

**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 NO. 20938

CHISHOLM'S PRE-HEARING STATEMENT

Chisholm Energy Operating, LLC ("Chisholm") (OGRID No. 327137), the applicant in the above-referenced case, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Chisholm Energy Operating, LLC

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

Chisholm seeks an order pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp [98220]) underlying a standard 480-acre, more or less, horizontal spacing unit comprised of the E/2 of Section 15, and the NE/4 of Section 22, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. Chisholm seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells:

- the **Dark Canyon 15-22 WCA #6H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 15 to bottom hole location in the SW/4 NE/4 (Unit G) of Section 22; and

- the **Dark Canyon 15-22 WCA #7H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 15 to bottom hole location in the SE/4 NE/4 (Unit H) of Section 22.

The completed interval for these proposed initial wells will remain within the setback requirements of the Special Rules for the Purple Sage Wolfcamp Pool.

APPLICANT'S PROPOSED EVIDENCE

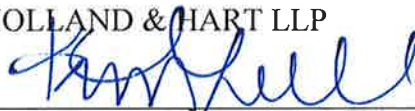
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Luke Shelton, Landman	Affidavit	Approx. 5
George Roth, Geologist	Affidavit	Approx. 3

PROCEDURAL MATTERS

Chisholm intends to present this case by affidavits if it is unopposed at hearing.

Respectfully submitted,

HOLLAND & HART LLP



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