

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

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
FOR AN UNORTHODOX WELL LOCATION AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

OCT 25 2018 PM 04:16

CASE NO. 16262

**CHISHOLM ENERGY OPERATING, LLC'S
PRE-HEARING STATEMENT**

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

This case was originally heard on July 12, 2018 and taken under advisement. At that time, Chisholm sought an order 1) forming a non-standard spacing unit comprised of the E/2W/2 of Section 1 and the E/2W/2 of Section 12, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico (the "Unit"), 2) compulsory pooling the entire Bone Spring formation; and 3) approving an unorthodox well location.

Since the case was taken under advisement, Chisholm discovered an ownership depth severance within the Unit of which it was previously unaware. Accordingly, Chisholm seeks to amend its original request to pool the entire Bone Spring formation underlying and instead pool only a portion of the pool, from 200 feet below the base of the top of the Delaware formation, at a stratigraphic equivalent of 7,768 feet measured depth, as show in in the Bison 12 No. 1 Well (API No. 30-025-34069) located in Section 12, Township 19 South, Range 33 East, Lea County, New Mexico, to the base of the Bone Spring formation. Chisholm will present evidence that the excluded portion of the Bone Spring pool does not contribute hydrocarbons to the wellbore and that the owner of the depth severed interest does not object to Chisholm's proposal to pool only a portion of the pool. All other aspects of Chisholm's application remain the same as originally presented.

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

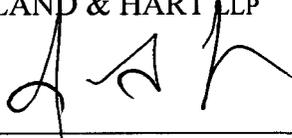
PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP

By: _____


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