

**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.**

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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

CHISHOLM'S CONSOLIDATED PRE-HEARING STATEMENT

Chisholm Energy Operating, LLC, the applicant in the above-referenced matters, submits this consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Chisholm Energy Operating, LLC

ATTORNEY

Michael H. Feldewert, Esq.
Jordan L. Kessler, Esq.
Holland & Hart, LLP
Post Office Box 2208
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OTHER PARTY

Great Western Drilling Company

ATTORNEY

J. Scott Hall
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APPLICANT'S STATEMENT OF CASE

Under these consolidated applications, Chisholm seeks orders creating four non-standard spacing and proration units and pooling all uncommitted interests in the Bone Spring formation underlying these units for the following acreage and proposed wells in Township 21 South, Range 34 East, NMPM, Lea County, New Mexico:

- (1) a 160-acre spacing unit comprised of the W/2 W/2 of Section 34, to be dedicated to the proposed **Grama Ridge East 34 State 3BS No. 2H Well**, which will be drilled horizontally from a surface location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 34;
- (2) a 160-acre spacing unit comprised of the E/2 W/2 of Section 34, to be dedicated to the proposed **Grama Ridge East 34 State 3BS No. 3H Well**, which will be drilled horizontally from a surface location in the NW/4 NW/4 (Unit D) to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 34;
- (3) a 160-acre spacing unit comprised of the W/2 E/2 of Section 34, to be dedicated to the proposed **Grama Ridge East 34 State 2BS No. 8H Well**, which will be drilled horizontally from a surface location in the SE/4 SE/4 (Unit P) to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 34; and
- (4) a 160- acre spacing unit comprised of the E/2 E/2 of Section 34, to be dedicated to the proposed **Grama Ridge East 34 State 2BS No. 9H Well**, which will be drilled horizontally

from a surface location in the SE/4 SE/4 (Unit P) to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 34.

The completed interval for each well will remain within the 330-foot standard offset required by the Statewide Rules set forth in 19.15.15 NMAC.

APPLICANT'S PROPOSED EVIDENCE


WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Luke Shelton– Landman	Approx. 20	Approx. 14
Bill Francis– Geologist	Approx. 10	Approx. 4

PROCEDURAL MATTERS

Chisholm respectfully requests that these cases be consolidated for hearing.

Respectfully submitted,

HOLLAND & HART LLP



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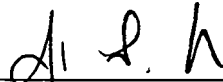
ATTORNEYS FOR CHISHOLM ENERGY OPERATING, LLC

CERTIFICATE OF SERVICE

I hereby certify that on October 19, 2017, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

J. Scott Hall
Post Office Box 2307
Santa Fe, New Mexico 87504
(505) 986-2646
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Attorney for Western Drilling Company

A handwritten signature in black ink, appearing to read "M. H. Feldewert", is written over a horizontal line.

Michael H. Feldewert
Jordan L. Kessler