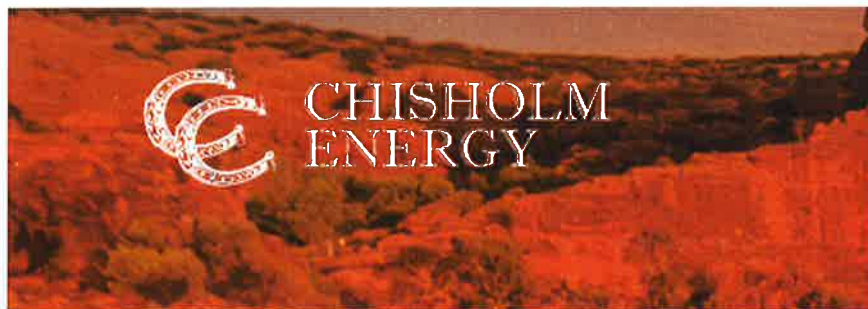


**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING NOVEMBER 1, 2018**

CASE NO. 16262

BUFFALO 12-1 FED COM 2BS NO. 2H WELL

LEA COUNTY, NEW MEXICO



District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos 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

HOBBS OCD

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

AUG 16 2018

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-46128		2 Pool Code 8145 8146		3 Pool Name BUFFALO; BONE SPRING, SOUTHEAST	
4 Property Code 322271		5 Property Name BUFFALO 12-1 FED COM 2BS			6 Well Number 1H
7 OGRID No. 372137		8 Operator Name CHISHOLM ENERGY OPERATING, LLC			9 Elevation 3710.2

*** Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	19 S	33 E		125	SOUTH	1320	WEST	LEA

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	1	19 S	33 E		330	NORTH	1475	WEST	LEA

10 Dedicated Acres	11 Joint or Infill	12 Consolidation Code	13 Order No.
324.81			

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>BOTTOM OF HOLE 330' FSL, 1475' FWL LAT. = 32.6959994°N LONG. = 103.6203214°W NMSP EAST (FT) N = 61787.52 E = 759201.96</p> <p>BUFFALO 12-1 FED COM 2BS 1H 125' FSL, 1320' FWL ELEV. = 3710.2' LAT. = 32.6678085°N (NAD83) LONG. = 103.6210801°W NMSP EAST (FT) N = 607415.60 E = 760582.95</p> <p>LANDING POINT 750' FSL, 1475' FWL LAT. = 32.6695247°N LONG. = 103.6203483°W N = 608041.04 E = 760735.63 GRID AZ. TO ILP N13°43'08"E HORIZ. DIST. 643.94' FT</p> <p>NMSP EAST (FT) N = 61787.52 E = 759201.96</p> <p>NMSP EAST (FT) N = 618015.30 E = 761841.30</p> <p>NMSP EAST (FT) N = 612574.87 E = 761874.71</p> <p>NMSP EAST (FT) N = 612581.31 E = 764504.78</p> <p>NMSP EAST (FT) N = 607295.76 E = 761899.53</p> <p>NMSP EAST (FT) N = 607303.06 E = 764529.76</p>	<p>11 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> 4/17/18 Signature Date</p> <p>JENNIFER ELROD Printed Name</p> <p>jelrod@chisholmenergy.com E-mail Address</p> <p>12 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>APRIL 12, 2018 Date of Survey</p> <p>FILIMON F. JARAMILLO 12797 Signature and Seal of Professional Surveyor</p> <p>Certificate Number: FILIMON F. JARAMILLO, PLS 12797 SURVEY NO. 57148</p>
---	---

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. 1

Submitted by: **CHISHOLM ENERGY**

Hearing Date: November 1, 2018

Case Nos. 16465 & 16466

Description of depth severance:

200 feet below the base of the Delaware formation, at a stratigraphic equivalent of 7,768 feet measured depth, as show in in the Bison 12 No. 1 Well (API No. 30-025-34069) located in Section 12, Township 19 South, Range 33 East, Lea County, New Mexico, to the base of the Bone Spring formation

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 2
Submitted by: **CHISHOLM ENERGY**
Hearing Date: November 1, 2018
Case Nos. 16465 & 16466

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

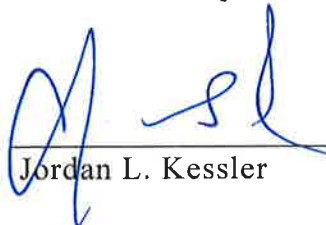
**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
FOR AN UNORTHODOX WELL LOCATION, NON-STANDARD
SPACING AND PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

CASE NO. 16262

AFFIDAVIT

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

Jordan L. Kessler, attorney in fact and authorized representative of Chisholm Energy, LLC, 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.

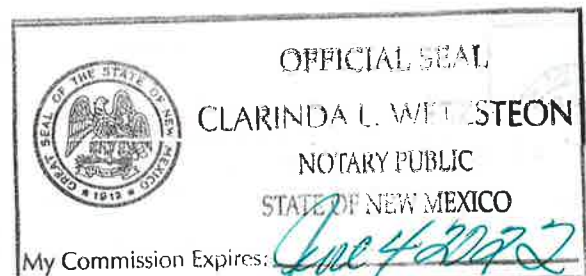


Jordan L. Kessler

SUBSCRIBED AND SWORN to before me this 31st Day of October 2018 by Jordan L. Kessler.



Notary Public



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. 3
Submitted by: **CHISHOLM ENERGY**
Hearing Date: November 1, 2018
Case Nos. 16465 & 16466



October 26, 2018

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Amended Application of Chisholm Energy Operating, LLC for an unorthodox well location and compulsory pooling, Lea County, New Mexico.
Buffalo 12-1 Fed 2BS No. 1H Well**

Ladies & Gentlemen:

This letter is to advise you that Chisholm Energy Operating, LLC has filed the enclosed amended application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on November 15, 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 four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter please contact Davis Armour at (817) 953-0480 or darmour@chisholmenergy.com.

Sincerely,

Jordan L. Kessler

ATTORNEY FOR CHISHOLM ENERGY OPERATING, LLC



Shipment Confirmation Acceptance Notice

A. Mailer Action

Note to Mailer: The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Chisholm - Buffalo 1H Well
CM# 93684.0001 20181026
Notice List

Shipment Date: 10/26/2018

Shipped From:

Name: HOLLAND & HART LLP

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®*	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	3
Total	3

*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

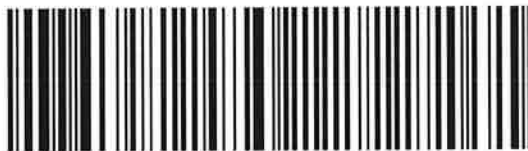
B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0011 0110 18



Firm Mailing Book For Accountable Mail

[illegible]



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Barcode	Recipient	Status	DL	Custom
9214 8901 9403 8374 4240 53	OXY USA Inc 5 Greenway Plaza Suite 110 Houston TX 77046	Delivered	No	
9214 8901 9403 8374 4240 46	Maverick Oil & Gas Corporation 1001 West Wall St Midland TX 79701	Delivered	No	
9214 8901 9403 8374 4240 39	Tim MacDonald 3017 Avenue O Galveston TX 77550	In-Transit	No	

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Release: v4.21
[WIN-9K2OP4JGF6N]



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Welcome Clory Wetzsteen, (Not [Clory Wetzsteen?](#))
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Holland & Hart LLP

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Mail Piece Tracking Number: **9214 8901 9403 8374 4240 39**

Recipient

Tim MacDonald
3017 Avenue O
Galveston TX 77550

Date & Time	Event	Event Location
10/29/2018 12:18	NO AUTHORIZED RECIPIENT AVAILABLE	GALVESTON,TX, 77550
10/29/2018 09:33	ARRIVAL AT UNIT	GALVESTON,TX, 77551
10/29/2018 02:12	DEPART USPS FACILITY	NORTH HOUSTON,TX, 77315
10/29/2018 02:07	DEPART USPS FACILITY	NORTH HOUSTON,TX, 77315
10/28/2018 23:14	PROCESSED THROUGH USPS FACILITY	NORTH HOUSTON,TX, 77315
10/27/2018 03:17	DEPART USPS FACILITY	ALBUQUERQUE,NM, 87121
10/27/2018 01:16	PROCESSED THROUGH USPS FACILITY	ALBUQUERQUE,NM, 87121
10/27/2018 00:01	ORIGIN ACCEPTANCE	SANTA FE,NM, 87501
10/26/2018 16:07	PRE-SHIPMENT INFO SENT USPS AWAITS ITEM	SANTA FE,NM, 87501



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Release: v4.21
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Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
October 17, 2018
and ending with the issue dated
October 17, 2018.



Publisher

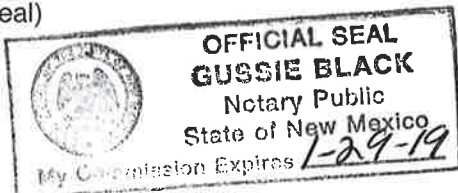
Sworn and subscribed to before me this
17th day of October 2018.



Business Manager

My commission expires
January 29, 2019

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE
OCTOBER 17, 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 **November 1, 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 **October 22, 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 case
and notice to the public.

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


To: All offset owners and pooled parties, including: Oxy USA Inc.; Tim McDonald, his heirs and devisees; Maverick Oil & Gas Corporation;

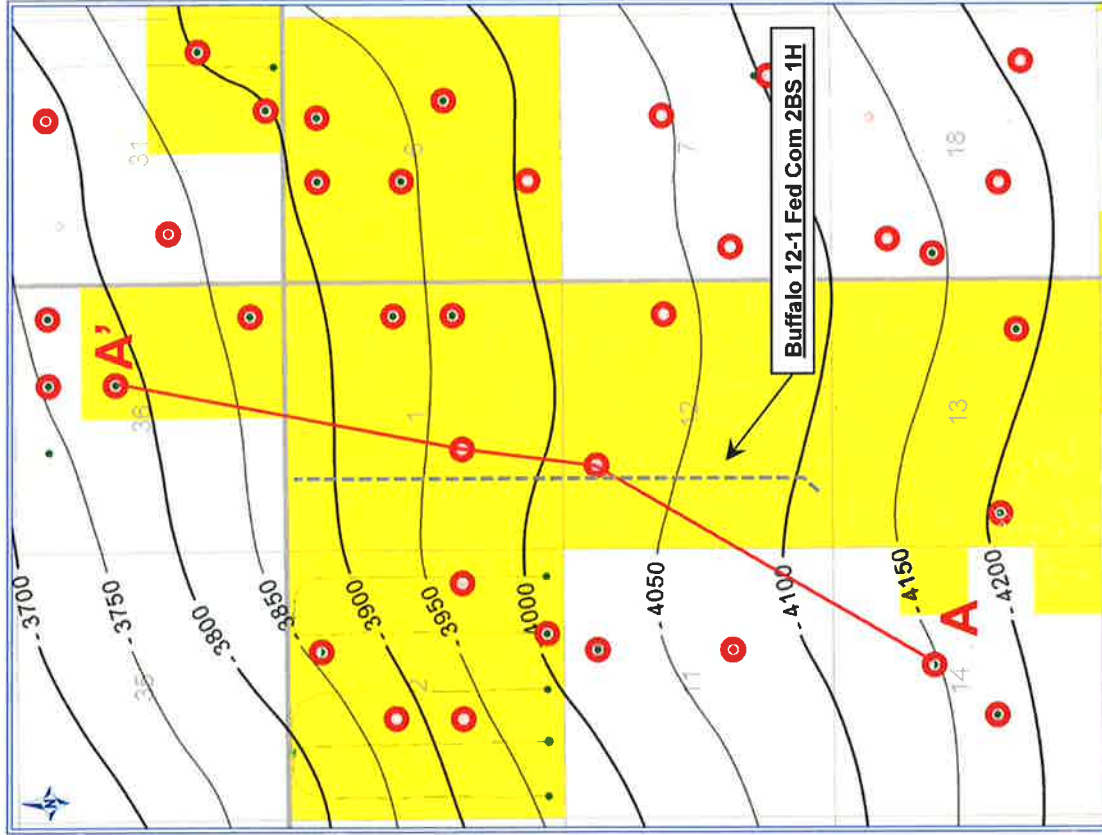
Case No. 16262 (amended and re-advertised): Amended Application of Chisholm Energy Operating, LLC for an unorthodox well location and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order 1) pooling all uncommitted interests from the top of the Delaware formation, at a stratigraphic equivalent of 7,768 feet measured depth, to the base of the Bone Spring formation, in the 324.81-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of Section 1 and the E/2 W/2 of Section 12, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico; and (2) approving the unorthodox well location. Said unit is to be dedicated to applicant's proposed **Buffalo 12-1 Fed Com 2BS No. 1H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 12 to a bottom hole location in the NE/4 NW/4 (Lot 3) of Section 1. The completed interval for this well will be at an unorthodox location because it is closer to the northwestern and western boundaries of the spacing and proration unit than allowed by the statewide rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles southwest of Lovington, New Mexico.
#33338

67100754

00219518

HOLLAND & HART LLC
PO BOX 2208
SANTA FE,, NM 87504-2208

Lea County, NM	
Buffalo Prospect	
S 12 & 1/T 19S/ R 33E	
Top Bone Spring	
Subsea Structure Map	
Chisholm Energy Leasehold	
 ATTRIBUTE MAP TOP BONE SPRING PICK	
REMARKS Contour Interval: 50 ft Wells > 8,000 ft	
By: Joshua Kuhn	



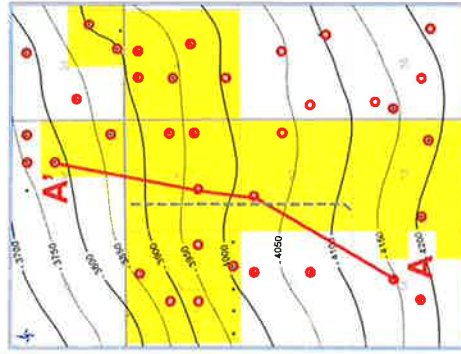
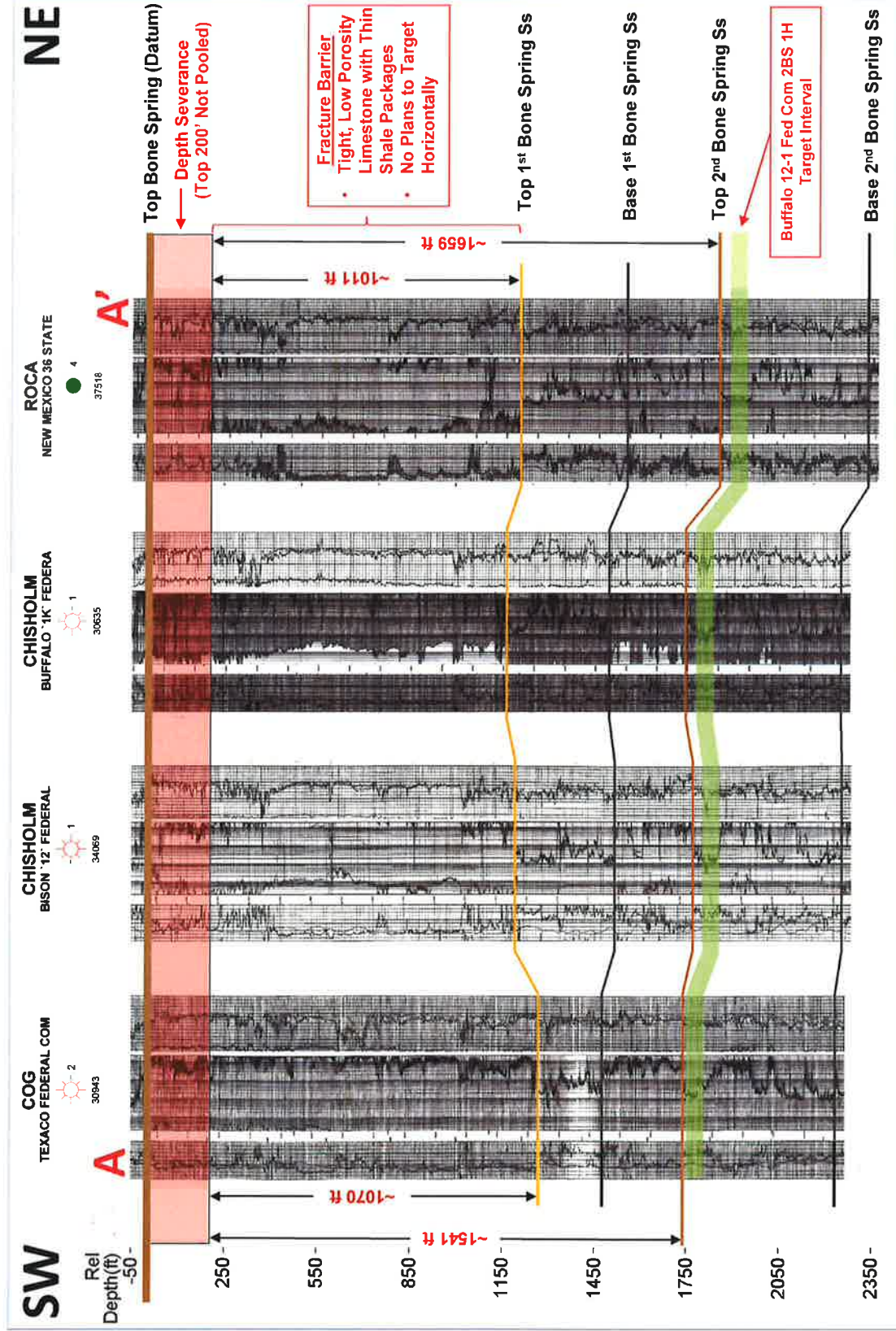
BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico

Exhibit No. 4

Submitted by: CHISHOLM ENERGY

Hearing Date: November 1, 2018

Case Nos. 16465 & 16466



Lea County, NM
Buffalo Prospect
S 12 & 1/4 19SR 33E
Stratigraphic Cross Section (A-A')
Top Bone Spring - 2nd Bone Spring Ss
Operator
Well Name
Well Number
API Block