

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

APPLICATIONS OF CHISHOLM ENERGY OPERATING, LLC FOR A NON-STANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

**Case No. 16115 (de novo)
Case No. 16116 (de novo)
Order No. 14876**

PRE-HEARING STATEMENT

This Pre-hearing Statement is submitted by Premier Oil & Gas, Inc. ("Premier") by and through its undersigned counsel, Ernest L. Padilla, PADILLA LAW FIRM, P.A., as required by the Oil Conservation Commission.

APPEARANCES OF PARTIES

APPLICANT:

Chisholm Energy Operating, LLC

ATTORNEY:

Adam G. Rankin
Holland & Hart
PO Box 2208
Santa Fe, NM 87504-2208
(505) 988-4421

OPPOSITION OR OTHER PARTY:

Premier Oil & Gas, Inc.

ATTORNEY:

Ernest L. Padilla
Padilla Law Firm, P.A.
P.O. Box 2523
Santa Fe, NM 87504
(505) 988-7577

STATEMENT OF CASE

APPLICANT:

OPPOSITION OR OTHER PARTY:

The parties disagree on the orientation of the horizontal wells. Premier favors an East/West orientation. Chisholm proposes to orient its proposed wells North/South. Premier's position can be summarized as follows:

- E/W wells will encounter better regional stress orientation in the target formation;
- E/W wells will have a greater ultimate recovery;
- Cost of drilling E/W wells will be less than N/S wells;
- E/W oriented wells lessen potential damage to the City of Carlsbad water resources;
- Existing infrastructure east of the proposed wells limits damage to surrounding surface and ecology, and limit environmental degradation of the area.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPOSITION

WITNESSES

EST. TIME

EXHIBITS

Premier may call the following witnesses:

Ken Jones, President	15 min.	Topographical maps Company Data re Orientation Economic Analysis
Dan Jones, Vice President	20 min.	Statistical analysis of area oil and gas development
Jerry Furguson Geologist	20 min.	Geologic mapping
Eglee Lopez Petrophysicist	20 min.	Log analysis
Brian Davis Geologist	20 min.	Log analysis

PROCEDURAL MATTERS

None at this time.

PADILLA LAW FIRM, P.A.

/s/ ERNEST L. PADILLA

ERNEST L. PADILLA

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CERTIFICATE OF SERVICE

I hereby certify that I caused a copy of this Pre-Hearing Statement to be served upon, Adam G. Rankin, Holland & Hart, PO Box 2208 Santa Fe, New Mexico 87504-2208, by electronic mail agrarkin@hollandhart.com, on this 7th day of February, 2019.

/s/ ERNEST L. PADILLA

ERNEST L. PADILLA