

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

JAN 17 2015 PM 03:42

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 20181

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 20182

CHISHOLM'S CONSOLIDATED PRE-HEARING STATEMENT

Chisholm Energy Operating, LLC ("Chisholm") (OGRID No. 327137), the applicant in the above-referenced matter, submits this 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.
Adam G. Rankin, Esq.
Julia Broggi, Esq.
Holland & Hart, LLP
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
jlkessler@hollandhart.com
agranksin@hollandhart.com
jbroggi@hollandhart.com

APPLICANT'S STATEMENT OF CASE

In Case No. 20181, Chisholm Energy Operating, LLC ("Chisholm") (OGRID No. 327137) seeks an order pooling all uncommitted interests in the Bone Spring formation in the 640-acre horizontal spacing unit comprised of the E/2 of Section 21 and the E/2 of Section 28, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. Chisholm seeks to dedicate the above-referenced horizontal spacing unit to its proposed **Cletus 28-21 Fed Com 3BS No. 3H Well**, which will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 28 to bottom hole location in the NW/4 NE/4 (Unit B) of Section 21. Pursuant to NMAC 19.15.16.15(B)(1)(b), Chisholm will incorporate the E/2 E/2 of Section 21 and the E/2E/2 of Section 28 into its standard horizontal spacing unit. Incorporating the proximity tracts, the completed interval for the **Cletus 28-21 Fed Com 3BS No. 3H Well** will comply with the Statewide setback requirements for oil wells.

In Case No. 20182, Chisholm seeks order pooling all uncommitted interests in the Wolfcamp formation in the 640-acre horizontal spacing unit comprised of the E/2 of Section 21 and the E/2 of Section 28, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico. Chisholm seeks to dedicate the above-referenced horizontal spacing unit to two initial wells: its proposed **Cletus 28-21 Fed Com WCB No. 1H Well** and its proposed **Cletus 28-21 Fed Com WCA No. 2H Well**. Both wells will be horizontally drilled from a surface location in the SE/4SE/4 (Unit P) of Section 28 to bottom hole location in the NW/4 NE/4 (Unit B) of Section 21.

The completed interval for each well will comply with the setback requirements set forth in the Special Rules for the Purple Sage Pool.

APPLICANT'S PROPOSED EVIDENCE

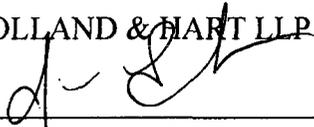
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Luke Shelton, Landman	Approx. 10	Approx. 6
George Roth, Geologist	Approx. 15	Approx. 4

PROCEDURAL MATTERS

Chisholm requests that Case Nos. 20181 and 20182 be presented together at hearing. If uncontested, Chisholm will present these cases by affidavit.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Jordan L. Kessler
Adam G. Rankin
Julia Broggi
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
jlkessler@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com

**ATTORNEYS FOR CHISHOLM ENERGY
OPERATING, LLC**