

**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.
COMPULSORY POOLING, AND APPROVAL OF A NON-STANDARD
WELL LOCATION, LEA COUNTY, NEW MEXICO.**

AUG 18 2018 4:03:23

CASE NOS. 16366

CHISHOLM ENERGY OPERATING, LLC'S PRE-HEARING STATEMENT

Chisholm Energy Operating, LLC ("Chisholm") (OGRID No. 327137) submits the following Prehearing 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 CASES

Chisholm seeks an Order creating a 320-acre, more or less, spacing and proration unit comprised of the W/2 E/2 Sections 13 and 24 in Township 19 South, Range 33 East, NMPM, Lea County, New Mexico, and pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Chisholm proposes to dedicate the above-referenced spacing and

proration unit as the project area for its proposed **Stetson 13-24 Fed Com 3BS No. 5H Well**, which is an unorthodox well. Chisholm also seeks approval of a non-standard location for the proposed well.

APPLICANT'S PROPOSED EVIDENCE

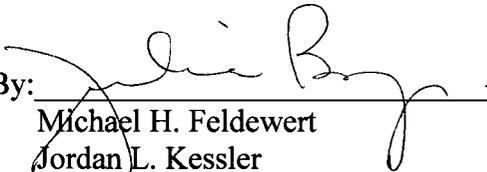
| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|-----------------------|-----------------|
| Davis Armour – Landman | Approx. 10 | Approx. 5 |
| Josh Kuhn – Geologist | Approx. 10 | Approx. 4 |

PROCEDURAL MATTERS

So long as the case is unopposed, Chisholm anticipates presenting this case by affidavits.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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