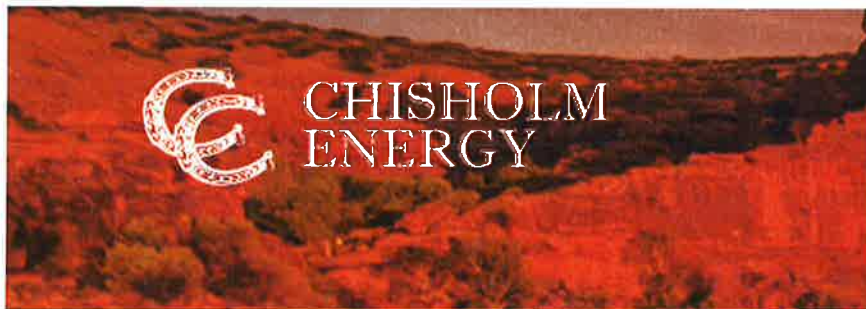


**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING JUNE 13, 2019**

**CASE NOS. 20520 & 20521**

*OUTLAND 14-23 STATE COM 1BS 8H & 9H*

**LEA COUNTY, NEW MEXICO**



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

**APPLICATION OF CHISHOLM ENERGY  
OPERATING, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NOS. 20520 & 20521**

**AFFIDAVIT OF BEAU SULLIVAN  
IN SUPPORT OF CASE NOS. 20520 & 20521**

Beau Sullivan, of lawful age and being first duly sworn, declares as follows:

1. My name is Beau Sullivan. I work for Chisholm Energy Operating, LLC  
(“Chisholm”) as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as  
an expert witness in petroleum land matters. My credentials as a petroleum landman have been  
accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by Chisholm in these consolidated cases,  
and I am familiar with the status of the lands in the subject areas.
4. None of the uncommitted parties in these consolidated cases has indicated  
opposition to these pooling applications, and therefore I do not expect any opposition at the  
hearing.
5. **In Case No. 20520**, Chisholm is seeking an order pooling all uncommitted  
interests in the Bone Spring formation underlying a 240-acre standard horizontal spacing unit  
comprised of the W/2 E/2 of Section 14 and the W/2 NE/4 of Section 23, Township 21 South,  
Range 34 East, NMPM, Lea County, New Mexico.

6. Chisholm seeks to dedicate this standard spacing unit to the proposed **Outland 14-23 State Com 1BS No. 8H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 14 to bottom hole location in the SW/4 NE/4 (Unit G) of Section 23. The completed interval will comply with the Statewide setback requirements for oil wells.

7. Chisholm has prepared a draft Form C-102 for the proposed Outland 14-23 State Com 1BS No. 8H Well, a copy of which is attached hereto as **Chisholm Exhibit A-1**.

8. **In Case No. 20521**, Chisholm is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre standard horizontal spacing unit comprised of the E/2 E/2 of Section 14 and the E/2 NE/4 of Section 23, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico.

9. Chisholm seeks to dedicate this standard spacing unit to the proposed **Outland 14-23 State Com 1BS No. 9H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 14 to bottom hole location in the SE/4 NE/4 (Unit H) of Section 23. The completed interval will comply with the Statewide setback requirements for oil wells.

10. Chisholm has prepared a draft Form C-102 for the proposed Outland 14-23 State Com 1BS No. 9H Well, a copy of which is attached hereto as **Chisholm Exhibit A-2**.

11. The Pool Code for both wells is 28430 (Grama Ridge; Bone Spring Pool).

12. There are no depth severances in the Bone Spring formation.

13. **Chisholm Exhibit A-3** is an exhibit prepared by me that identifies the ownership interests for these consolidated cases. This exhibit shows the interest owners and their percentage of ownership interests by tract. A unit recapitulation, showing the percentage of ownership

interests in each horizontal spacing unit, is also included on the exhibit. These spacing units include state land only.

14. Chisholm is seeking to pool the working interest owners identified in bold type font on page 4 of Chisholm Exhibit A-3, and the overriding royalty interest owners identified in bold type font on page 5 of Chisholm Exhibit A-3.

15. There are no unleased mineral interest owners.

16. Chisholm sent a well proposal letter to the working interest owners in Case No. 20520. An AFE was included with the well proposal letter. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letter, along with the AFE, is attached hereto as **Chisholm Exhibit A-4**.

17. Chisholm sent a well proposal letter to the working interest owners in Case No. 20521. An AFE was included with the well proposal letter. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area. A copy of the well proposal letter, along with the AFE, is attached hereto as **Chisholm Exhibit A-5**.

18. Chisholm seeks approval of overhead and administrative costs at \$7,500/month while drilling and \$750/month while producing. These costs are consistent with what Chisholm and other operators are charging in this area for these types of wells. Chisholm respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in these cases.

19. In my opinion, Chisholm has made good faith efforts to reach an agreement with the parties it seeks to pool. If Chisholm reaches an agreement with any of the proposed pool

parties before the Division enters any order, I will let the Division know that Chisholm is no longer seeking to pool that party.

20. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners shown on Exhibit A-3. In compiling these addresses, Chisholm conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All parties were locatable.

21. **Chisholm Exhibits A-1 through A-5** were either prepared by me or compiled under my direction and supervision.

*Beau Sullivan*

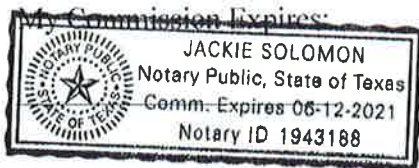
BEAU SULLIVAN

STATE OF TEXAS )

COUNTY OF TARRANT )

SUBSCRIBED and SWORN to before me this 12th day of June 2019 by Beau Sullivan.

*Jackie Solomon*  
NOTARY PUBLIC



13010715\_1

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name GRAMA RIDGE; BONE SPRING	
<sup>4</sup> Property Code		<sup>5</sup> Property Name OUTLAND 14-23 STATE COM 1BS			<sup>6</sup> Well Number 8H
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name CHISHOLM ENERGY OPERATING, LLC			<sup>9</sup> Elevation

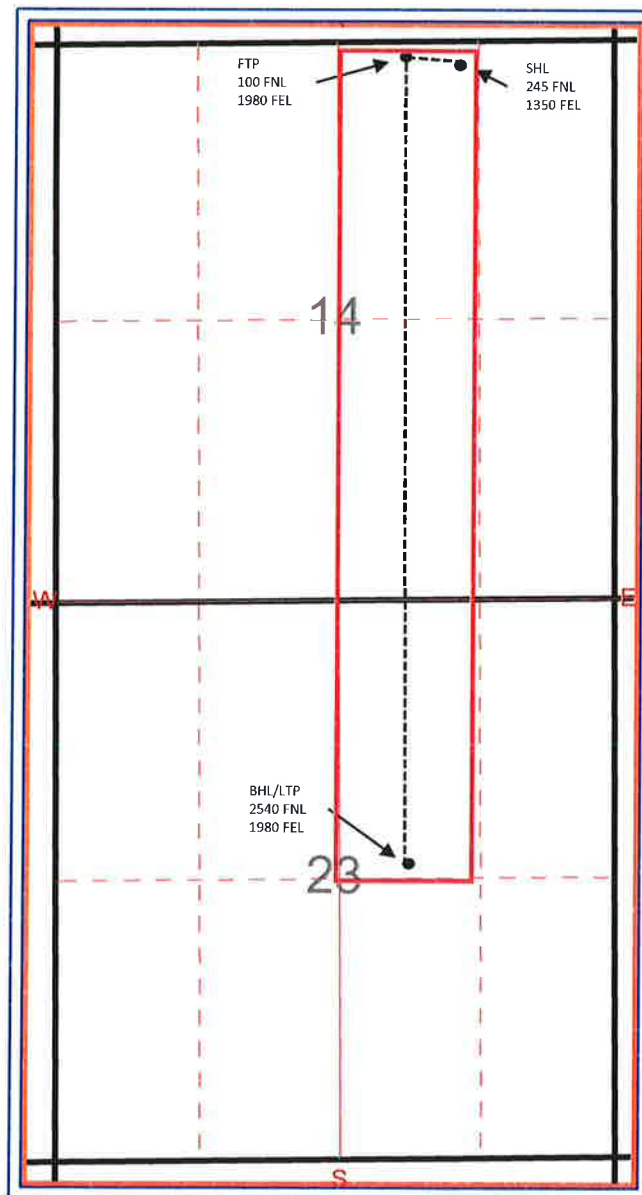
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	14	21S	34E		245	NORTH	1350	EAST	LEA

<sup>11</sup> 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
	23	21S	34E		2540	NORTH	1980	EAST	LEA

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.



PETRA 6/7/2019 8:07:56 AM

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A-1

Case Nos. 20520 &amp; 20521

Submitted by: Chisholm Energy Operating LLC

Hearing Date: June 13, 2019

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name GRAMA RIDGE; BONE SPRING		
<sup>4</sup> Property Code		<sup>5</sup> Property Name OUTLAND 14-23 STATE COM 1BS				<sup>6</sup> Well Number 9H
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name CHISHOLM ENERGY OPERATING, LLC				<sup>9</sup> Elevation

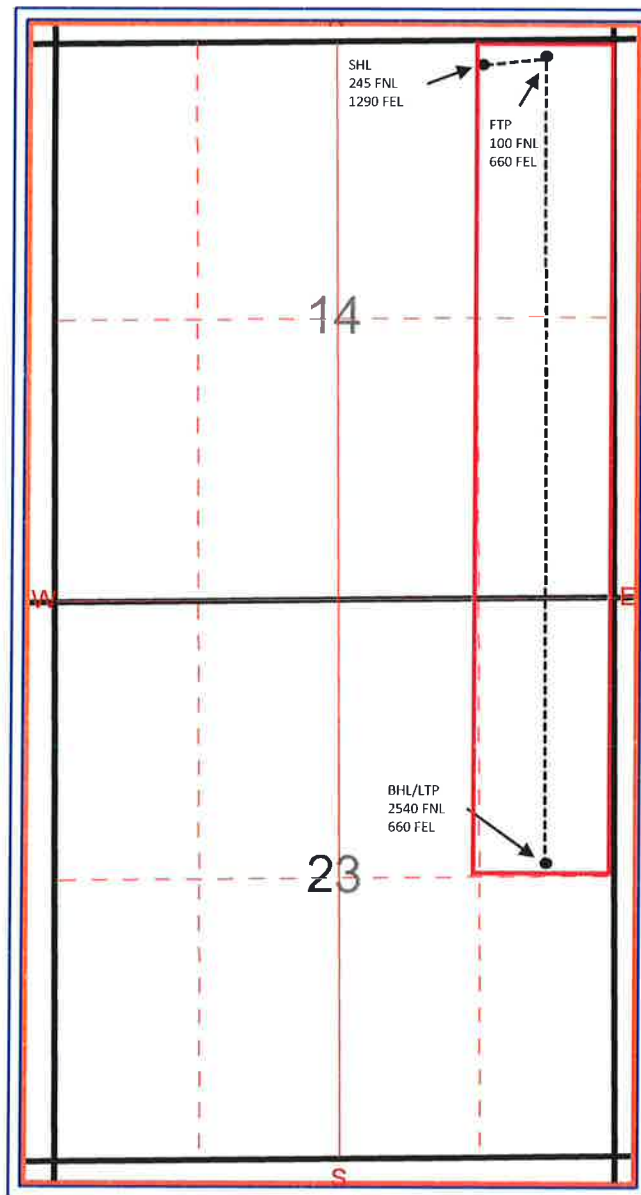
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	14	21S	34E		245	NORTH	1290	EAST	LEA

<sup>11</sup> 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
	23	21S	34E		2540	NORTH	660	EAST	LEA

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.



PETRA 6/7/2019 8:07:56 AM

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A-2

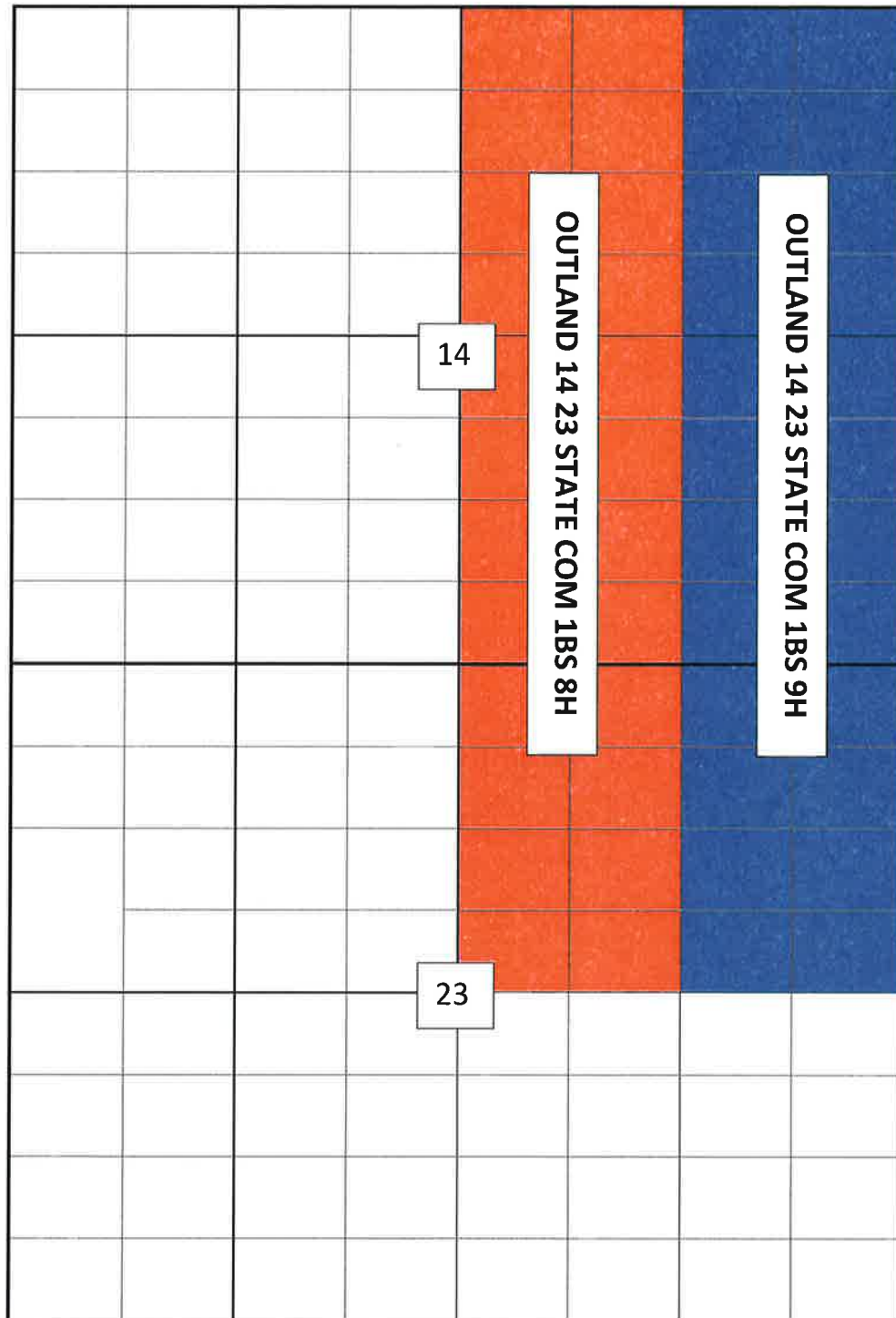
Case Nos. 20520 &amp; 20521

Submitted by: Chisholm Energy Operating LLC

Hearing Date: June 13, 2019



**OUTLAND 14-23 STATE COM 1BS 8H (Case No. 20520)**  
**OUTLAND 14-23 STATE COM 1BS 9H (Case No. 20521)**  
E/2 of Section 14 & NE/4 of Section 23-T21S-R34E  
Lea County, NM



**OWNERSHIP BY TRACT**

**Tract 1: NE/4 of Section 14-21S-34E**

**State of New Mexico Lease No. E0-1923**

Owner	Interest
Chisholm Energy Operating, LLC	50.000000%
Marshall & Winston, Inc.	25.000000%
Hayes Land & Production, LP	12.500000%
McAnSo, LLC	6.250000%
Bursake, LLC	6.250000%
Total:	100.000000%

**Tract 2: NE/4 SE/4 of Section 14-21S-34E**

**State of New Mexico Lease No. B0-9084**

Owner	Interest
XTO Offshore, Inc.	25.000000%
Collins & Ware, Inc. (Apache Corporation)	26.250000%
BEXP I, LP	13.125000%
Magnum Hunter Production, Inc.	25.000000%
William Scott Ramsey	4.375000%
Wilson Oil Company, Ltd.	6.250000%
Total:	100.000000%

**Tract 3: NW/4 SE/4 of Section 14-21S-34E**

**State of New Mexico Lease No. E0-1923**

Owner	Interest
XTO Offshore, Inc.	50.000000%
ConocoPhillips Company	50.000000%
Total:	100.000000%

**Tract 4: S/2 SE/4 of Section 14-21S-34E****State of New Mexico Lease No. B1-1610**

Owner	Interest
Chisholm Energy Operating, LLC	26.250000%
BEXP I, LP	13.125000%
Magnum Hunter Production, Inc.	25.000000%
RJR Resources	4.375000%
Wilson Oil Company, Ltd.	6.250000%
XTO Offshore, Inc.	25.000000%
Total:	100.000000%

**Tract 5: NW/4 of Section 23-21S-34E****State of New Mexico Lease No. B1-1610**

Owner	Interest
Chisholm Energy Operating, LLC	77.898601%
Magnum Hunter Production, Inc.	12.500000%
DelMar Holdings, L.P.	9.570313%
Timothy R. MacDonald	0.031087%
Total:	100.000000%

**UNIT RECAPITULATION**  
**OUTLAND 14-23 STATE COM 1BS 8H**  
**W/2 E/2 of Section 14-T21S-R34E & W/2 NE/4 of Section 23-21S-34E**

Owner	Interest
Chisholm Energy Operating, LLC	47.007868%
<b><i>Marshall &amp; Winston, Inc.</i></b>	<b>8.333333%</b>
<b><i>Hayes Land &amp; Production, LP</i></b>	<b>4.166667%</b>
<b><i>McAnSo, LLC</i></b>	<b>2.083333%</b>
<b><i>Bursake, LLC</i></b>	<b>2.083333%</b>
XTO Offshore, Inc.	12.500000%
<b><i>ConocoPhillips Company</i></b>	<b>8.333333%</b>
<b><i>BEXP I, LP</i></b>	<b>2.187500%</b>
<b><i>Magnum Hunter Production, Inc.</i></b>	<b>8.333333%</b>
<b><i>RJR Resources</i></b>	<b>0.729167%</b>
<b><i>Wilson Oil Company, Ltd.</i></b>	<b>1.041667%</b>
DelMar Holdings, L.P.	3.190104%
Timothy R. MacDonald	0.010362%
Total:	100.000000%

**UNIT RECAPITULATION**  
**OUTLAND 14-23 STATE COM 1BS 9H**  
**E/2 E/2 of Section 14-T21S-R34E & E/2 NE/4 of Section 23-21S-34E**

Owner	Interest
Chisholm Energy Operating, LLC	47.007868%
<b><i>Marshall &amp; Winston, Inc.</i></b>	<b>8.333333%</b>
<b><i>Hayes Land &amp; Production, LP</i></b>	<b>4.166667%</b>
<b><i>McAnSo, LLC</i></b>	<b>2.083333%</b>
<b><i>Bursake, LLC</i></b>	<b>2.083333%</b>
<b><i>Collins &amp; Ware, Inc. (Apache Corporation)</i></b>	<b>4.375000%</b>
<b><i>Magnum Hunter Production, Inc.</i></b>	<b>12.500000%</b>
<b><i>William Scott Ramsey</i></b>	<b>0.729167%</b>
<b><i>Wilson Oil Company, Ltd.</i></b>	<b>2.083333%</b>
XTO Offshore, Inc.	8.333333%
<b><i>BEXP I, LP</i></b>	<b>4.375000%</b>
<b><i>RJR Resources</i></b>	<b>0.729167%</b>
DelMar Holdings, L.P.	3.190104%
Timothy R. MacDonald	0.010362%
Total:	100.00000000%

<b>Overriding Royalty Interest</b>
------------------------------------

**ConocoPhillips Company**

**Kyle R. Burnett**

**Marathon Oil Permian, LLC**

**Nancy Lamb**

**Nearburg Producing Company Employee Fund**

**Noelle Lamb**

**Penny Lamb McIntyre**

**Placer Limited**

**Hal J. Rasmussen**

**Sally Lamb Chumbley**

**Ted F. Gawloski**

**ZPZ Delaware I, LLC**

**Southwest Royalties, Inc.**

**PBEX, LLC**

**Tumbler Energy Partners LLC**

***\*\*\*Interests seeking to Compulsory Pool***



November 8, 2018

**VIA CERTIFIED MAIL: 7018 0360 0000 5264 4228**

Bursake, LLC  
P.O. Box 51407  
Midland, TX 79710

RE: Outland 14-23 State Com 1BS 8H  
W/2 E/2 of Section 14-21S-34E &  
W/2 NE/4 of Section 23-21S-34E  
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of a horizontal Bone Spring test to a Measured Depth of approximately 17,095'. The expected surface location for this well is approximately 225' FNL & 1360' FEL of Section 14-T21S-R34E with a bottom hole location of 2540' FNL & 1980' FEL of Section 23-T21S-R34E. Enclosed is our Authority for Expenditure ("AFE") reflecting estimated costs of \$6,124,485 for a completed well.

Chisholm proposes drilling this well under the terms of a modified 1989 AAPL form Operating Agreement, a copy of which will be provided upon request. Said Operating Agreement will cover the E/2 of Section 14, Township 21 South, Range 34 East, and the NE/4 of Section 23, Township 21 South, Range 34 East; and contain the following general provisions:

- 100/300 Non-consenting penalty
- \$7,500/\$750 Drilling and Production rate
- Limited to the Bone Spring and Wolfcamp formations
- Chisholm Energy Operating, LLC named as Operator

In lieu of participation, Chisholm is willing to negotiate a mutually acceptable farmout or assignment of your interest within the project area.

Please indicate your election in the space provided below and return one copy of this letter to the undersigned. Should you elect to participate, please execute and return one copy of the AFE as well. In the event all parties do not enter into an agreement to develop the proposed project area(s), Chisholm intends to file application(s) for compulsory pooling with the New Mexico Oil Conservation Division.

Please call at your earliest convenience to discuss our proposal.

**Chisholm Energy Operating, LLC**

Beau Sullivan  
Landman  
(817) 953-0812

Enclosures

\_\_\_\_\_ Elect to participate in the drilling of the Outland 14-23 State Com 1BS 8H.

\_\_\_\_\_ Elect to farmout/assign our interest on the Outland 14-23 State Com 1BS 8H.

Bursake, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. A-4**  
**Case Nos. 20520 & 20521**  
Submitted by: **Chisholm Energy Operating LLC**  
Hearing Date: June 13, 2019



## Statement of Estimated Well Cost (100%)

Well	Outland 14-23 State Com 1BS 8H		
Field	1st Bone Spring		
County, State:	Lea, NM		
BHL:	Horizontal		
Proposed TD:	17,095	MD	9,585 TVD

		BCP	ACP	TOTAL
<b>COSTS TO CASING POINT: TANGIBLES</b>				
8510-400	Conductor Casing or Drive Pipe	\$15,000		\$15,000
8510-405	Surface Casing	\$65,769		\$65,769
8510-410	Intermediate Casing/Drilg Liner	\$152,680		\$152,680
8510-415	Wellhead Equipment - Surface & MLS	\$20,000		\$20,000
8510-420	Other Sub-Surface Equipment	\$0		
8510-425	Cementing Equipment	\$34,050		\$34,050
8510-600	Nonoperated	\$0		
8510-700	Impairment	\$0		
8510-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - TANGIBLES</b>	<b>\$287,499</b>		<b>\$287,499</b>
<b>COSTS TO CASING POINT: INTANGIBLES</b>				
8500-100	Roads/Location	\$120,000		\$120,000
8500-105	Drilling Turnkey	\$0		
8500-110	Drilling Daywork	\$396,000		\$396,000
8500-115	Fuel/Power	\$96,000		\$96,000
8500-125	Equipment Rental	\$135,660		\$135,660
8500-130	Legal Fees	\$50,000		\$50,000
8500-135	Bonds, Permits and Inspection	\$25,000		\$25,000
8500-155	Mud and Chemicals	\$60,000		\$60,000
8500-160	Cementing Services	\$30,000		\$30,000
8500-170	Supervision/Consulting	\$65,000		\$65,000
8500-175	Casing and Other Tangible Crew	\$24,000		\$24,000
8500-180	Damages/Penalties	\$0		
8500-185	Coring and Analysis	\$0		
8500-190	Cuttings/Fluids Disposal	\$125,000		\$125,000
8500-195	Directional Drilling Services	\$272,500		\$272,500
8500-200	Drill Bits	\$51,000		\$51,000
8500-210	Surface Damages/ROW	\$15,000		\$15,000
8500-215	Contract Labor and Services	\$1,100		\$1,100
8500-220	Mud Logging	\$0		
8500-235	Reclamation	\$0		
8500-240	Rig Mobilization/Demob	\$202,500		\$202,500
8500-245	Fishing Tools and Services	\$0		
8500-250	Testing-Drill Stem/Production	\$0		
8500-260	Wireline Services	\$0		
8500-265	Water	\$38,250		\$38,250
8500-270	Camp Expenses	\$43,300		\$43,300
8500-285	Contingencies	\$142,647		\$142,647
8500-290	Environmental	\$0		
8500-300	Overhead	\$0		
8500-350	Insurance	\$0		
8500-600	Nonoperated	\$0		
8500-700	Impairment	\$0		
8500-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - INTANGIBLES</b>	<b>\$1,892,957</b>		<b>\$1,892,957</b>
<b>COMPLETION COSTS: TANGIBLES</b>				
8530-415	Wellhead		\$31,900	\$31,900
8530-420	Subsurface Equipment		\$0	
8530-500	Production Casing		\$258,515	\$258,515
8530-510	Tubing		\$62,494	\$62,494
8530-515	Rods		\$0	
8530-525	Artificial Lift Equipment		\$25,000	\$25,000
8530-530	Gas Metering Equipment		\$48,000	\$48,000
8530-535	LACT Unit		\$0	
8530-540	Production Facilities and Flowlines		\$120,000	\$120,000
8530-545	Pumping Unit		\$0	
8530-550	Separator, Heater, Treater		\$75,000	\$75,000
8530-555	Tank Battery		\$110,000	\$110,000
8530-560	Vapor Recovery Unit		\$0	
8530-590	Other Misc Equipment		\$15,000	\$15,000
8530-600	Nonoperated		\$0	
8530-700	Impairment		\$0	

8530-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - TANGIBLES</b>			<b>\$745,909</b>	<b>\$745,909</b>
	<b>COMPLETION COSTS: INTANGIBLES</b>				
8520-100	Roads/Location			\$10,000	\$10,000
8520-120	Perforating Services			\$210,000	\$210,000
8520-125	Equipment Rental			\$193,000	\$193,000
8520-135	Bonds, Permits and Inspection			\$0	
8520-145	Completion Unit			\$20,000	\$20,000
8520-150	Frac Plugs			\$43,200	\$43,200
8520-155	Mud and Chemicals			\$95,000	\$95,000
8520-160	Cementing Services			\$70,000	\$70,000
8520-165	Acidizing and Fracturing			\$1,575,000	\$1,575,000
8520-170	Supervision/Consulting			\$49,000	\$49,000
8520-175	Casing and Other Tangible Crew			\$15,000	\$15,000
8520-190	Cuttings/Fluids Disposal			\$100,000	\$100,000
8520-200	Drill Bits			\$3,000	\$3,000
8520-210	Surface Damages/ROW			\$0	
8520-215	Contract Labor and Services			\$5,000	\$5,000
8520-230	Pump/Vacuum Trucks			\$20,000	\$20,000
8520-235	Reclamation			\$0	
8520-245	Fishing Tools and Services			\$0	
8520-250	Well Testing			\$84,000	\$84,000
8520-255	Trucking and Hauling			\$0	
8520-260	Wireline Services			\$5,000	\$5,000
8520-270	Camp Expenses			\$6,000	\$6,000
8520-275	Coiled Tubing Services			\$54,400	\$54,400
8520-280	Frac Water			\$382,500	\$382,500
8520-285	Contingencies			\$258,021	\$258,021
8520-290	Environmental			\$0	
8520-300	Overhead			\$0	
8520-350	Insurance			\$0	
8520-600	Nonoperated			\$0	
8520-700	Impairment			\$0	
8520-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - INTANGIBLES</b>			<b>\$3,198,121</b>	<b>\$3,198,121</b>
	<b>TOTAL WELL COST</b>		<b>\$2,180,455</b>	<b>\$3,944,030</b>	<b>\$6,124,485</b>

CHISHOLM ENERGY OPERATING, LLC

By: \_\_\_\_\_  
Name: Brad Grandstaff  
Title: VP Operations  
Date: \_\_\_\_\_

Company: \_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_





November 8, 2018

**VIA CERTIFIED MAIL: 7018 0360 0000 5264 4228**

Bursake, LLC  
P.O. Box 51407  
Midland, TX 79710

RE: Outland 14-23 State Com 1BS 9H  
E/2 E/2 of Section 14-21S-34E &  
E/2 NE/4 of Section 23-21S-34E  
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of a horizontal Bone Spring test to a Measured Depth of approximately 17,325'. The expected surface location for this well is approximately 225' FNL & 1330' FEL of Section 14-T21S-R34E with a bottom hole location of 2540' FNL & 660' FEL of Section 23-T21S-R34E. Enclosed is our Authority for Expenditure ("AFE") reflecting estimated costs of \$6,123,997 for a completed well.

Chisholm proposes drilling this well under the terms of a modified 1989 AAPL form Operating Agreement, a copy of which will be provided upon request. Said Operating Agreement will cover the E/2 of Section 14, Township 21 South, Range 34 East, and the NE/4 of Section 23, Township 21 South, Range 34 East; and contain the following general provisions:

- 100/300 Non-consenting penalty
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- Limited to the Bone Spring and Wolfcamp formations
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**Chisholm Energy Operating, LLC**

Beau Sullivan  
Landman  
(817) 953-0812

Enclosures

\_\_\_\_\_ Elect to participate in the drilling of the Outland 14-23 State Com 1BS 9H.

\_\_\_\_\_ Elect to farmout/assign our interest on the Outland 14-23 State Com 1BS 9H.

Bursake, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

**Exhibit No. A-5**

**Case Nos. 20520 & 20521**

Submitted by: **Chisholm Energy Operating LLC**

Hearing Date: June 13, 2019

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



## Statement of Estimated Well Cost (100%)

<b>Well</b>	Outland 14-23 State Com IBS 9H
<b>Field</b>	1st Bone Spring
<b>County, State:</b>	Lea, NM
<b>BHL:</b>	Horizontal
<b>Proposed TD:</b>	17,325 MD 9,515 TVD

		BCP	ACP	TOTAL
<b>COSTS TO CASING POINT: TANGIBLES</b>				
8510-400	Conductor Casing or Drive Pipe	\$15,000		\$15,000
8510-405	Surface Casing	\$65,769		\$65,769
8510-410	Intermediate Casing/Drilg Liner	\$152,680		\$152,680
8510-415	Wellhead Equipment - Surface & MLS	\$20,000		\$20,000
8510-420	Other Sub-Surface Equipment	\$0		
8510-425	Cementing Equipment	\$34,050		\$34,050
8510-600	Nonoperated	\$0		
8510-700	Impairment	\$0		
8510-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - TANGIBLES</b>	<b>\$287,499</b>		<b>\$287,499</b>
<b>COSTS TO CASING POINT: INTANGIBLES</b>				
8500-100	Roads/Location	\$120,000		\$120,000
8500-105	Drilling Turnkey	\$0		
8500-110	Drilling Daywork	\$396,000		\$396,000
8500-115	Fuel/Power	\$96,000		\$96,000
8500-125	Equipment Rental	\$135,660		\$135,660
8500-130	Legal Fees	\$50,000		\$50,000
8500-135	Bonds, Permits and Inspection	\$25,000		\$25,000
8500-155	Mud and Chemicals	\$60,000		\$60,000
8500-160	Cementing Services	\$30,000		\$30,000
8500-170	Supervision/Consulting	\$65,000		\$65,000
8500-175	Casing and Other Tangible Crew	\$24,000		\$24,000
8500-180	Damages/Penalties	\$0		
8500-185	Coring and Analysis	\$0		
8500-190	Cuttings/Fluids Disposal	\$125,000		\$125,000
8500-195	Directional Drilling Services	\$272,500		\$272,500
8500-200	Drill Bits	\$51,000		\$51,000
8500-210	Surface Damages/ROW	\$15,000		\$15,000
8500-215	Contract Labor and Services	\$1,100		\$1,100
8500-220	Mud Logging	\$0		
8500-235	Reclamation	\$0		
8500-240	Rig Mobilization/Demob	\$202,500		\$202,500
8500-245	Fishing Tools and Services	\$0		
8500-250	Testing-Drill Stem/Production	\$0		
8500-260	Wireline Services	\$0		
8500-265	Water	\$38,250		\$38,250
8500-270	Camp Expenses	\$43,300		\$43,300
8500-285	Contingencies	\$142,647		\$142,647
8500-290	Environmental	\$0		
8500-300	Overhead	\$0		
8500-350	Insurance	\$0		
8500-600	Nonoperated	\$0		
8500-700	Impairment	\$0		
8500-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - INTANGIBLES</b>	<b>\$1,892,957</b>		<b>\$1,892,957</b>
<b>COMPLETION COSTS: TANGIBLES</b>				
8530-415	Wellhead		\$31,900	\$31,900
8530-420	Subsurface Equipment		\$0	
8530-500	Production Casing		\$258,515	\$258,515
8530-510	Tubing		\$62,038	\$62,038
8530-515	Rods		\$0	
8530-525	Artificial Lift Equipment		\$25,000	\$25,000
8530-530	Gas Metering Equipment		\$48,000	\$48,000
8530-535	LACT Unit		\$0	
8530-540	Production Facilities and Flowlines		\$120,000	\$120,000
8530-545	Pumping Unit		\$0	
8530-550	Separator, Heater, Treater		\$75,000	\$75,000
8530-555	Tank Battery		\$110,000	\$110,000
8530-560	Vapor Recovery Unit		\$0	
8530-590	Other Misc Equipment		\$15,000	\$15,000
8530-600	Nonoperated		\$0	
8530-700	Impairment		\$0	

8530-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - TANGIBLES</b>			<b>\$745,453</b>	<b>\$745,453</b>
	<b>COMPLETION COSTS: INTANGIBLES</b>				
8520-100	Roads/Location			\$10,000	\$10,000
8520-120	Perforating Services			\$210,000	\$210,000
8520-125	Equipment Rental			\$193,000	\$193,000
8520-135	Bonds, Permits and Inspection			\$0	
8520-145	Completion Unit			\$20,000	\$20,000
8520-150	Frac Plugs			\$43,200	\$43,200
8520-155	Mud and Chemicals			\$95,000	\$95,000
8520-160	Cementing Services			\$70,000	\$70,000
8520-165	Acidizing and Fracturing			\$1,575,000	\$1,575,000
8520-170	Supervision/Consulting			\$49,000	\$49,000
8520-175	Casing and Other Tangible Crew			\$15,000	\$15,000
8520-190	Cuttings/Fluids Disposal			\$100,000	\$100,000
8520-200	Drill Bits			\$3,000	\$3,000
8520-210	Surface Damages/ROW			\$0	
8520-215	Contract Labor and Services			\$5,000	\$5,000
8520-230	Pump/Vacuum Trucks			\$20,000	\$20,000
8520-235	Reclamation			\$0	
8520-245	Fishing Tools and Services			\$0	
8520-250	Well Testing			\$84,000	\$84,000
8520-255	Trucking and Hauling			\$0	
8520-260	Wireline Services			\$5,000	\$5,000
8520-270	Camp Expenses			\$6,000	\$6,000
8520-275	Coiled Tubing Services			\$54,400	\$54,400
8520-280	Frac Water			\$382,500	\$382,500
8520-285	Contingencies			\$257,989	\$257,989
8520-290	Environmental			\$0	
8520-300	Overhead			\$0	
8520-350	Insurance			\$0	
8520-600	Nonoperated			\$0	
8520-700	Impairment			\$0	
8520-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - INTANGIBLES</b>			<b>\$3,198,089</b>	<b>\$3,198,089</b>
	<b>TOTAL WELL COST</b>		<b>\$2,180,455</b>	<b>\$3,943,541</b>	<b>\$6,123,997</b>

CHISHOLM ENERGY OPERATING, LLC

By: \_\_\_\_\_  
Name: Brad Grandstaff  
Title: VP Operations  
Date: \_\_\_\_\_

Company: \_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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

APPLICATION OF CHISHOLM ENERGY  
OPERATING, LLC FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 20520 & 20521

AFFIDAVIT OF BILL FRANCIS  
IN SUPPORT OF CASE NOS. 20520 & 20521

Bill Francis, of lawful age and being first duly sworn, declares as follows:

1. My name is Bill Francis. I work for Chisholm Energy Operating, LLC  
("Chisholm") as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as  
an expert witness in petroleum geology. My credentials as a petroleum geologist have been  
accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by Chisholm in these consolidated cases,  
and I have conducted a geologic study of the lands in the subject areas.
4. In these cases, Chisholm is targeting the Bone Spring formation.
5. **Chisholm Exhibit B-1** is a thickness map of the upper First Bone Spring Sand.  
The standard horizontal spacing units for the Outland 14-23 State Com 1BS No. 8H and the  
Outland 14-23 State Com 1BS No. 9H wells are marked by a red dashed line. Existing First  
Bone Spring producers are marked and depicted by red circles.
6. **Chisholm Exhibit B-2** is a subsea structure map that I prepared off the top of the  
First Bone Spring formation. The contour interval is 50 feet. The structure map shows that the

Bone Spring is dipping to the west. The structure appears consistent in this section. I do not observe any faulting, pinchouts, or other geologic hazards to developing a horizontal well.

7. Chisholm Exhibit No. B-2 shows four vertical wells, depicted by blue squares, that were used to construct a cross-section from A to A'. I consider these wells to be representative of the geology of the area.

8. **Chisholm Exhibit No. B-3** is a stratigraphic cross section prepared by me for the four representative wells from A to A'. The exhibit shows logs for gamma ray, resistivity, and porosity for all four wells. The proposed target interval is labeled and depicted in yellow. The logs in the cross-section demonstrate that the target intervals within the First Bone Spring are consistent in thickness, across the entire spacing units.

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

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

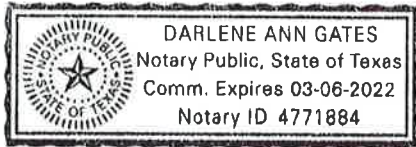
11. In my opinion, the granting of Chisholm's applications in these consolidated cases is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

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

  
BILL FRANCIS

STATE OF TEXAS )  
COUNTY OF TARRANT )

SUBSCRIBED and SWORN to before me this 11<sup>th</sup> day of June 2019 by Bill Francis.



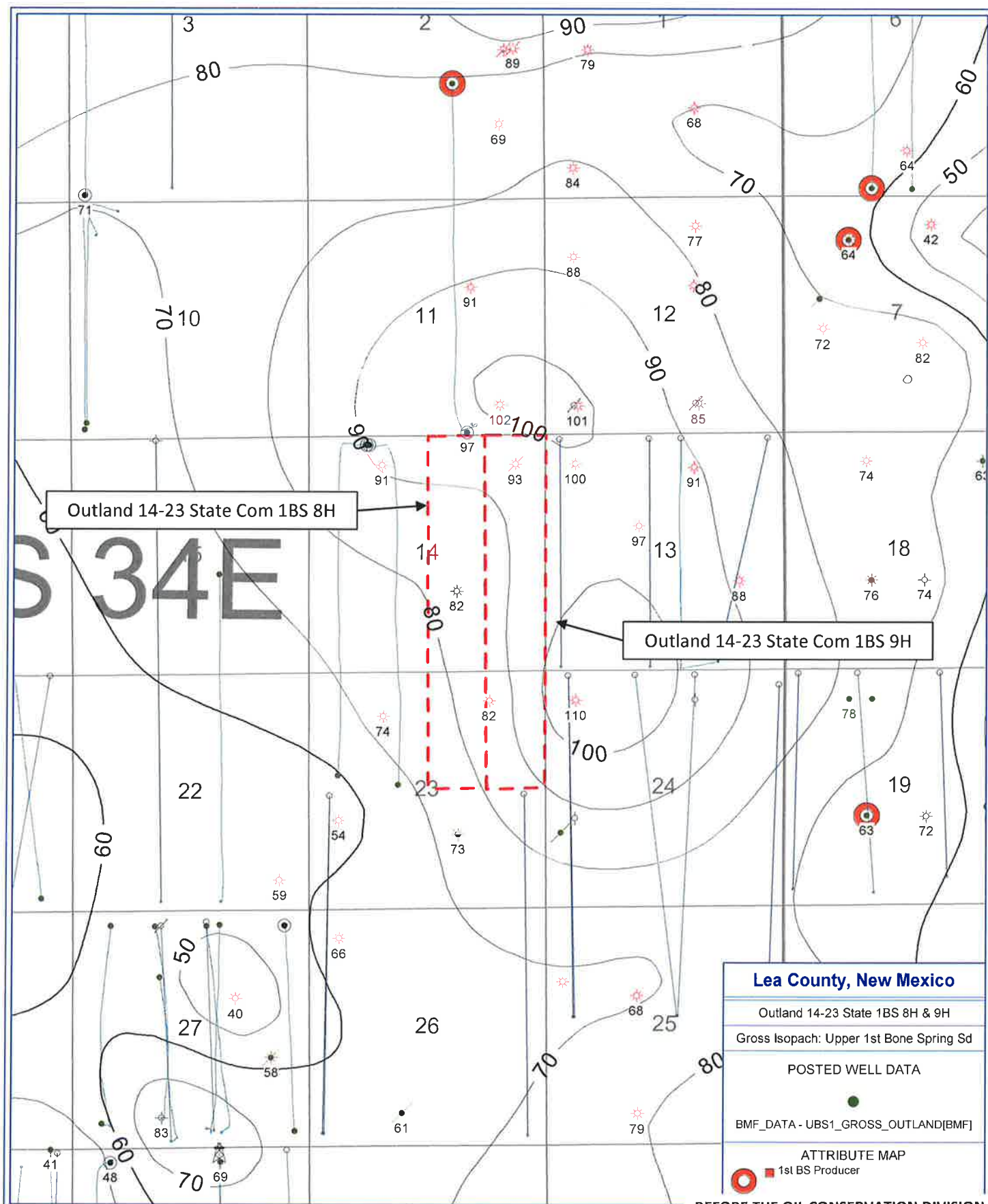
  
NOTARY PUBLIC

My Commission Expires:

03-06-2022

13090328\_1





PETRA 6/3/2019 9:19:55 AM

BEFORE THE OIL CONSERVATION DIVISION

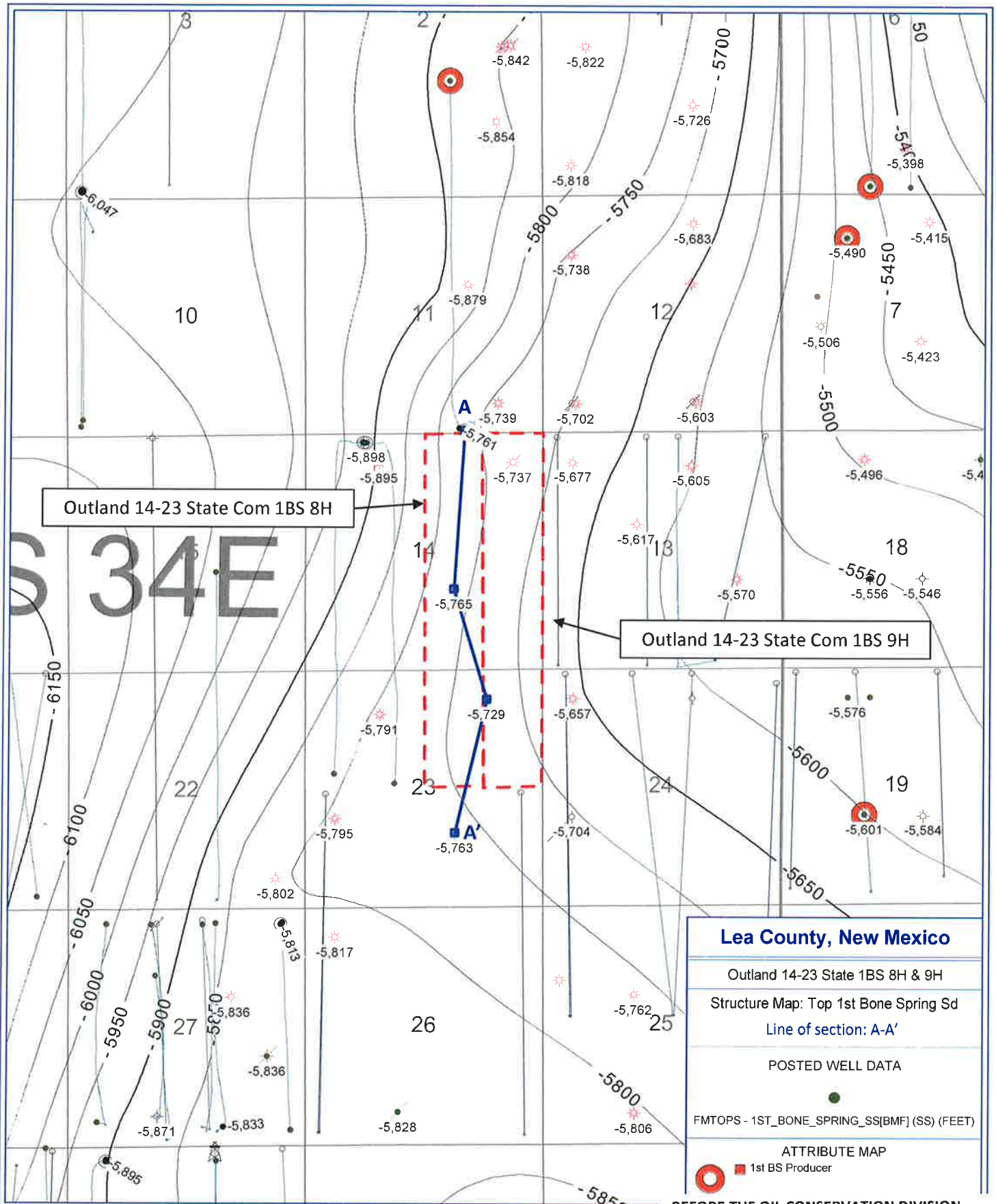
Santa Fe, New Mexico

Exhibit No.B-1

Case Nos. 20520 & 20521

Submitted by: Chisholm Energy Operating LLC

Hearing Date: June 13, 2019



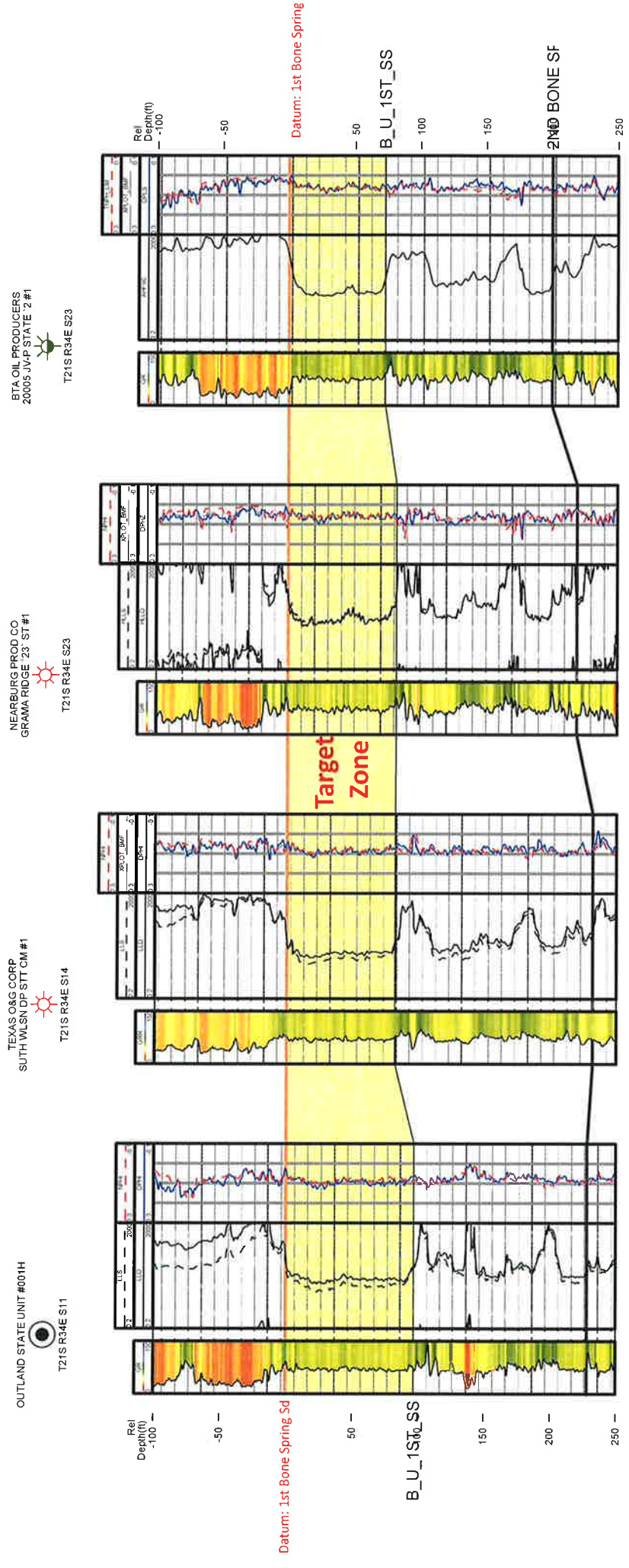
PETRA 6/3/2019 9:26:15 AM

**BEFORE THE OIL CONSERVATION DIVISION**  
 Santa Fe, New Mexico  
**Exhibit No. B-2**  
**Case Nos. 20520 & 20521**  
 Submitted by: **Chisholm Energy Operating LLC**  
 Hearing Date: June 13, 2019



A

A'



Stratigraphic Cross Section

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

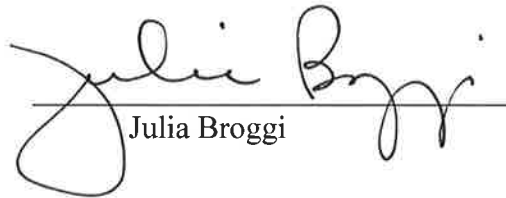
**APPLICATION OF CHISHOLM ENERGY  
OPERATING, LLC FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 20520 & 20521**

**AFFIDAVIT**

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

Julia Broggi, attorney in fact and authorized representative of Chisholm Energy Operating, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

  
\_\_\_\_\_  
Julia Broggi

SUBSCRIBED AND SWORN to before me this 12th day of June, 2019 by Julia Broggi.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

August 26, 2021



**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. C**  
**Case Nos. 20520 & 20521**  
Submitted by: **Chisholm Energy Operating LLC**  
Hearing Date: June 13, 2019



May 24, 2019

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

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Chisholm Energy Operating LLC for compulsory pooling, Lea County, New Mexico.**  
**Outland 14-23 State Com 1BS 8H Well**

Ladies & Gentlemen:

This letter is to advise you that Chisholm Energy Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on May 30, 2019 and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. 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 Beau Sullivan at (817) 953-0812 or [bsullivan@chisholmenergy.com](mailto:bsullivan@chisholmenergy.com).

Sincerely,

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



May 24, 2019

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

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Chisholm Energy Operating LLC for compulsory pooling, Lea  
County, New Mexico.**  
**Outland 14-23 State Com 1BS 9H Well**

Ladies & Gentlemen:

This letter is to advise you that Chisholm Energy Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. This application will be set for hearing before a Division Examiner at 8:15 a.m. on May 30, 2019 and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. 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 Beau Sullivan at (817) 953-0812 or [bsullivan@chisholmenergy.com](mailto:bsullivan@chisholmenergy.com).

Sincerely,

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



**POSTAL DELIVERY REPORT**  
**OUTLAND 14-23-STATE COM 1BS 8H WELL**  
**OUTLAND 14-23-STATE COM 1BS 9H WELL**  
**Case Nos. 20520 & 20521**

Recipient	Status	Custom
Bursake LLC PO BOX 51407 Midland TX 79710	Delivered&nbsp;Signature Received	Ref#: C1402475.7873944 RetRef#:
Magnum Hunter Production Inc 600 N Marienfeld Street Ste 600 Midland TX 79710	In-Transit	Ref#: C1402475.7873945 RetRef#:
Hayes Land & Production LP PO BOX 51407 Midland TX 79710	Delivered&nbsp;Signature Received	Ref#: C1402475.7873946 RetRef#:
McAnso LLC PO BOX 51407 Midland TX 79710	Delivered&nbsp;Signature Received	Ref#: C1402475.7873947 RetRef#:
BEXP I LP 5914 W Courtyard Dr Ste 200 Austin TX 78730	Delivered Signature Received	Ref#: C1402475.7873948 RetRef#:
Apache Corporation 303 Veterans Airpark Lane Ste 1000 Midland TX 79705	In-Transit	Ref#: C1402475.7873949 RetRef#:
Collins & Ware Inc 508 W Wall Street Ste 1200 Midland TX 79701	Delivered Signature Received	Ref#: C1402475.7873950 RetRef#:
ConocoPhillips Company PO BOX 2197 Houston TX 77252-9931	Delivered&nbsp;Signature Received	Ref#: C1402475.7873951 RetRef#:
Marshall & Winston Inc PO BOX 50880 Midland TX 79710	Delivered Signature Received	Ref#: C1402475.7873952 RetRef#:
RJR Resources 24 Smith Road Ste 175 Midland TX 79705	Delivered Signature Received	Ref#: C1402475.7873953 RetRef#:
Timothy R MacDonald 3003 Paleo Point College Station TX 77845	Delivered Signature Received	Ref#: C1402475.7873954 RetRef#:
William Scott Ramsey 2113 Ironwood Midland TX 79707	In-Transit	Ref#: C1402475.7873955 RetRef#:

Recipient	Status	Custom
Wilson Oil Company Ltd PO BOX 1297 Santa Fe NM 87501	In-Transit	Ref#: C1402475.7873956 RetRef#:
Wilson Oil Company Ltd 204 N Guadalupe St Ste C Santa Fe NM 87501	In-Transit	Ref#: C1402475.7873957 RetRef#:
Wilson Oil Company Ltd 123 Lakefront Way Rancho Mirage CA 92270	In-Transit	Ref#: C1402475.7873958 RetRef#:
Belinda Garner PO BOX 841 Lovington NM 88260	In-Transit	Ref#: C1402475.7873959 RetRef#:
Belinda Garner 220 W L Ave Lovington NM 88260	In-Transit	Ref#: C1402475.7873960 RetRef#:
ConocoPhillips Company 600 N Dairy Ashford Houston TX 77079	In-Transit	Ref#: C1402475.7873961 RetRef#:
EGL Exploration LP PO BOX 10886 Midland TX 79702	Delivered&nbsp;Signature Received	Ref#: C1402475.7873962 RetRef#:
Kyle R Burnett 4040 Druid LN Dallas TX 75205	In-Transit	Ref#: C1402475.7873963 RetRef#:
Marathon Oil Permian LLC 5555 San Felipe Street Houston TX 77056-2723	Delivered Signature Received	Ref#: C1402475.7873964 RetRef#:
Monica Gersh 187 Adomeit Dr Henderson NV 89074	In-Transit	Ref#: C1402475.7873965 RetRef#:
Nancy Lamb 4666 Bittner Street West Linn OR 97068	In-Transit	Ref#: C1402475.7873966 RetRef#:
Nearburg Producing Company Employee Fund PO BOX 823085 Dallas TX 75382- 3085	Delivered Signature Received	Ref#: C1402475.7873967 RetRef#:
Noelle Lamb 2890 Point Grey Rd #111 Vancouver BC 00619	In-Transit	Ref#: C1402475.7873968 RetRef#:
Penny Lamb McIntyre 34918 CR 20 2 Trinidad CO 81082	In-Transit	Ref#: C1402475.7873969 RetRef#:

Recipient	Status	Custom
Penny Lamb McIntyre 2206 93rd PL Lubbock TX 79423	In-Transit	Ref#: C1402475.7873970 RetRef#:
Placer Limited 3404 Sinclair Ave Midland TX 79707-6621	Delivered&nbsp;Signature Received	Ref#: C1402475.7873971 RetRef#:
Printz II LLC 190 E Stacy Rd Ste 306-373 Allen TX 75002-8734	Delivered Signature Received	Ref#: C1402475.7873972 RetRef#:
Hal J Rasmussen 2000 Princeton Ave Midland TX 79701	Delivered Signature Received	Ref#: C1402475.7873973 RetRef#:
Sally Lamb Chumbley 5082 Gazania Drive San Jose CA 95111	Delivered&nbsp;Signature Received	Ref#: C1402475.7873974 RetRef#:
Schuyler M Paulson 1743 Navarre LN Henderson NV 89014	In-Transit	Ref#: C1402475.7873975 RetRef#:
Ted F Gawloski 3900 Edgebrook Ct Midland TX 79707	In-Transit	Ref#: C1402475.7873976 RetRef#:
ZPZ Delaware I LLC 303 Veterans Airpark Ln Ste 1000 Midland TX 79705	Delivered Signature Received	Ref#: C1402475.7873977 RetRef#:
Southwest Royalties Inc PO BOX 53570 Midland TX 79710-3570	In-Transit	Ref#: C1402475.7873978 RetRef#:



## 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/OUTLAND 8H & 9H  
CASE NOS. 20520 & 20521

Shipment Date: 05/24/2019

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	35
Total	35

\*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 0014 6971 65







Firm Mailing Book For Accountable Mail

Name and Address of Sender <b>Holland &amp; Hart LLP</b> <b>110 N Guadalupe St # 1</b> <b>Santa Fe NM 87501</b>		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> <b>Postmark with Date of Receipt.</b>										
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code <sup>TM</sup> )		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8383 7897 54		Bursake LLC PO BOX 51407 Midland TX 79710		0.50	3.50								1.60			
2. 9214 8901 9403 8383 7897 61		Magnum Hunter Production Inc 600 N Marnefield Street Ste 600 Midland TX 79710		0.50	3.50								1.60			
3. 9214 8901 9403 8383 7897 78		Hayes Land & Production LP PO BOX 51407 Midland TX 79710		0.50	3.50								1.60			
4. 9214 8901 9403 8383 7897 85		McAnso LLC PO BOX 51407 Midland TX 79710		0.50	3.50								1.60			
5. 9214 8901 9403 8383 7897 92		BEXP LLP 5914 W Courtyard Dr Ste 200 Austin TX 78730		0.50	3.50								1.60			
6. 9214 8901 9403 8383 7898 08		Apache Corporation 303 Veterans Alpark Lane Ste 1000 Midland TX 79705		0.50	3.50								1.60			
7. 9214 8901 9403 8383 7898 15		Collins & Ware Inc 508 W Wall Street Ste 1200 Midland TX 79701		0.50	3.50								1.60			
8. 9214 8901 9403 8383 7898 22		ConocoPhillips Company PO BOX 2197 Houston TX 77252-9931		0.50	3.50								1.60			
Total Number of Pieces Listed by Sender 35		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)												
PS Form 3877, April 2015 PSN 7530-02-000-9098		(Page 1 of 5)		Complete in Ink		Privacy Notice: For more information on USPS privacy policies, visit <a href="https://usps.com/privacypolicy">usps.com/privacypolicy</a> .										



Firm Mailing Book For Accountable Mail

Name and Address of Sender <b>Holland &amp; Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501</b>		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Affix Stamp Here (if issued as an international certificate of mailing or for additional copies of this receipt). <b>Postmark with Date of Receipt.</b>										
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
9.	9214 8901 9403 8383 7898 39	Marshall & Winslow Inc PO BOX 50880 Midland TX 79710		0.50	3.50								1.60			
10.	9214 8901 9403 8383 7898 46	RJR Resources 24 Smith Road Ste 175 Midland TX 79705		0.50	3.50								1.60			
11.	9214 8901 9403 8383 7898 53	Timothy R MacDonald 3003 Palo Alto College Station TX 77845		0.50	3.50								1.60			
12.	9214 8901 9403 8383 7898 60	William Scott Ramsey 2113 Ironwood Midland TX 79707		0.50	3.50								1.60			
13.	9214 8901 9403 8383 7898 77	Wilson Oil Company Ltd PO BOX 1287 Santa Fe NM 87501		0.50	3.50								1.60			
14.	9214 8901 9403 8383 7898 84	Wilson Oil Company Ltd 204 N Guadalupe St Ste C Santa Fe NM 87501		0.50	3.50								1.60			
15.	9214 8901 9403 8383 7898 91	Wilson Oil Company Ltd 123 Lakefront Way Rancho Mirage CA 92270		0.50	3.50								1.60			
16.	9214 8901 9403 8383 7899 07	Belinda Garner PO BOX 841 Lovington NM 88260		0.50	3.50								1.60			
Total Number of Pieces Listed by Sender 35		Total Number of Pieces Received at Post Office		Postmaster, Per (Name of receiving employee)												



# Firm Mailing Book For Accountable Mail

Name and Address of Sender <b>Holland &amp; Hart LLP</b> 110 N Guadalupe St # 1 Santa Fe NM 87501		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail <input type="checkbox"/> Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery										Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> <b>Postmark with Date of Receipt.</b>													
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)										Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	AGR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee	
17.	9214 8901 9403 8383 7899 14	Belinda Garner 220 W L Ave Lovington NM 88260										0.50	3.50									1.60			
18.	9214 8901 9403 8383 7899 21	ConocoPhillips Company 600 N Dairy Ashford Houston TX 77079										0.50	3.50								1.60				
19.	9214 8901 9403 8383 7899 38	EGL Exploration LP PO BOX 10886 Midland TX 79702										0.50	3.50							1.60					
20.	9214 8901 9403 8383 7899 45	Kyle R Burnett 4040 Druid LN Dallas TX 75205										0.50	3.50							1.60					
21.	9214 8901 9403 8383 7899 52	Marathon Oil Permian LLC 5555 San Felipe Street Houston TX 77056-2723										0.50	3.50							1.60					
22.	9214 8901 9403 8383 7899 69	Monica Garsh 187 Adomeit Dr Henderson NV 89074										0.50	3.50							1.60					
23.	9214 8901 9403 8383 7899 76	Nancy Lamb 4666 Blitner Street West Linn OR 97068										0.50	3.50							1.60					
24.	9214 8901 9403 8383 7899 83	Neitburg Producing Company Employee Fund PO BOX 823085 Dallas TX 75382-3085										0.50	3.50							1.60					
Total Number of Pieces Listed by Sender 35		Postmaster, Per (Name of receiving employee)																							



Firm Mailing Book For Accountable Mail

Name and Address of Sender <b>Holland &amp; Hart LLP 110 N Guadalupe St # 1 Santa Fe NM 87501</b>		Check type of mail or service <input type="checkbox"/> Adult Signature Required <input type="checkbox"/> Adult Signature Restricted Delivery <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery (COD) <input type="checkbox"/> Insured Mail <input type="checkbox"/> Priority Mail		Priority Mail Express <input type="checkbox"/> Registered Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Signature Confirmation <input type="checkbox"/> Signature Confirmation Restricted Delivery		Affix Stamp Here <i>(if issued as an international certificate of mailing or for additional copies of this receipt).</i> <b>Postmark with Date of Receipt.</b>										
USPS Tracking/Article Number		Addressee (Name, Street, City, State, & ZIP Code™)		Postage	(Extra Service) Fee	Handling Charge	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
25.	9214 8901 9403 8383 7899 90	Noelle Lamb 2890 Point Grey Rd #111 Vancouver BC 00619		0.50	3.50								1.60			
26.	9214 8901 9403 8383 7900 02	Penny Lamb McIntyre 34918 CR 20 2 Trinidad CO 81082		0.50	3.50								1.60			
27.	9214 8901 9403 8383 7900 19	Penny Lamb McIntyre 2206 93rd PL Lubbock TX 79423		0.50	3.50								1.60			
28.	9214 8901 9403 8383 7900 26	Placer Limited 3404 Sinclair Ave Midland TX 79707-6621		0.50	3.50								1.60			
29.	9214 8901 9403 8383 7900 33	Printz II LLC 190 E Stacy Rd Ste 306-373 Allen TX 75002-8734		0.50	3.50								1.60			
30.	9214 8901 9403 8383 7900 40	Hal J Rasmussen 2000 Princeton Ave Midland TX 79701		0.50	3.50								1.60			
31.	9214 8901 9403 8383 7900 57	Sally Lamb Chumbley 5082 Gazania Drive San Jose CA 95111		0.50	3.50								1.60			
32.	9214 8901 9403 8383 7900 64	Schuyler M Paulson 1743 Navarre LN Henderson NV 89014		0.50	3.50								1.60			
Total Number of Pieces Listed by Sender 35		Postmaster, Per (Name of receiving employee)														



## Firm Mailing Book For Accountable Mail

[illegible]

# 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  
May 26, 2019  
and ending with the issue dated  
May 26, 2019.



Publisher

Sworn and subscribed to before me this  
26th day of May 2019.

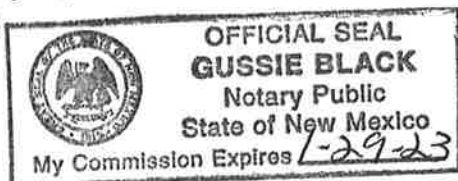


Business Manager

My commission expires

January 29, 2023

(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 MAY 26, 2019

### 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 June 13, 2019, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed 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 June 3, 2019. 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 overriding royalty interest owners and pooled parties, including: Bursake, LLC; Magnum Hunter Production, Inc.; Hayes Land & Production, LP; McAnso, LLC; BEXP I, LP; Apache Corporation; Collins & Ware, Inc.; ConocoPhillips Company; Marshall & Winston, Inc.; RJR Resources; Timothy R. MacDonald, his heirs and devisees; William Scott Ramsey, his heirs and devisees; Wilson Oil Company, Ltd.; Belinda Garner, her heirs and devisees; EGL Exploration, LP; Kyle R. Burnett, his heirs and devisees; Marathon Oil Permian, LLC; Monica Gersh, her heirs and devisees; Nancy Lamb, his heirs and devisees; Nearburg Producing Company Employee Fund; Noelle Lamb, her heirs and devisees; Penny Lamb McIntyre, her heirs and devisees; Placer Limited; Printz II, LLC; Hal J. Rasmussen, his heirs and devisees; Sally Lamb Chumbley, her heirs and devisees; Schuyler M. Paulson, his/her heirs and devisees; Ted F. Gawloski, his heirs and devisees; ZPZ Delaware I, LLC; Southwest Royalties, Inc.

Case No. 20520: Application of Chisholm Energy Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 240-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Section 14 and the W/2 NE/4 of Section 23, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the proposed Outland 14-23 State Com 1BS 8H Well, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 14 to bottom hole location in the SW/4 NE/4 (Unit G) of Section 23. The completed interval for the well will comply with the setback requirements set forth in the statewide rules. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 15 miles west of Eunice, New Mexico. #34198

67100754

00228731

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

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D

Case Nos. 20520 & 20521

Submitted by: Chisholm Energy Operating LLC

Hearing Date: June 13, 2019

# 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).

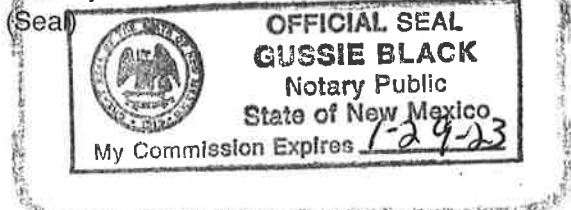
Beginning with the issue dated  
May 26, 2019  
and ending with the issue dated  
May 26, 2019.

  
Publisher

Sworn and subscribed to before me this  
26th day of May 2019.

  
Business Manager

My commission expires  
January 29, 2023



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**  
**MAY 26, 2019**

**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 **June 13, 2019**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed 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 **June 3, 2019**. 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 overriding royalty interest owners and pooled parties, including: Bursake, LLC; Magnum Hunter Production, Inc.; Hayes Land & Production, LP; McAniso, LLC; BEXP I, LP; Apache Corporation; Collins & Wate, Inc.; ConocoPhillips Company; Marshall & Winston, Inc.; RJR Resources; Timothy R. MacDonald, his heirs and devisees; William Scott Ramsey, his heirs and devisees; Wilson Oil Company, Ltd.; Belinda Garner, her heirs and devisees; EGL Exploration, LP; Kyle R. Burnett, his heirs and devisees; Marathon Oil Permian, LLC; Monica Gersh, her heirs and devisees; Nancy Lamb, his heirs and devisees; Nearburg Producing Company Employee Fund; Noelle Lamb, her heirs and devisees; Penny Lamb McIntyre, her heirs and devisees; Placer Limited; Printz II, LLC; Hal J. Rasmussen, his heirs and devisees; Sally Lamb Chumbley, her heirs and devisees; Schuyler M. Paulson, his/her heirs and devisees; Ted F. Gawloski, his heirs and devisees; ZPZ Delaware I, LLC; Southwest Royalties, Inc.

Case No. 20521: Application of Chisholm Energy Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a 240-acre, more or less, horizontal spacing unit comprised of the E/2 E/2 of Section 14 and the E/2 NE/4 of Section 23, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the proposed **Outland 14-23 State Com 1BS 9H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 14 to bottom hole location in the SE/4 NE/4 (Unit H) of Section 23. The completed interval for the well will comply with the setback requirements set forth in the statewide rules. Also, to be considered will be the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Chisholm Energy Operating, LLC as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 18 miles west of Eunice, New Mexico.  
**#34199**

67100754

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