

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING MAY 3, 2018**

CASE No. 16027

*BLACK RIVER 3-10 FED COM WCA NO. 2H WELL
BLACK RIVER 3-10 FED COM WCA No. 3H WELL
BLACK RIVER 3-10 FED COM WCA No. 4H WELL*

EDDY COUNTY, NEW MEXICO

***EXHIBIT #7
NOTICE OF PUBLICATION***



**CHISHOLM
ENERGY**

CARLSBAD CURRENT-ARGUS

AFFIDAVIT OF PUBLICATION

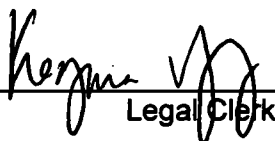
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0001242942

HOLLAND & HART
PO BOX 2208

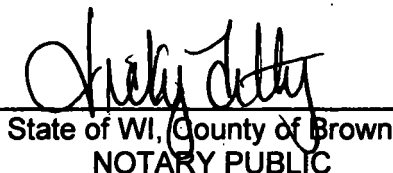
SANTA FE NM 87504

I, a legal clerk of the **Carlsbad Current-Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

04/13/18

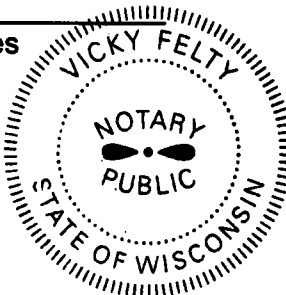

Legal Clerk

Subscribed and sworn before me this
13th of April 2018.


State of WI, County of Brown
NOTARY PUBLIC

My Commission Expires

9-19-21



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 **May 3, 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 **April 23, 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.

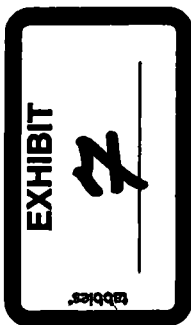
STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(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: Fasken Acquisitions 95-1; Cimarex Energy Co; Marathon Oil Permian, LLC; Warwick - Ares LLC; Finley Production Co. LP; Richard Scott Briggs, his heirs and devisees; Kansas City Royalty Co., LLC; AGS Resources 2004, LLLP; AGS Oil & Gas Holdings, Inc.; Willis Child Oil & Gas Corp.; BDT Oil & Gas, LP; Grasslands Energy, LP; Metcalfe Oil, LP; Donald Horton and Mary Horton, their heirs and devisees; Wilma Faye Whitehead Nitschke, her heirs and devisees; Lurline Thompson, her heirs and devisees; O'Neill Properties, Ltd.; Harold F. Marshall, his heirs and devisees; Doris Jean Barnes, her heirs and devisees; Wallace H. Scott Unified Credit Trust (Dorothy Cecile Scott, Trustee); Conley Resources, LLC; Jerry B. Elger, his heirs and devisees; Nearburg Employee Trust; Read & Stevens; Mewbourne Oil Co.

Case No. 16027: Application of Chisholm Energy Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 638.16-acre, more or less, spacing and proration unit comprised of the W/2 of

Ad#: 0001242942
P O : Black River 3-10 Fed Com
of Affidavits : 0.00



Section 3 and the W/2 of Section 10, Township 24 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be a project area for three proposed initial wells, to be drilled and completed simultaneously: the proposed **Black River 3-10 Fed Com WCA No. 2H Well**, the proposed **Black River 3-10 Fed Com WCA No. 3H Well**, and the proposed **Black River 3-10 Fed Com WCA No. 4H Well**. These wells will be horizontally drilled from a surface location in the NE/4 NW/4 (Lot 3) of Section 3 to bottom hole locations in the SW/4 SW/4 (Unit M) and the SE/4 SW/4 (Unit N) of Section 10. The completed intervals for these wells will remain within the 330-foot offset as required by the special rules for the Purple Sage-Wolfcamp Gas Pool adopted under Division Order R-14262. Also to be considered will be the timing of the drilling and completion of said wells, the cost of drilling and completing said wells 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 wells and a 200% charge for risk involved in drilling said wells. Said area is located approximately 12 miles southwest of Carlsbad, New Mexico.