: Wednesday, January 17, 2018 9:57 AM
To: Jordan L. Kessler
Subject: FW: Cottonwood Comm Approvals from SLO for 29-32 wells

Jordan, will this work? You had asked yesterday if the BLM would send an email that would grant prelim approval of the Cottonwood 29-32 WC & BS CAs.

Thanks - Linda

From: Ham, Deborah [mailto:dham@blm.gov]
Sent: Wednesday, January 17, 2018 10:51 AM
To: Linda Slone <lsone@chisholmenergy.com>
Subject: Re: Cottonwood Comm Approvals from SLO for 29-32 wells

Good morning Linda,

Please excuse my scatter brain. The only thing I am familiar with as far as approval for the agreements is the certification page that comes with the approval letter we send out once the com agreement is approved.

If this helps, please consider this email as preliminary approval of the agreements for the Wolfcamp and Bone Spring com agreements to cover the Cottonwood 29-32 Fed Com 1H-4H wells consisting of all of sections 29 and 32 of T26S, R26E.

Let me know if you need anything else.

On Tue, Jan 16, 2018 at 5:09 PM, Linda Slone <lsone@chisholmenergy.com> wrote:

Deborah,

This afternoon, we spoke with our attorney, Jordan Kessler, about our hearing scheduled next week for the Cottonwood CAs being all of Sections 29 & 32-26S-26E. She asked if the BLM had approved our Comm Agreements and I told her you were waiting on the OCD. She asked if you could email preliminary approval for the attached CAs pending the OCD hearing. I have attached the SLO approval for each CA, along with both CAs you have pending.

Let me know if you need anything else.

Thank you.

Linda

Deborah M Ham

Land Law Examiner

Bureau of Land Management

Carlsbad Field Office

575-234-5965 (phone)

575-234-5927 (Fax)



AUBREY DUNN
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

Linda Slone
Chisholm Energy Operating, LLC
801 Cherry St. Suite 1200 Unit 20
Fort Worth, TX, 76102

January 4th, 2018

Re: Communitization Agreement Approval
Cottonwood 29-32 Fed Com WCA #3H-4H
Vertical Extent: Wolfcamp
Township: 26 South, Range 26 East, NMPM
Section 29: ALL
Section 32: ALL
Eddy County, New Mexico

Dear Ms Slone,

The Commissioner of Public Lands has this date approved the Cottonwood 29-32 Fed Com WCA #3H-4H Communitization Agreement for the Wolfcamp formation effective 3/1/2018. Enclosed are three Certificates of Approval.

The agreement shall remain in effect for Two Years, and as long thereafter as communitized substances are produced from the communitized area in paying quantities.

If we may be of further service, please contact Niranjana Khalsa at (505) 827-6628.

Sincerely,

A blue ink signature of Aubrey Dunn, written in a cursive style.

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 6

Submitted by:

CHISHOLM ENERGY OPERATING LLC

Hearing Date: January 25, 2018

NEW MEXICO STATE LAND OFFICE

CERTIFICATE OF APPROVAL

COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

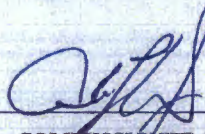
Chisholm Energy Operating, LLC
Cottonwood 29-32 Fed Com WCA #3H-4H
Vertical Extent: Wolfcamp
Township: 26 South, Range: 26 East, NMPM
Section 29 : ALL
Section 32: ALL
Eddy County, New Mexico

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, a Communitization Agreement for the development and operation of acreage which is described within the referenced Agreement dated **March 1, 2018**, which has been executed, or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement, the Commissioner finds:

- (a) That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area.
- (b) That under the proposed agreement, the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary Institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the State, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 19-10-45, 19-10-46, 19-10-47, New Mexico Statutes Annotated, 1978 Compilation, I, the undersigned Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this **4th** Day of January, 2018.



COMMISSIONER OF PUBLIC LANDS
of the State of New Mexico

COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto,"

WITNESSETH:

WHEREAS, the Act of February 25, 1920, 41 Stat. 437, as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a federal oil and gas lease, or any portions thereof, with other lands, whether or not owned by the United States, when separate tracts under such federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area, and such communitization or pooling is determined to be in the public interest; and,

WHEREAS, the Commissioner of Public Lands of the State of New Mexico, herein called "the Commissioner", is authorized to consent to and approve agreements pooling state oil and gas leases or any portion thereof, when separate tracts under such state leases cannot be independently developed and operated economically in conformity with well-spacing and gas proration rules and regulations established for the field or area and such pooling is determined to be in the public interest; and,

WHEREAS, the parties hereto own working, royalty, or other leasehold interests, or operating rights under the oil and gas leases and land subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and,

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of the agreement;

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows, and as depicted on "Exhibit "A":

Township 26 South, Range 26 East, N.M.P.M.
Section 29: All
Section 32: N2N2, Lots 1 - 4
Eddy County, New Mexico

containing 892.2 acres, more or less, and this agreement shall include only the Wolfcamp Formation underlying said lands and the crude oil and associated natural gas substances, hereinafter referred to as "communitized substances"), producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes, is Exhibit "A", a plat designating the communitized area and Exhibit "B" designating the operator of the communitized area and showing

the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Authorized Officer and three (3) additional executed copies thereof shall be filed with the Commissioner.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, and the Commissioner, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States and the State of New Mexico, as specified in the applicable oil and gas operating regulations.

5. The communitized area shall be developed and operated as an entirety with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of leasehold bears to the entire acreage interest committed to this agreement. All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.

8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and

100-111-2

comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules, and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is March 1, 2018, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution of the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of Interior, or his duly authorized representative, and by the Commissioner or his duly authorized representative, and shall remain in force and effect for a period of two (2) years and so long thereafter as communitized substances are produced or can be produced from the communitized area in paying quantities; provided, that the two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period; provided further that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of Interior, or his duly authorized representative, and all requirements of the Commissioner, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of the capability of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted and prosecuted with reasonable diligence. As to lands owned by the State of New Mexico, written notice of intention to commence such operations shall be filed with the Commissioner within thirty (30) days after the cessation of such capability of production, and a report of the status of such operations shall be made by the Operator to the Commissioner every thirty (30) days, and the cessation of such operations for more than twenty (20) consecutive days shall be considered as an abandonment of such operations as to any lease from the State of New Mexico included in this agreement.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interest until this agreement terminates, and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal lands shall be subject to approval by the Secretary of the Interior, and as to State of New Mexico lands shall be subject to approval by the Commissioner.

12. It is agreed by the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United States of America is lessor, and in the applicable oil and gas operating regulations of the Department of the Interior. It is further agreed between the parties hereto that the Commissioner shall have the right of supervision over all operations to the same extent and degree as provided in the oil and gas leases under which the State of New Mexico is lessor and in the applicable oil and gas statutes and regulations of the State of New Mexico.

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13. The agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors and assigns.

14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination: In connection with the performance of work under this agreement, the Operator agrees to comply with all of the provisions of Section 202 (1) to (7) inclusive, of Executive Order 11246 (30 F. R. 12319), as amended which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first written and have set opposite their respective names the date of execution.

Operator:
CHISHOLM ENERGY OPERATING, LLC

DATE:

12/27/17

Mark Whitley
Mark Whitley
Chief Executive Officer

Lessees of Record:
CHISHOLM ENERGY AGENT, LLC and
EAU ROUGE, LLC

DATE:

12/27/17

Mark Whitley
Mark Whitley
Chief Executive Officer

ACKNOWLEDGEMENTS

STATE OF TEXAS

§

§

COUNTY OF TARRANT

§

This instrument was acknowledged before me on December 27, 2017, by Mark Whitley, CEO, on behalf of Chisholm Energy Operating, LLC.

Trish Landers
Notary Public in and for the State of Texas



2018 JAN -2 AM 9:04

STATE OF TEXAS

§

§

COUNTY OF TARRANT

§

This instrument was acknowledged before me on December 27, 2017, by Mark Whitley, CEO, on behalf of Chisholm Energy Agent, LLC.



Trish Landers
Notary Public in and for the State of Texas

STATE OF TEXAS

§

§

COUNTY OF TARRANT

§

This instrument was acknowledged before me on December 27, 2017, by Mark Whitley, CEO, on behalf of Eau Rouge, LLC.



Trish Landers
Notary Public in and for the State of Texas

EXHIBIT A

To Communitization Agreement dated December 27, 2017

Plat of communitized area covering the All of Section 29
and N2N2 and Lots 1 - 4 of Section 32,
T-26S-R-26E, N.M.P.M., Eddy County, NM

Operator of Communitized Area: Chisholm Energy Operating, LLC

Tract 1
NMNM-113944
640 acres

Tract 2
V0-9697
252.20 acres

EXHIBIT B

To Communitization Agreement dated December 27, 2017, Chisholm Energy Operating, LLC, Operator covering All of Section 29, T26S, R26E, N.M.P.M. and N2N2 and Lots 1 - 4 of Section 32, T26S, R26E, N.M.P.M., Eddy County, NM

DESCRIPTION OF LEASES COMMITTED

TRACT NO. 1

Lease Serial No.: NMNM-113944
Lease Date: June 1, 2005
Lease Term: Ten (10) years
Lessor: The United States of America
Original Lessee: Nearburg Exploration Company, LLC
Present Lessee: Chisholm Energy Agent, LLC
Description of Land Committed: All of Section 29, T26S, R26E, N.M.P.M, Eddy County, NM
Number of Acres: 640.00
Royalty Rate: 12 ½ %
Name and Percent WI Owners: Chisholm Energy Agent, LLC – 100%

TRACT NO. 2

State Lease: V0-9697
Lease Date: June 1, 2014
Lease Term: Five (5) years
Lessor: State of New Mexico
Original Lessee: Nearburg Exploration Company, LLC
Present Lessee: Eau Rouge, LLC
Description of Land Committed: N2N2 and Lots 1 - 4 of Section 32, T26S, R26E, N.M.P.M.,
Eddy County, NM
Number of Acres: 252.20
Royalty Rate: 1/6
Name and Percent WI Owners: Eau Rouge, LLC – 100%

RECAPITULATION

Tract No.	Acres Committed	% of Communitized Area
1	640.00	71.7328%
2	252.20	28.2672%
Total:	892.20	100.00%

Jordan L. Kessler

From: Linda Slone <lsone@chisholmenergy.com>
Sent: Wednesday, January 17, 2018 9:57 AM
To: Jordan L. Kessler
Subject: FW: Cottonwood Comm Approvals from SLO for 29-32 wells

Jordan, will this work? You had asked yesterday if the BLM would send an email that would grant prelim approval of the Cottonwood 29-32 WC & BS CAs.

Thanks - Linda

From: Ham, Deborah [mailto:dham@blm.gov]
Sent: Wednesday, January 17, 2018 10:51 AM
To: Linda Slone <lsone@chisholmenergy.com>
Subject: Re: Cottonwood Comm Approvals from SLO for 29-32 wells

Good morning Linda,

Please excuse my scatter brain. The only thing I am familiar with as far as approval for the agreements is the certification page that comes with the approval letter we send out once the com agreement is aproved.

If this helps, please consider this email as preliminary approval of the agreements for the Wolfcamp and Bone Spring com agreements to cover the Cottonwood 29-32 Fed Com 1H-4H wells consisting of all of sections 29 and 32 of T26S, R26E.

Let me know if you need anything else.

On Tue, Jan 16, 2018 at 5:09 PM, Linda Slone <lsone@chisholmenergy.com> wrote:

Deborah,

This afternoon, we spoke with our attorney, Jordan Kessler, about our hearing scheduled next week for the Cottonwood CAs being all of Sections 29 & 32-26S-26E. She asked if the BLM had approved our Comm Agreements and I told her you were waiting on the OCD. She asked if you could email preliminary approval for the attached CAs pending the OCD hearing. I have attached the SLO approval for each CA, along with both CAs you have pending.

Let me know if you need anything else.

•
• Thank you.

Linda

--
Deborah M Ham

Land Law Examiner

Bureau of Land Management

Carlsbad Field Office

575-234-5965 (phone)

575-234-5927 (Fax)

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
FOR APPROVAL OF A 892.20-ACRE NON-STANDARD
PROJECT AREA AND NON-STANDARD SPACING UNIT
IN THE WOLFCAMP FORMATION COMPRISED OF
ACREAGE SUBJECT TO A PROPOSED COMMUNITIZATION
AGREEMENT, AND FOR APPROVAL OF A 892.20-ACRE
NON-STANDARD PROJECT AREA AND SPACING UNIT
IN THE BONE SPRING FORMATION COMPRISED OF
ACREAGE SUBJECT TO A PROPOSED COMMUNITIZATION
AGREEMENT, EDDY COUNTY, NEW MEXICO.**

AFFIDAVIT

Jordan L. Kessler, attorney in fact and authorized representative of Matador Production Company, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 7
Submitted by:
CHISHOLM ENERGY OPERATING LLC

HOLLAND & HART^{LLP}



Jordan L. Kessler
Associate

Phone (505) 988-4421

Fax (505) 983-6043

JLKessler@hollandhart.com

January 5, 2018

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Amended Application Of Chisholm Energy Operating, LLC For Approval Of A 892.20-Acre Non-Standard Project Area and Non-Standard Spacing Unit in the Wolfcamp Formation Comprised Of Acreage Subject To A Proposed Communitization Agreement, And For Approval Of A 892.20-Acre Non-Standard Project Area and Non-Standard Spacing Unit in the Bone Spring Formation Comprised Of Acreage Subject To A Proposed Communitization Agreement Eddy County, New Mexico.

This letter is to advise you that Chisholm Energy Operating, LLC has filed the enclosed amended application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as an affected party, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on January 25, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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 with the Oil Conservation Division's Santa Fe office, four business days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must 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 Linda Slone, at (817) 953-4397 or ls lone@chisholmenergy.com.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR
CHISHOLM ENERGY OPERATING, LLC

Holland & Hart^{LLP}

Phone [505] 988-4421 **Fax** [505] 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, New Mexico 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Cottonwood 29-35 Fed Com WCA
Affected Parties(11)
Case No. 15953

MRC Permian Company
ONE LINCOLN CENTRE
5400 LBJ FREEWAY, SUITE 1500
DALLAS, TX 75240

MRC Permian Company
P.O. BOX 4538
DALLAS, TX 75240

Marathon Oil Permian, LLC
5555 San Felipe Street
HOUSTON, TX 77056-2723

CHEVRON USA INC
1400 SMITH ST
HOUSTON, TX 77002

Bureau of Land Management
620 E. Green Street
Carlsbad, NM 88220

Chisholm Energy Operating, LLC, as operator and
Chisholm Energy Agent, Inc, as lessee
801 Cherry St Ste 1200,
Fort Worth, TX 76102

Nearburg Producing Company fbo Nearburg
Producing Company Employee Fund
P.O. BOX 823085
Dallas, TX 75382-3085

Nearburg Producing Company
P.O. BOX 823085
Dallas, TX 75382-3085

Duane A Davis
6441 WAGGONER DRIVE
Dallas, TX 75230

BLM FEDERAL ROYALTIES PAYABLE
MINERALS MANAGEMENT SERVICES

ROYALTY MANAGEMENT PROGRAM
BLDG 85-DENVER ROOM A-212
Denver, CO 80225

NEW MEXICO STATE LAND OFFICE
P.O.BOX 1148
Santa Fe, NM 87504-1148

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Case No. 15953

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ONE LINCOLN CENTRE
5400 LBJ FREEWAY, SUITE 1500
DALLAS, TX 75240

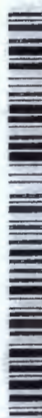
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620 E. Green Street
Carlsbad, NM 88220



9590 9402 2949 7094 5860 09

2. Article Number (Transfer from service label)

7016 0750 0000 3569 2469

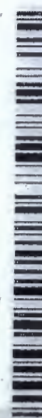
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MRC Permian Company
ONE LINCOLN CENTRE
5400 LBJ FREEWAY, SUITE 1500
DALLAS, TX 75240



9590 9402 2949 7094 5866 27

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☒ Addressee
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D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

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A. Signature [Signature] ☐ Agent
☒ Addressee
B. Received by (Printed Name) [Signature] C. Date of Delivery [Signature]

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

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P.O. BOX 4538
DALLAS, TX 75240

City, State, ZIP+4®

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Marathon Oil Permian, LLC
5555 San Felipe Street
HOUSTON, TX 77056-2723

City, State, ZIP+4®

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Marathon Oil Permian, LLC
5555 San Felipe Street
HOUSTON, TX 77056-2723



9590 9402 2949 7094 5866 03

2. Article Number (Transfer from service label)

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PS Form 3811, July 2015 PSN 7530-02-000-9053

RECIPIENT, COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent
X *Richard Vargas*
B. Received by (Printed Name) *Richard Vargas*
C. Date of Delivery *11/08/18*
D. Is delivery address different from item # ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
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☐ Insured Mail
☐ Priority Mail Express®
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☐ Registered Mail Restricted Delivery
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 Case No. 15953

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CHEVRON USA INC
 1400 SMITH ST
 HOUSTON, TX 77002

PS Form 3800, April 2015 PSN 7530-02-000-9053

9242 695E 0000 0520 9702

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 Case No. 15953

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Chisholm Energy Operating, LLC, as operator and Chisholm Energy Agent, Inc, as lessee
 801 Cherry St Ste 1200,
 Fort Worth, TX 76102

PS Form 3800, April 2015 PSN 7530-02-000-9053

2542 695E 0000 0520 9702

SENDER: COMPLETE THIS SECTION

1. Article Addressed to:
 Chisholm Energy Operating, LLC, as operator and Chisholm Energy Agent, Inc, as lessee
 801 Cherry St Ste 1200,
 Fort Worth, TX 76102

2. Article Number (Transfer from service label)
 9590 9402 2949 7094 5859 89

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☐ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery 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:

SECTION ON DELIVERY

A. Signature ☒ Agent
 B. Received by (Printed Name) ☐ Addressee
 C. Date of Delivery
 D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

Domestic Return Receipt

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

Cottonwood 29-35 Fed Com WCA
Affected Parties (11)
Case No. 15953

OFFICIAL RECEIPT

For delivery information, visit [usps.com](#)

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage \$

Nearburg Producing Company fbo
Nearburg Producing Company
Employee Fund
P.O. BOX 823085
Dallas, TX 75382-3085

Postmark Here

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

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
Domestic Mail Only

Cottonwood 29-35 Fed Com WCA
Affected Parties (11)
Case No. 15953

OFFICIAL RECEIPT

For delivery information, visit [usps.com](#)

Certified Mail Fee \$

Extra Services & Fees (check box, add fee as appropriate)

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage \$

Nearburg Producing Company
P.O. BOX 823085
Dallas, TX 75382-3085

Postmark Here

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

MAIL

SECTION ON DELIVERY

PLACE STICKER IN TOP OF ENVELOPE TO THE RIGHT OF THE ADDRESS

1. Article Addressed to:

Nearburg Producing Company fbo
Nearburg Producing Company
Employee Fund
P.O. BOX 823085
Dallas, TX 75382-3085

2. Article Number (Transfer from service label)
7016 0750 0000 3569 2445

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express [®]
<input type="checkbox"/> Certified Mail [®]	<input type="checkbox"/> Registered Mail TM
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Signature Confirmation TM	<input type="checkbox"/> Signature Confirmation TM Restricted Delivery

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

If YES, enter delivery address below:

A. Signature *Melanie Sandage* ☐ Agent ☐ Addressee

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

CERTIFIED MAIL

SECTION ON DELIVERY

PLACE STICKER IN TOP OF ENVELOPE TO THE RIGHT OF THE ADDRESS

1. Article Addressed to:

Nearburg Producing Company
P.O. BOX 823085
Dallas, TX 75382-3085

2. Article Number (Transfer from service label)
7016 0750 0000 3569 2445

PS Form 3811, July 2015 PSN 7530-02-000-9053

Domestic Return Receipt

3. Service Type

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express [®]
<input type="checkbox"/> Certified Mail [®]	<input type="checkbox"/> Registered Mail TM
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Mail Restricted Delivery	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Signature Confirmation TM	<input type="checkbox"/> Signature Confirmation TM Restricted Delivery

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

If YES, enter delivery address below:

A. Signature *Melanie Sandage* ☐ Agent ☐ Addressee

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

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit **OFFICE**
 Affected Parties (11)
 Case No. 15953

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 \$

Postmark Here

Duane A Davis
 6441 WAGGONER DRIVE
 Dallas, TX 75230

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

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit **OFFICE**
 Affected Parties (11)
 Case No. 15953

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 \$

Postmark Here

BLM FEDERAL ROYALTIES
 PAYABLE MINERALS MGMT
 SERVICES ROYALTY MGMT
 PROGRAM
 BLDG 85-DENVER ROOM A-212
 Denver, CO 80225

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

CERTIFIED MAIL

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS (POST AT POST OFFICE)

COMPLETE THIS SECTION ON 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:

3. Service Type

☐ Adult Signature ☐ Priority Mail Express®

☐ Adult Signature Restricted Delivery ☐ Registered Mail™

☒ Certified Mail® ☐ Return Receipt for Merchandise

☐ Collect on Delivery ☐ Signature Confirmation™

☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

☐ Insured Mail ☐ Mail Restricted Delivery

Domestic Return Receipt

1. Article Addressed to:

Duane A Davis
 6441 WAGGONER DRIVE
 Dallas, TX 75230

9590 9402 2949 7094 5859 65

7016 0750 0000 3569 2421

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON 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:

3. Service Type

☐ Adult Signature ☐ Priority Mail Express®

☐ Adult Signature Restricted Delivery ☐ Registered Mail™

☒ Certified Mail® ☐ Return Receipt for Merchandise

☐ Collect on Delivery ☐ Signature Confirmation™

☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

☐ Mail Restricted Delivery

Domestic Return Receipt

1. Article Addressed to:

BLM FEDERAL ROYALTIES
 PAYABLE MINERALS MGMT
 SERVICES ROYALTY MGMT
 PROGRAM
 BLDG 85-DENVER ROOM A-212
 Denver, CO 80225

9590 9402 2949 7094 5859 58

7016 0750 0000 3569 2414

PS Form 3811, July 2015 PSN 7530-02-000-9053

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit 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

NEW MEXICO STATE LAND
 OFFICE
 P.O. BOX 1148
 Santa Fe, NM 87504-1148

PS Form 3800, April 2015 PSN 7530-02-000-9050 See Reverse for instructions

CERTIFIED MAIL

PLACE STICKER AT TOP OF ENVELOPE OR THE RIGHT SIDE OF THE RETURN ADDRESS. FOLD AT DOTTED LINE.

- 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:

NEW MEXICO STATE LAND
 OFFICE
 P.O. BOX 1148
 Santa Fe, NM 87504-1148



9590 9402 2949 7094 5859 41

2. Article Number (Transfer from service label)

7016 0750 0000 3569 2407

PS Form 3811, July 2015 PSN 7530-02-000-9053

TE THIS SECTION ON DELIVERY

A. Signature **X** ☐ Agent
☐ Addressee
 B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

PS NM 87507 E

JAN - 8 2018

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Mail
☐ Mail Restricted Delivery
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Danny Fletcher, being first duly
sworn, on oath says:

That he is the Publisher of the
Carlsbad Current-Argus, a
newspaper published daily at the
City of Carlsbad, in said county of
Eddy, state of New Mexico and of
general paid circulation in said
county; that the same is a duly
qualified newspaper under the laws
of the State wherein legal notices
and advertisements may be
published; that the printed notice
attached hereto was published in the
regular and entire edition of said
newspaper and not in supplement
thereof on the date as follows, to wit:

January 5 2018

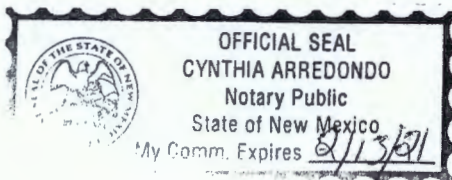
That the cost of publication is
\$192.34 and that payment thereof
has been made and will be
assessed as court costs.

Subscribed and sworn to before me
this 4 day of January, 2018

Cynthia

My commission Expires 2/13/21

Notary Public



January 5, 2018

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on January 25, 2018, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by January 15, 2018. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF
NEW MEXICO TO:
All named parties and
persons having any
right, title, interest or
claim in the following
cases and notice
to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected parties, including: MRC Permian Company; Marathon Oil Permian, LLC; Chevron USA INC; Bureau of Land Management; Chisholm Energy Operating, LLC, as operator and Chisholm Energy Agent, Inc, as lessee; Nearburg Producing Company fbo Nearburg Producing Company Employee

Fund; Nearburg Producing Company; Duane A Davis, his heirs and devisees; BLM Federal Royalties Payable Minerals Management Services Royalty Management Program; New Mexico State Land Office.

Case No. 15953:
Amended Application
Of Chisholm Energy
Operating, LLC For
Approval Of A
892.20-Acre Non-
Standard Project Area
and Non-Standard
Spacing Unit in the
Wolfcamp Formation
Comprised Of Acreage
Subject To A Proposed
Communitization
Agreement, And For
Approval Of A
892.20-Acre Non-
Standard Project Area
and Non-Standard
Spacing Unit in the
Bone Spring Formation
Comprised Of
Acreage Subject To A
Proposed Communitization
Agreement Eddy
County, New Mexico.
Applicant in the
above-styled cause
seeks an order 1) approving an approximately 892.20-acre non-standard project area and non-standard spacing unit in the Wolfcamp formation comprised of acreage subject to a proposed communitization agreement covering Section 29 and all of Irregular Section 32, Township 26 South, Range 26 East, NMPM Eddy County, New Mexico; and 2) approving an approximately 892.20-acre non-standard project area and non-standard spacing unit in the Bone Spring formation comprised of acreage subject to a proposed communitization agreement covering Section 29 and all of Irregular Section 32, Township 26 South, Range 26 East, NMPM Eddy County, New Mexico. The acreage in the proposed non-standard project area in the Wolfcamp formation has been placed in the Purple Sage; Wolfcamp Gas Pool and is subject to the Special Rules set forth in Order No. R-14262. The acreage in the proposed non-standard project area in the Bone Spring formation has been placed in the Welch; Bone Spring Pool (Pool Code 64010) and is subject to Division statewide rules for oil wells. This subject area is located approximately 20 miles southwest of Jal, New Mexico.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

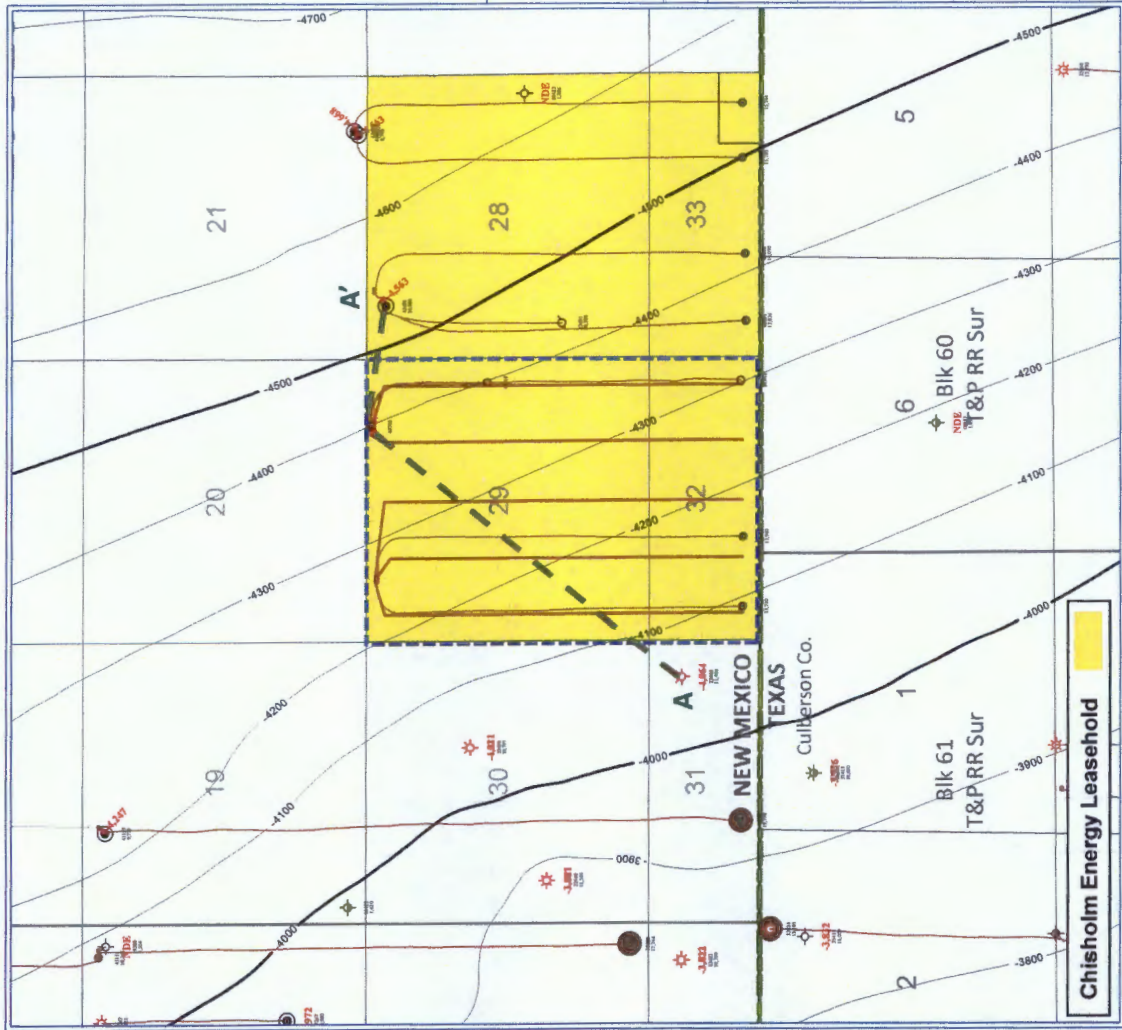
Exhibit No. 8

Submitted by:

CHISHOLM ENERGY OPERATING LLC

Hearing Date: January 25, 2018





CHISHOLM ENERGY OPERATING

COTTONWOOD - Eddy Co.

Sec 29 & 32, T26S, R26E

T/3rd Bone Spring SS

Structural Contour Map



POSTED WELL DATA

PAYOFF - 3RD_BONE_SPRING_MAXI (FEET)
API Name
TO

ATTRIBUTE MAP

Zone PAY_INTERVAL - 3RD_BONE_SPRING MAXI IS PRESENT

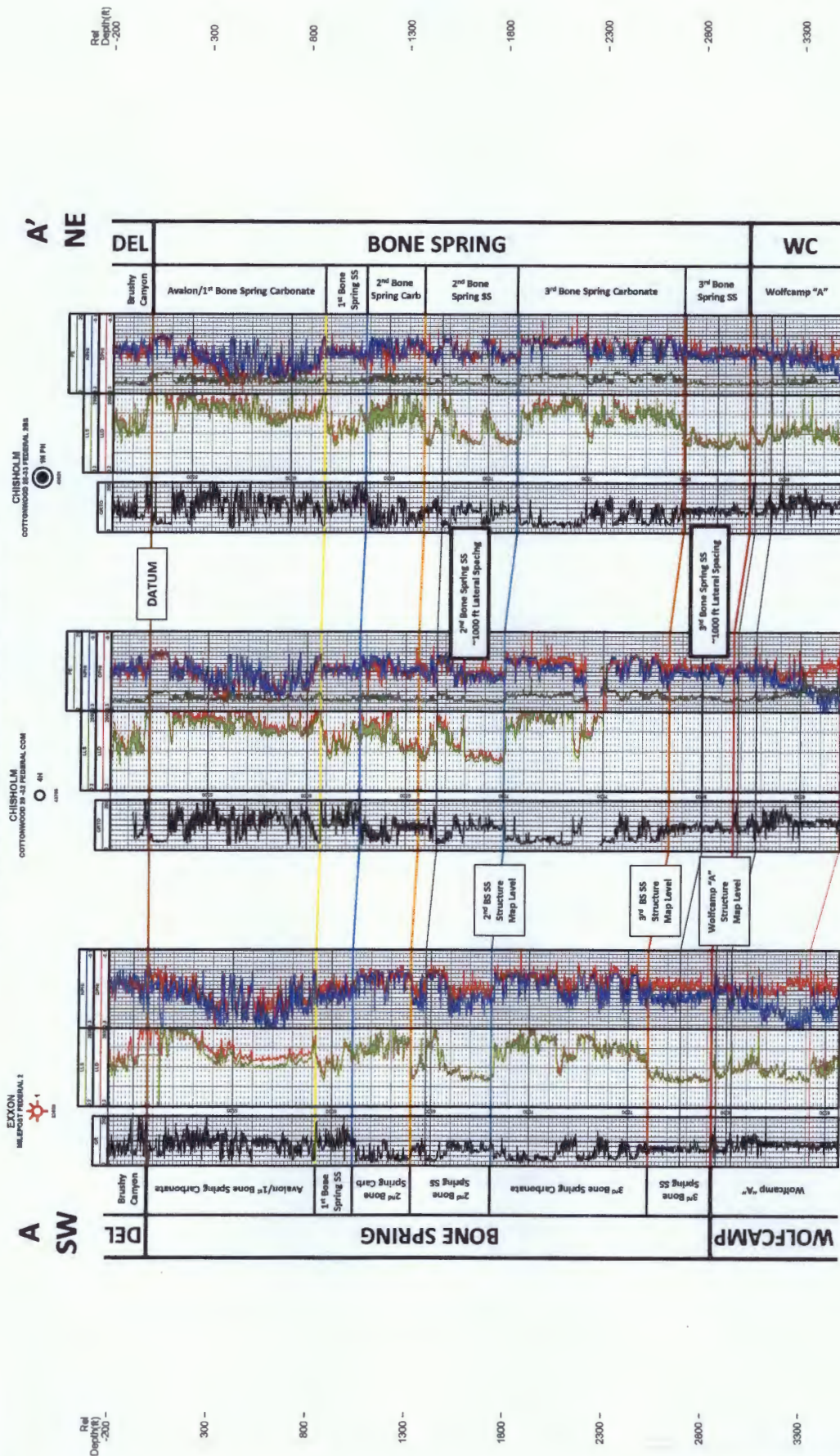
CI = 100 ft

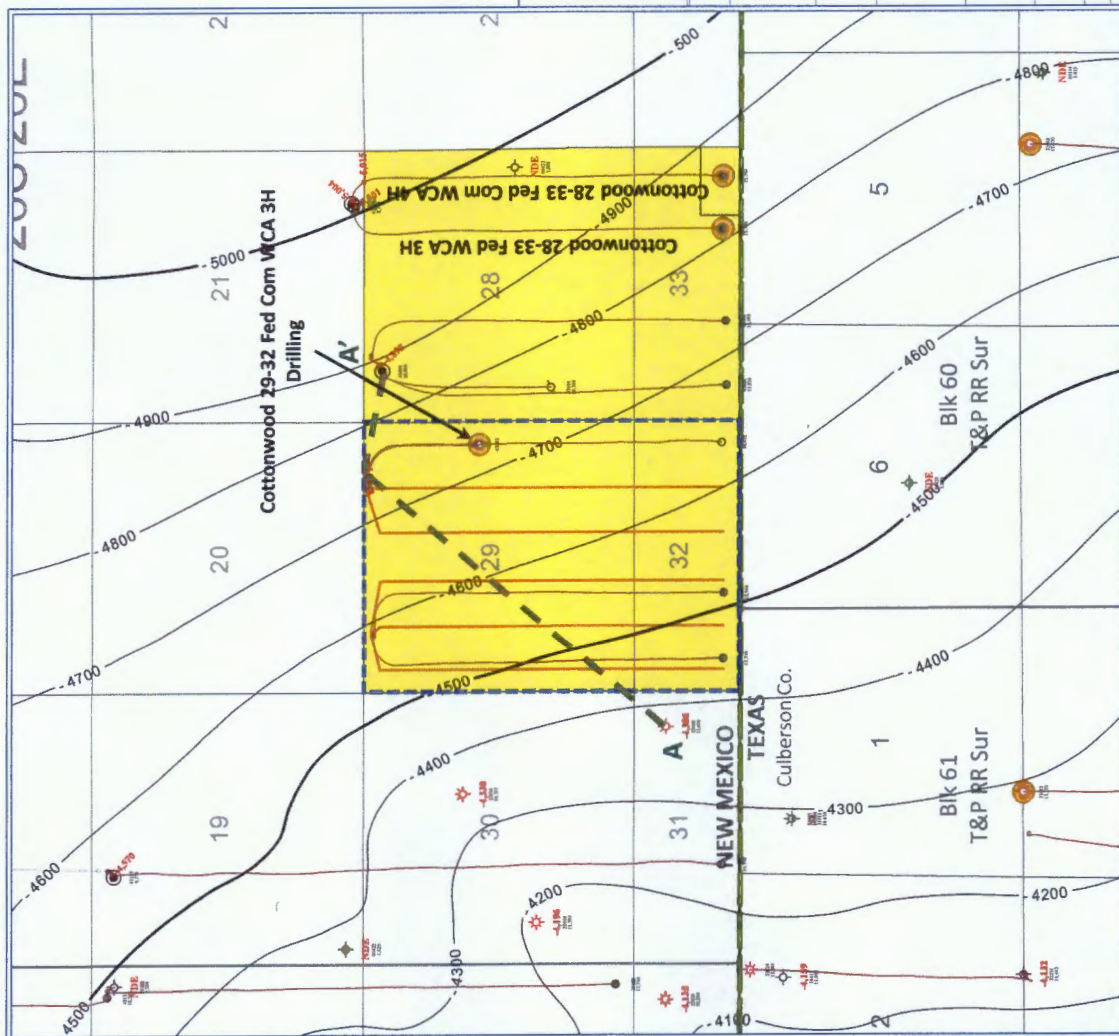
REMARKS

By: NXE

January 23, 2016

COTTONWOOD PROSPECT
Bone Spring Stratigraphic Cross-Section A-A'





CHISHOLM ENERGY OPERATING

COTTONWOOD - Eddy Co.

Sec 29 & 32, T26S, R26E

T/Wolfcamp "A"

Structural Contour Map



POSTED WELL DATA

WELL NAME - WOLF CAMP (FEET)

WELL TYPE

WELL STATUS

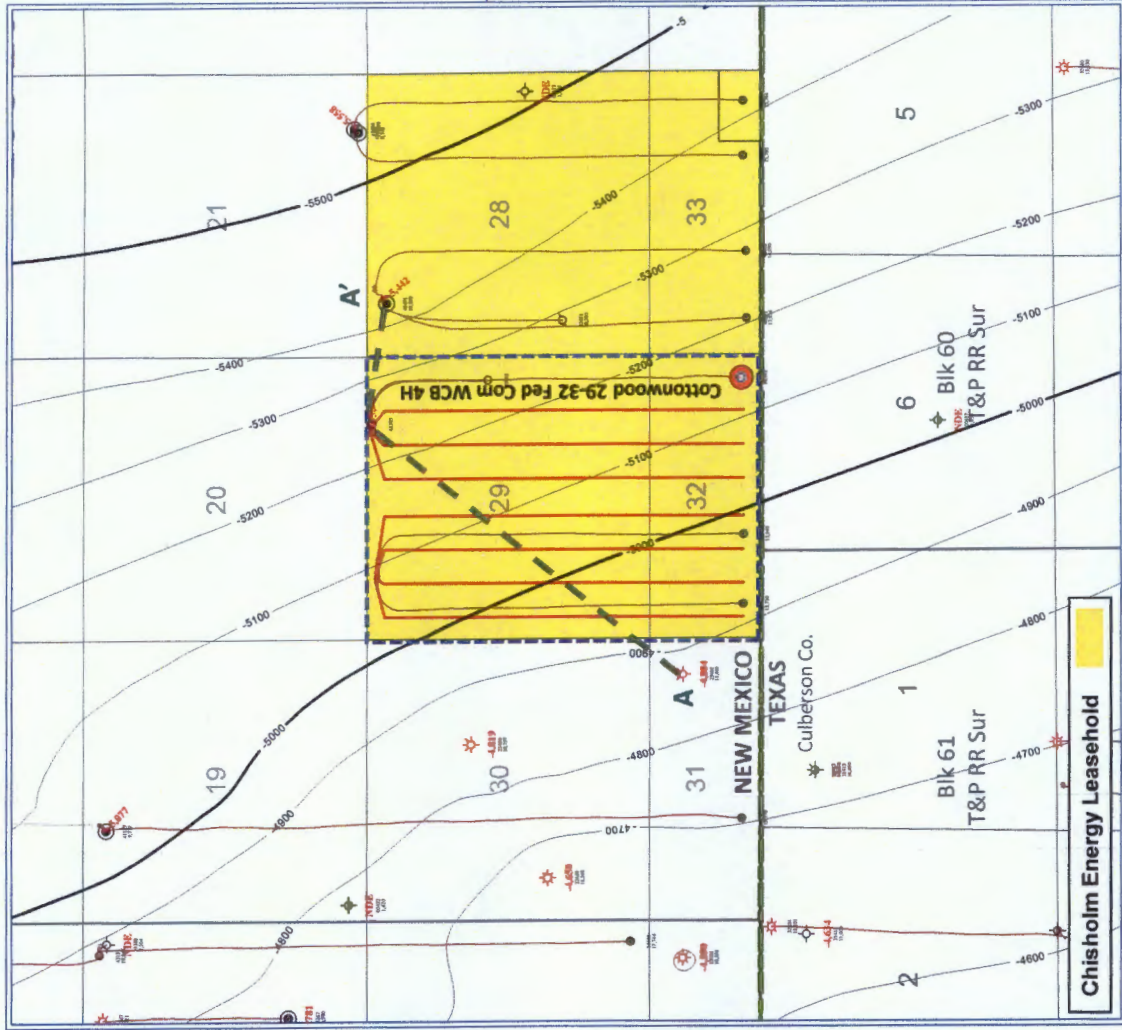


CI = 100 ft

REMARKS

By: MXE

January 24, 2018



CHISHOLM ENERGY OPERATING

COTTONWOOD - Eddy Co.

Sec 29 & 32, T26S, R26E

TWolcamp "B"

Structural Contour Map



POSTED WELL DATA

PAVEOPS - WOLF CAMP - BRIDGE (SEE SHEET)

ATTIBUTE MAP

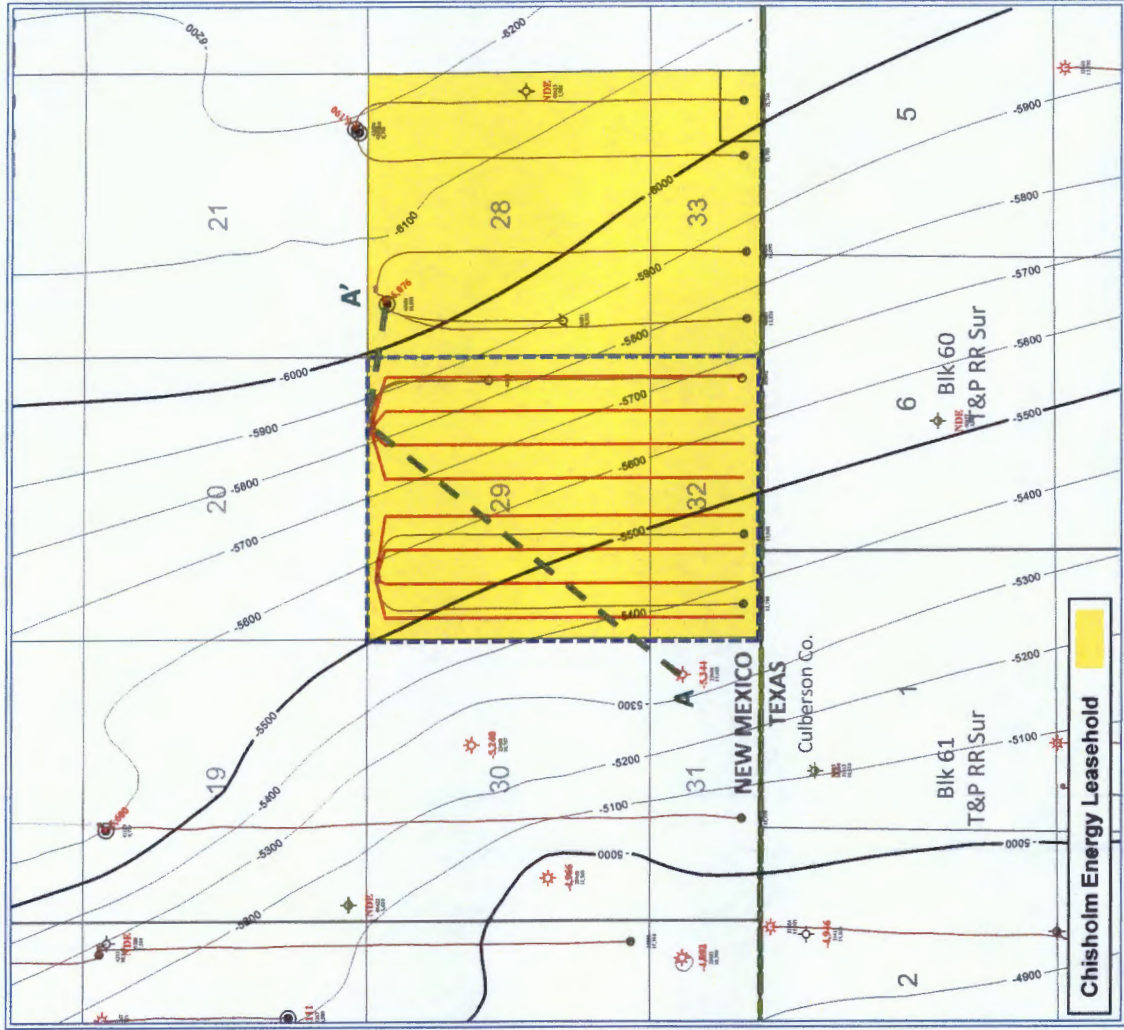
Zone PAY_INTERVAL - WOLF CAMP - BRIDGE IS PRESENT

CI = 100 ft

REMARKS

By: MXE

January 23, 2018





COTTONWOOD PROSPECT Wolfcamp Stratigraphic Cross-Section A-A'

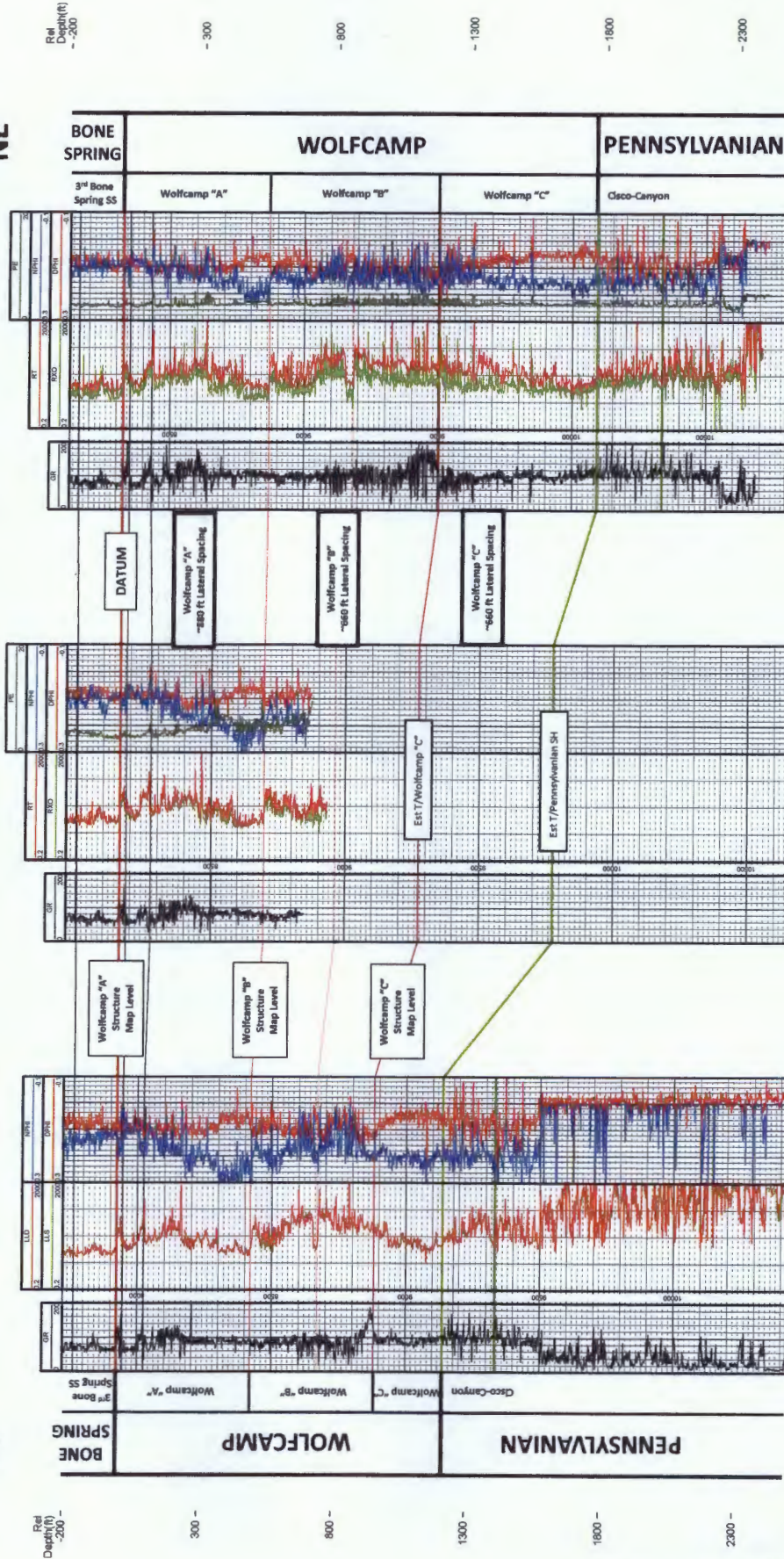
EXXON
MILEPOST FEDERAL 2
1
25008

CHISHOLM
COTTONWOOD 29 -33 FEDERAL COM
4H
43706

CHISHOLM
COTTONWOOD 29-33 FEDERAL 2B5
1H PH
43801

A
SW

A'
NE



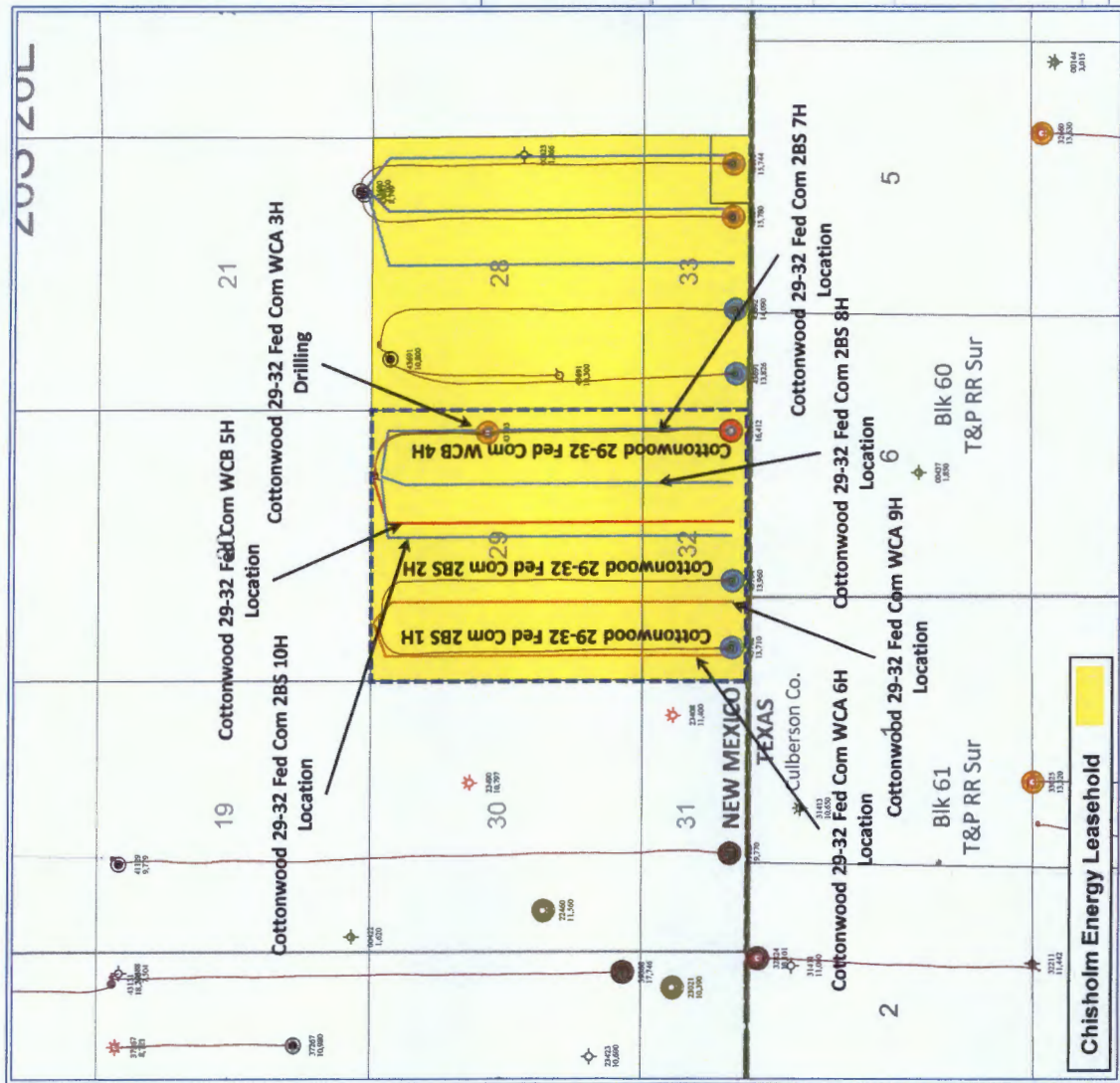
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

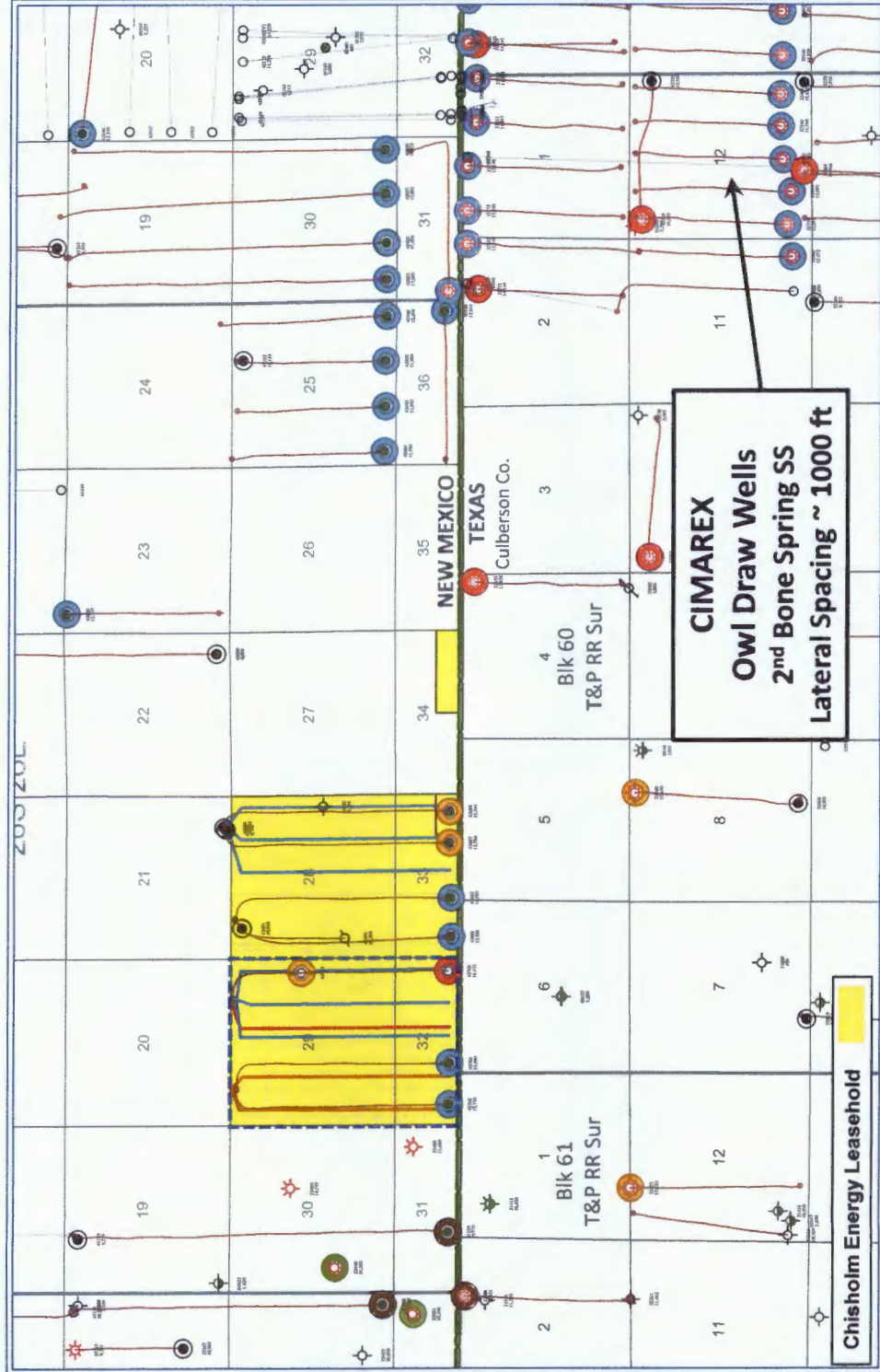
Exhibit No. 12

Submitted by:

CHISHOLM ENERGY OPERATING LLC

Hearing Date: January 25, 2018





CHISHOLM ENERGY OPERATING

COTTONWOOD - Eddy Co.

Sec 29 & 32, T26S, R26E

Production Map



POSTED WELL DATA

AYT Series
1D

ATTRIBUTE MAP

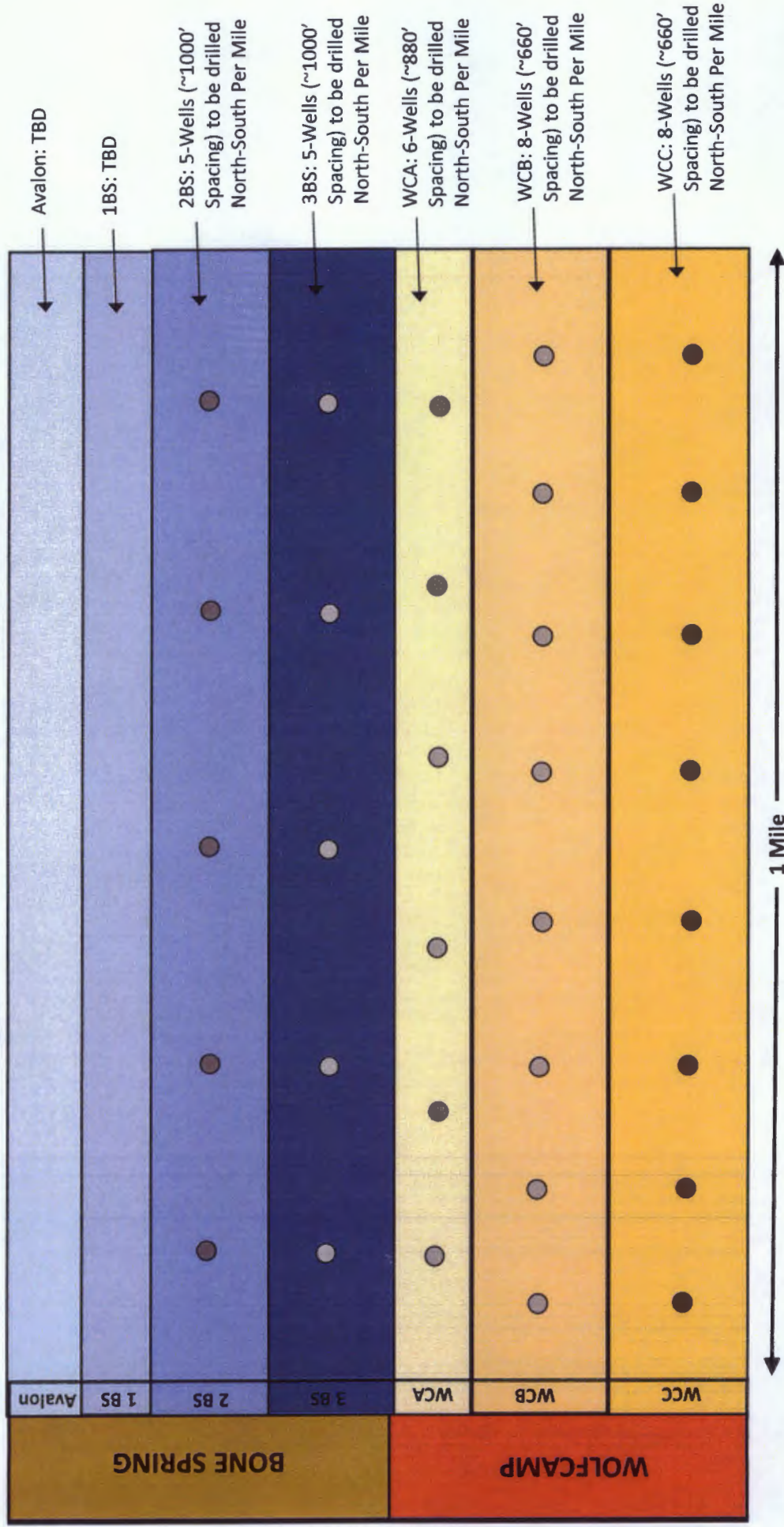
- Zone: PAY_INTERVAL - DELAWARE [MXE] IS PRESENT
- Zone: PAY_INTERVAL - 2ND_BONE_SPRING [MXE] IS PRESENT
- Zone: PAY_INTERVAL - 3RD_BONE_SPRING [MXE] IS PRESENT
- Zone: PAY_INTERVAL - WOLF_CAMP_XY_A [MXE] IS PRESENT
- Zone: PAY_INTERVAL - WOLF_CAMP_B [MXE] IS PRESENT
- Zone: PAY_INTERVAL - WOLF_CAMP_C [MXE] IS PRESENT
- Zone: PAY_INTERVAL - PENN_SH [MXE] IS PRESENT
- Zone: PAY_INTERVAL - STRAWN [MXE] IS PRESENT
- Zone: PAY_INTERVAL - ATOKA [MXE] IS PRESENT
- Zone: PAY_INTERVAL - MORROW [MXE] IS PRESENT



By: MXE

January 22, 2018

Spacing & Assumptions



**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

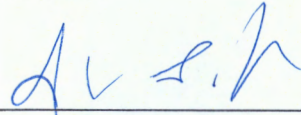
AFFIDAVIT

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

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-

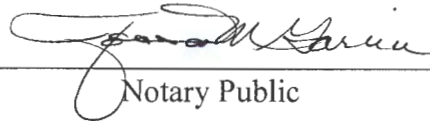
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 26
Submitted by:
CHISHOLM ENERGY OPERATING LLC
Hearing Date: January 11, 2018

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 10th day of January 2018, by Jordan L. Kessler.



Notary Public

My Commission Expires:

August 26, 2021

E0502924-1



HOLLAND & HART^{LLP}



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
JKessler@hollandhart.com

December 22, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.
Grama Ridge East 34 State 3BS No. 2H Well

This letter is to advise you that Chisholm Energy Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on January 11, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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 with the Oil Conservation Division's Santa Fe office, four business days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must 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,

Jordan L. Kessler

**ATTORNEY FOR CHISHOLM ENERGY OPERATING,
LLC**

HOLLAND & HART^{LLP}



Jordan L. Kessler

Associate

Phone (505) 988-4421

Fax (505) 983-6043

JLKessler@hollandhart.com

December 22, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.
Grama Ridge East 34 State 3BS No. 3H Well

This letter is to advise you that Chisholm Energy Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

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

Sincerely,

Jordan L. Kessler

**ATTORNEY FOR CHISHOLM ENERGY OPERATING,
LLC**

HOLLAND & HART^{LLP}



Jordan L. Kessler
Associate

Phone (505) 988-4421

Fax (505) 983-6043

JLKessler@hollandhart.com

December 22, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Amended Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.
Grama Ridge East 34 State 2BS No. 8H Well

This letter is to advise you that Chisholm Energy Operating, LLC has filed the enclosed amended application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on January 11, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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 with the Oil Conservation Division's Santa Fe office, four business days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must 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,

Jordan L. Kessler

**ATTORNEY FOR CHISHOLM ENERGY OPERATING,
LLC**



Jordan L. Kessler
Associate
Phone (505) 988-4421
Fax (505) 983-6043
JLKessler@hollandhart.com

December 22, 2017

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Amended Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.
Grama Ridge East 34 State 2BS No. 9H Well

This letter is to advise you that Chisholm Energy Operating, LLC has filed the enclosed amended application with the New Mexico Oil Conservation Division. *Your interests are not being pooled under this application*, but as a lessee or operator in an offsetting tract, you are entitled to notice of this application.

This application has been set for hearing before a Division Examiner at 8:15 AM on January 11, 2018. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. 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 with the Oil Conservation Division's Santa Fe office, four business days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must 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,

A handwritten signature in black ink, appearing to read "J. L. Kessler", written over a horizontal line.

Jordan L. Kessler

**ATTORNEY FOR CHISHOLM ENERGY OPERATING,
LLC**

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 (10)

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

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5151 Beltline Rd. Ste. 360
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2917 Wilton Ln.
Oklahoma City, OK 73120

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Midland, TX 79702

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511 W. Missouri Ave.
Midland, TX 79701

BRENT D. HILLIARD
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415 W. Wall St., Ste. 1700
Midland, TX 79701

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EMPLOYEE FUND
P.O. Box 823085
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DAVID F. ALDERKS
4404 Pasadena Dr.
Midland, TX 79703

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

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