

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

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
TO RE-OPEN CASE NO. 15851 TO POOL THE INTEREST
OF AN ADDITIONAL MINERAL INTEREST OWNER UNDER
THE TERMS OF COMPULSORY POOLING ORDER
R-14539, LEA COUNTY, NEW MEXICO.**

CASE NO. 15851 (re-opened)

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
TO RE-OPEN CASE NO. 15852 TO POOL THE INTEREST
OF AN ADDITIONAL MINERAL INTEREST OWNER UNDER
THE TERMS OF COMPULSORY POOLING ORDER
R-14540, LEA COUNTY, NEW MEXICO.**

CASE NO. 15852 (re-opened)

CHISHOLM'S PRE-HEARING STATEMENT

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

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APPEARANCES

APPLICANT

Chisholm Energy Operating, LLC

ATTORNEY

Michael H. Feldewert, Esq.
Jordan L. Kessler, Esq.
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile

APPLICANT'S STATEMENT OF CASE

In Case No. 15851 (re-opened), Chisholm Energy Operating, LLC ("Chisholm") seeks an order pooling the interest of an additional mineral owner under the terms of Division Order R-14540. Division Order R-14540 created a 160-acre spacing and proration unit consisting of the

E/2 W/2 of Section 32, Township 18 South, Range 33 East, NMPM, in Lea County, New Mexico. This order further pooled the uncommitted interests in the Bone Spring Formation (Corbin; Bone Spring, South Pool (13160)) in this spacing and proration unit. Since the entry of Order R-14540, a working interest owner has failed to sign the operating agreement as previously anticipated. Accordingly, Chisholm seeks to pool the interest of the additional mineral interest owner pursuant to the terms of the existing pooling order.

In Case No. 15852 (re-opened), Chisholm seeks an order pooling the interest of an additional mineral owner under the terms of Division Order R-14539. Division Order R-14539, entered on December 27, 2017, created a 160-acre spacing and proration unit consisting of the W/2 W/2 of Section 32, Township 18 South, Range 33 East, NMPM, in Lea County, New Mexico. This order further pooled the uncommitted interests in the Bone Spring Formation (Corbin; Bone Spring, South Pool (13160)) in this spacing and proration unit. Since the entry of Order R-14539, a working interest owner has failed to sign the operating agreement as previously anticipated. Accordingly, Chisholm seeks to pool the interest of the additional mineral interest owner pursuant to the terms of the existing pooling order.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Davis Armour– Landman	Approx. 10	Approx. 7

PROCEDURAL MATTERS

Chisholm respectfully requests that Case Nos. 15851 (re-opened) and 15852 (re-opened) be consolidated for hearing. If uncontested, this case will be presented by affidavit.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert

Jordan L. Kessler

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

jlkessler@hollandhart.com

**ATTORNEYS FOR CHISHOLM ENERGY OPERATING,
LLC**