

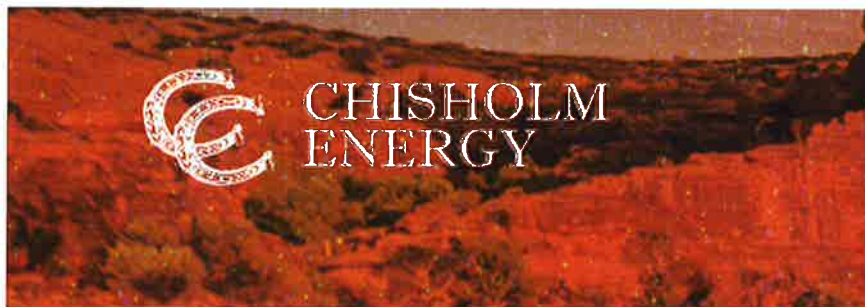
**BEFORE THE OIL CONSERVATION DIVISION  
EXAMINER HEARING MARCH 05, 2020**

**CASE NOS. 21140 & 21141**

*MINIS 1 FED COM 3BS #4H*

*MINIS 1 FED COM 3BS #5H*

**LEA COUNTY, NEW MEXICO**



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

**APPLICATIONS OF CHISHOLM ENERGY  
OPERATING, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NOS. 21140, 21141**

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# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

**Case: 21140**

**APPLICANT'S RESPONSE**

**Date: March 5, 2020**

Applicant

Chisholm Energy Operating, LLC

Designated Operator & OGRID (affiliation if applicable)

Chisholm Energy Operating, LLC (OGRID No. 327137)

Applicant's Counsel:

Holland & Hart LLP

Case Title:

APPLICATION OF CHISHOLM ENERGY OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Entries of Appearance/Intervenors:

Well Family

Minis 1 Fed Com 3BS #4H well

## Formation/Pool

Formation Name(s) or Vertical Extent:

Bone Spring

Primary Product (Oil or Gas):

Oil

Pooling this vertical extent:

Bone Spring formation

Pool Name and Pool Code:

WC-025 G-08 S213304D; BONE SPRING [Pool Code 97895]

Well Location Setback Rules:

Statewide horizontal well rules

Spacing Unit Size:

238.85 acres, more or less

## Spacing Unit

Type (Horizontal/Vertical)

Horizontal

Size (Acres)

238.85 acres, more or less

Building Blocks:

quarter-quarter sections

Orientation:

North/south

Description: TRS/County

W/2 W/2 of irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico

Standard Horizontal Well Spacing Unit (Y/N), If No, describe

Yes

## Other Situations

Depth Severance: Y/N. If yes, description

No

Proximity Tracts: If yes, description

No

Proximity Defining Well: if yes, description

N/A

Applicant's Ownership in Each Tract

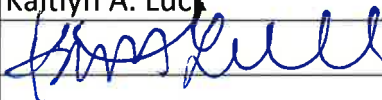
Exhibit C-2

## Well(s)

Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. A**  
Submitted by: **Chisholm Energy Operating, LLC**  
Hearing Date: March 05, 2020  
Case Nos. 21140 & 21141

Well #1	<p><b>Minis 1 Fed WCA Well No. 4H</b>, API No. 30-025-44847  SHL:135 feet from the North line and 1190 feet from the West line, (Lot 4) of Section 1, Township 21 South, Range 32 East, NMPM.  BHL:100 feet from the South line and 400 feet from the West line, (Unit N) of Section 1, Township 21 South, Range 32 East, NMPM.</p> <p>Completion Target: Bone Spring at approx 11,435 feet TVD.  Well Orientation:North to South  Completion Location expected to be:standard</p>
Horizontal Well First and Last Take Points	Exhibit C-1
Completion Target (Formation, TVD and MD)	Exhibit C-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$7,500
Production Supervision/Month \$	\$750
Justification for Supervision Costs	Exhibit C, C-5
Requested Risk Charge	Exhibit C, C-5
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	Exhibit C
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D, D-1

Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D, D-1, D-2, D-3
Target Formation	Exhibit D, D-1, D-2, D-3
HSU Cross Section	Exhibit D, D-2, D-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-2
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D, D-2, D-3
Cross Section (including Landing Zone)	Exhibit D, D-2, D-3
<b>Additional Information</b>	
<p><b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b></p>	
<b>Printed Name</b> (Attorney or Party Representative):	Kaitlyn A. Luck
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	5-Mar-20

# COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

**Case: 21141**

**APPLICANT'S RESPONSE**

**Date: March 5, 2020**

Applicant

Chisholm Energy Operating, LLC

Designated Operator & OGRID (affiliation if applicable)

Chisholm Energy Operating, LLC (OGRID No. 327137)

Applicant's Counsel:

Holland & Hart LLP

Case Title:

APPLICATION OF CHISHOLM ENERGY OPERATING, LLC  
FOR COMPULSORY POOLING, LEA COUNTY, NEW  
MEXICO

Entries of Appearance/Intervenors:

Well Family

Minis 1 Fed Com 3BS #5H well

## Formation/Pool

Formation Name(s) or Vertical Extent:

Bone Spring

Primary Product (Oil or Gas):

Oil

Pooling this vertical extent:

Bone Spring formation

Pool Name and Pool Code:

WC-025 G-08 S213304D; BONE SPRING [Pool Code  
97895]

Well Location Setback Rules:

Statewide horizontal well rules

Spacing Unit Size:

238.81 acres, more or less

## Spacing Unit

Type (Horizontal/Vertical)

Horizontal

Size (Acres)

238.81 acres, more or less

Building Blocks:

quarter-quarter sections

Orientation:

North/south

Description: TRS/County

E/2 W/2 of irregular Section 1, Township 21 South,  
Range 32 East, NMPM, Lea County, New Mexico

Standard Horizontal Well Spacing Unit (Y/N), If No, describe

Yes

## Other Situations

Depth Severance: Y/N. If yes, description

No

Proximity Tracts: If yes, description

No

Proximity Defining Well: if yes, description

N/A


Applicant's Ownership in Each Tract

Exhibit C-4

## Well(s)

Name & API (if assigned), surface and bottom hole location,  
footages, completion target, orientation, completion status  
(standard or non-standard)

Well #1	<p><b>Minis 1 Fed WCA Well No. 5H</b>, API No. 30-025-44848  SHL:135 feet from the North line and 1250 feet from the West line, (Lot 4) of Section 1, Township 21 South, Range 32 East, NMPM.  BHL:100 feet from the South line and 1800 feet from the West line, (Unit N) of Section 1, Township 21 South, Range 32 East, NMPM.</p> <p>Completion Target: Bone Spring at approx 11,445 feet TVD.  Well Orientation:North to South  Completion Location expected to be:standard</p>
Horizontal Well First and Last Take Points	Exhibit C-3
Completion Target (Formation, TVD and MD)	Exhibit C-5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$7,500
Production Supervision/Month \$	\$750
Justification for Supervision Costs	Exhibit C, C-5
Requested Risk Charge	Exhibit C, C-5
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
<b>Ownership Determination</b>	
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Tract List (including lease numbers and owners)	Exhibit C-4
Pooled Parties (including ownership type)	Exhibit C-4
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	None
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D, D-1

Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D, D-1, D-2, D-3
Target Formation	Exhibit D, D-1, D-2, D-3
HSU Cross Section	Exhibit D, D-2, D-3
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-3
Tracts	Exhibit C-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D, D-2, D-3
Cross Section (including Landing Zone)	Exhibit D, D-2, D-3
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Kaitlyn A. Luck
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	5-Mar-20



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

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

CASE NO. 21140

**APPLICATION**

Chisholm Energy Operating, LLC ("Applicant") (OGRID No. 372137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Chisholm states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Minis 1 Fed Com 3BS #4H well** to be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 1 to bottom hole location in the SW/4 SW/4 (Unit M) of Section 1.
3. The completed interval of the proposed well will comply with Statewide setbacks for oil wells.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

**Exhibit No. B**

Submitted by: **Chisholm Energy Operating, LLC**

Hearing Date: March 05, 2020

Case Nos. 21140 & 21141

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 5, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Designating Applicant operator of this horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

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[jbroggi@hollandhart.com](mailto:jbroggi@hollandhart.com)

[kaluck@hollandhart.com](mailto:kaluck@hollandhart.com)

**ATTORNEYS FOR CHISHOLM ENERGY OPERATING, LLC**

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

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

CASE NO. 21141

APPLICATION

Chisholm Energy Operating, LLC ("Applicant") (OGRID No. 372137), through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. In support of its application, Chisholm states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the proposed initial **Minis 1 Fed Com 3BS #5H well** to be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 1 to bottom hole location in the SE/4 SW/4 (Unit N) of Section 1.
3. The completed interval of the proposed well will comply with Statewide setbacks for oil wells.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all the working interest owners in the subject spacing unit.

5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

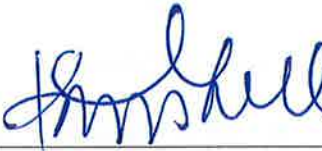
6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal well and spacing unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 5, 2020, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit;
- B. Designating Applicant operator of this horizontal spacing unit and the horizontal well to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the well;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

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Santa Fe, New Mexico 87504-2208

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jbroggi@hollandhart.com

kaluck@hollandhart.com

**ATTORNEYS FOR CHISHOLM ENERGY OPERATING, LLC**

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

**APPLICATIONS OF CHISHOLM ENERGY  
OPERATING, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NOS. 21140 & 21141**

**AFFIDAVIT OF JACOB DANIELS  
IN SUPPORT OF CASE NOS. 21140 AND 21141**

Jacob Daniels, of lawful age and being first duly sworn, declares as follows:

1. My name is Jacob Daniels. I work for Chisholm Energy Operating, LLC (“Chisholm”) as a Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by Chisholm in these cases, and I am familiar with the status of the lands in the subject areas.
4. None of the uncommitted parties in this case has indicated opposition to these pooling applications, and therefore I do not expect any opposition to presentation of the cases by affidavits at the hearing.
5. In Case No. 21140, Chisholm is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 238.85-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico.

6. Chisholm seeks to dedicate this standard spacing unit to the proposed initial **Minis 1 Fed Com 3BS #4H well** (API No. 30-025-44847) to be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 1 to bottom hole location in the SW/4 SW/4 (Unit M) of Section 1.

7. The completed interval for the **Minis 1 Fed Com 3BS #4H well** will comply with statewide setback requirements for oil wells.

8. **Chisholm Exhibit C-1** is the Form C-102 for the proposed initial **Minis 1 Fed Com 3BS #4H well** (API No. 30-025-44847).

9. The Pool Code for this well is 97895 (WC-025 G-08 S213304D; BONE SPRING Pool).

10. There are no depth severances in the Bone Spring formation in the proposed spacing unit.

11. **Chisholm Exhibit C-2** contains a plat outlining the unit being pooled, identifies the tracts of land comprising the proposed spacing unit, and identifies the working interests in each tract and their interest in the horizontal spacing unit. This proposed spacing unit includes federal lands. Chisholm is seeking to pool both the highlighted working interest owners as well as the overriding royalty interest owners included on **Exhibit C-2**. There are no unleased mineral interest owners.

12. In **Case No. 21141**, Chisholm is seeking an order pooling all uncommitted interests in the Bone Spring formation underlying a standard 238.81-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico.



13. Chisholm seeks to dedicate this standard spacing unit to the proposed initial **Minis 1 Fed Com 3BS #5H well** (API No. 30-025-44848) to be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 1 to bottom hole location in the SE/4 SW/4 (Unit N) of Section 1.

14. The completed interval for the **Minis 1 Fed Com 3BS #5H well** will comply with statewide setback requirements for oil wells.

15. **Chisholm Exhibit C-3** is the Form C-102 for the proposed initial **Minis 1 Fed Com 3BS #5H well** (API No. 30-025-44848).

16. The Pool Code for this well is 97895 (WC-025 G-08 S213304D; BONE SPRING Pool).

17. There are no depth severances in the Bone Spring formation in the proposed spacing unit.

18. **Chisholm Exhibit C-4** contains a plat outlining the unit being pooled, identifies the tracts of land comprising the proposed spacing unit, and identifies the working interests in each tract and their interest in the horizontal spacing unit. This proposed spacing unit includes federal lands. Chisholm is seeking to pool both the highlighted working interest owners as well as the overriding royalty interest owners included on **Exhibit C-4**. There are no unleased mineral interest owners.

19. **Chisholm Exhibit C-5** are copies of the well proposal letters that Chisholm sent to the working interest owners, along with an AFE for each well in **Case Nos. 21140 and 21141**. The costs reflected in the AFE are consistent with what other operators have incurred for drilling similar horizontal wells in the area.

20. Chisholm seeks approval of overhead and administrative costs at \$7,500/month while drilling and \$750/month while producing. These costs are consistent with what Chisholm and other operators are charging in this area for these types of wells. Chisholm respectfully requests that these administrative and overhead costs be incorporated into any order entered by the Division in this case, together with a 200% charge for the risk against any non-consenting parties.

21. Chisholm has been able to locate contact information for all parties it seeks to pool and has undertaken good faith efforts to reach an agreement with the uncommitted interest owners after the transmission of the well proposal letters, with telephone and email correspondence on December 16, 2019 and telephone correspondence again on February 17, 2020.

22. In my opinion, Chisholm has made good faith efforts to reach an agreement with the parties it seeks to pool in the proposed wells. If Chisholm reaches an agreement with any of the proposed pool parties before the Division enters any order, I will let the Division know that Chisholm is no longer seeking to pool that party.

23. I provided the law firm of Holland & Hart LLP a list of names and addresses for the uncommitted interest owners shown on Exhibits C-2 and C-4. In compiling these addresses, Chisholm conducted a diligent search of all public records in the county where the proposed wells are located and of phone directories, including computer searches. All parties were locatable.

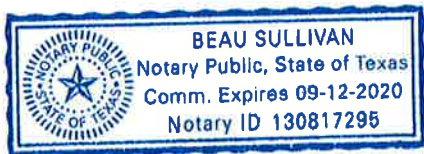
24. **Chisholm Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

  
JACOB DANIELS

STATE OF TEXAS                    )  
  )  
COUNTY OF TARRANT         )

SUBSCRIBED and SWORN to before me this 2<sup>nd</sup> day of March 2020 by Jacob Daniels.



  
NOTARY PUBLIC

My Commission Expires:

09-12-2020

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
Phone (575) 393-6161 Fax: (575) 393-0720

DISTRICT II  
811 S. First St., Artesia, NM 88210  
Phone (505) 748-1283 Fax: (505) 748-9720

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV  
1225 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

OIL CONSERVATION DIVISION  
1226 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name MINIS 1 FED 3BS	Well Number 4H
OGRID No.	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3702'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
LOT 4	1	21 S	32 E		135	NORTH	1190	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
M	1	21 S	32 E		100	SOUTH	400	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

**SURFACE LOCATION**  
Lat - N 32.521983  
Long - W 103.633051  
NMSPCE- N 554337.1  
E 757180.8  
(NAD-83)

**LANDING POINT  
100 FNL & 400 FWL**  
Lat - N 32.522083  
Long - W 103.635614  
NMSPCE- N 554369.0  
E 756390.1  
(NAD-83)

**PROPOSED BOTTOM  
HOLE LOCATION**  
Lat - N 32.500944  
Long - W 103.635614  
NMSPCE- N 546677.9  
E 756440.2  
(NAD-83)

Diagram showing a 4x4 grid of lots (LOT 1 to LOT 16). The grid is bounded by a dashed line. The top-left corner is labeled 'L.P. 1190' and the bottom-left corner is labeled 'B.H. 400'. The grid is oriented with North at the top and West at the left. The grid is labeled 'LOT 1' through 'LOT 16'.

**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Email Address \_\_\_\_\_

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 10 2019

Date Surveyed \_\_\_\_\_

Signature of Professional Surveyor \_\_\_\_\_

Certificate No. 7977

Scale: 1" = 2000'

WO Num.: 34848

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

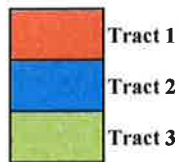
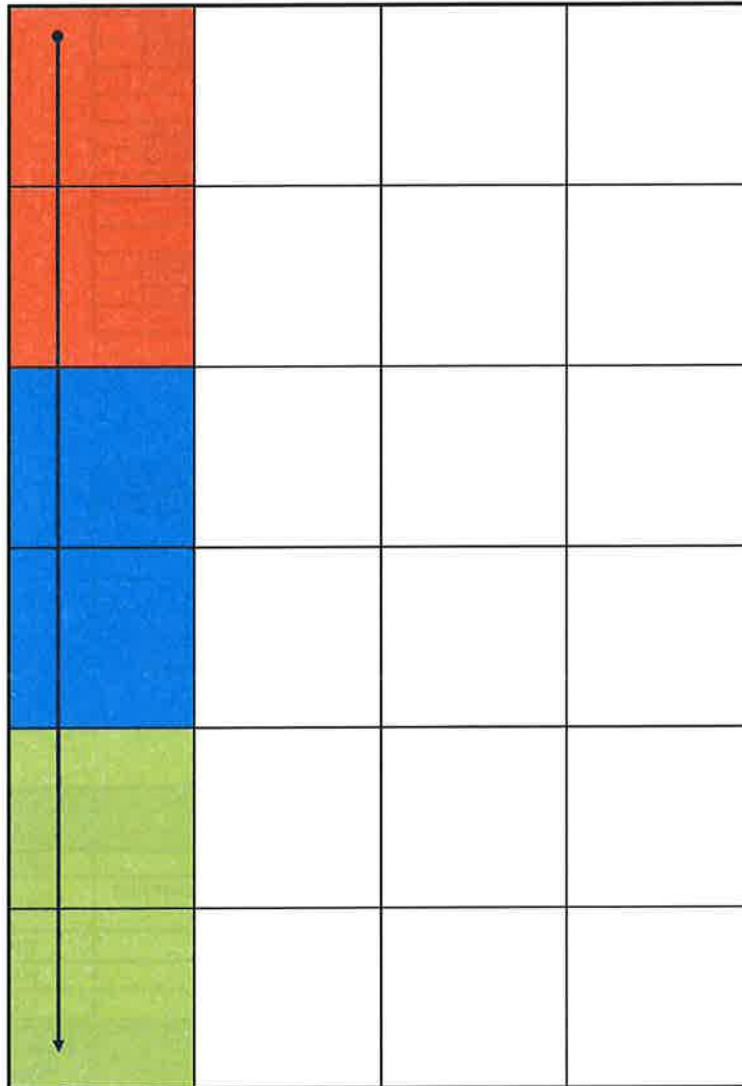
Exhibit No. C1

Submitted by: Chisholm Energy Operating, LLC

Hearing Date: March 05, 2020

Case Nos. 21140 & 21141

**Section 1, T21S-R32E, Lea County, NM**



**Working Interest Ownership by Tract**

TRACT	WI OWNER	WORKING INTEREST
1	CHISHOLM ENERGY OPERATING, LLC	0.89516882
	MARATHON OIL PERMIAN, LLC	0.06296040
	TUMBLER OPERATING PARTNERS, LLC	0.04187079
		1.00000000
2	CHISHOLM ENERGY OPERATING, LLC	0.89516882
	MARATHON OIL PERMIAN, LLC	0.06296040
	TUMBLER OPERATING PARTNERS, LLC	0.04187079
		1.00000000
3	CHISHOLM ENERGY OPERATING, LLC	0.95812921
	TUMBLER OPERATING PARTNERS, LLC	0.04187079
		1.00000000

**Proposed Unit Working Interest Ownership**  
W/2 W/2 of Section 1, T21S-R32E, Lea County, NM

WI OWNER	WORKING INTEREST
CHISHOLM ENERGY OPERATING, LLC	0.91625666
MARATHON OIL PERMIAN, LLC	0.04187255
TUMBLER OPERATING PARTNERS, LLC	0.04187079
	1.00000000

\*Parties highlighted in yellow are the Working Interest Owners to be pooled.

**Working Interest and Overriding Royalty Owners by Tract**

Tract	Owner	Ownership Type
1	NEARBURG EXPLORATION COMPANY, LLC	ORRI
	NEARBURG PRODUCING COMPANY FBO NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
	CHISHOLM ENERGY OPERATING, LLC	WI
	MARATHON OIL PERMIAN, LLC	WI
	TUMBLER OPERATING PARTNERS, LLC	WI
Tract	Owner	Ownership Type
2	NEARBURG PRODUCING COMPANY FBO NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
	CHISHOLM ENERGY OPERATING, LLC	WI
	MARATHON OIL PERMIAN, LLC	WI
	TUMBLER OPERATING PARTNERS, LLC	WI
Tract	Owner	Ownership Type
3	NEARBURG PRODUCING COMPANY FBO NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
	CHISHOLM ENERGY OPERATING, LLC	WI
	TUMBLER OPERATING PARTNERS, LLC	WI

**DISTRICT I**  
1825 N. French Dr., Hobbs, NM 88240  
Phone (505) 393-6161 Fax: (505) 393-0720

**DISTRICT II**  
811 S. First St., Artesia, NM 88210  
Phone (505) 748-1283 Fax: (505) 748-9720

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-6178 Fax: (505) 334-6170

**DISTRICT IV**  
1226 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

**OIL CONSERVATION DIVISION**  
1226 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name MINIS 1 FED COM 3BS	Well Number 5H
OGRID No.	Operator Name CHISHOLM ENERGY OPERATING, LLC	Elevation 3702'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
LOT 4	1	21 S	32 E		135	NORTH	1250	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	FEET from the	North/South line	FEET from the	East/West line	County
N	1	21 S	32 E		100	SOUTH	1800	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

**SURFACE LOCATION**  
Lat - N 32.521983  
Long - W 103.632856  
NMSPCE- N 554337.6  
E 757240.9  
(NAD-83)

**LANDING POINT**  
100 FNL & 1800 FWL  
Lat - N 32.522081  
Long - W 103.631072  
NMSPCE- N 554376.7  
E 757790.0  
(NAD-83)

**PROPOSED BOTTOM HOLE LOCATION**  
Lat - N 32.500953  
Long - W 103.631072  
NMSPCE- N 546690.4  
E 757840.2  
(NAD-83)

**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_

Email Address \_\_\_\_\_

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 10, 2019

Date Surveyed \_\_\_\_\_  
Signature of Professional Surveyor \_\_\_\_\_  
Certificate No. 7977  
GARY L. LOPES  
Basin Surveyors

0' 1000' 2000' 3000' 4000'

SCALE: 1" = 2000'  
WO Num.: 34848

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

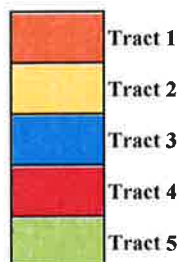
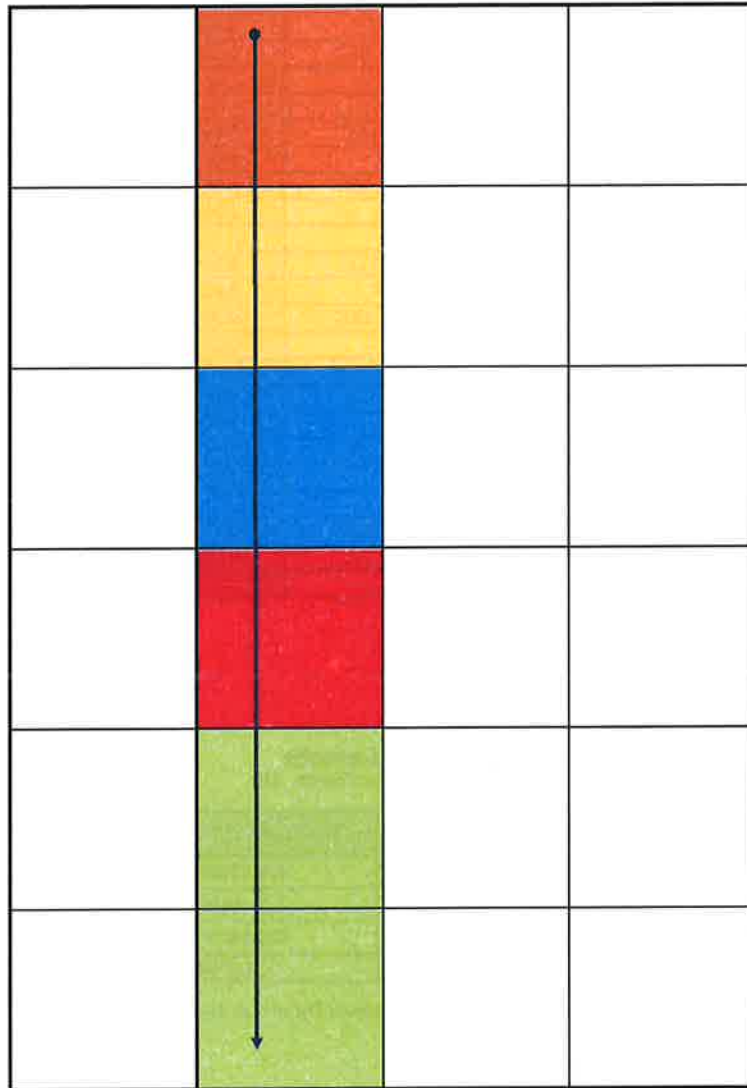
Exhibit No. C3

Submitted by: Chisholm Energy Operating, LLC

Hearing Date: March 05, 2020

Case Nos. 21140 & 21141

**Section 1, T21S-R32E, Lea County, NM**





**Working Interest Ownership by Tract**

TRACT	WI OWNER	WORKING INTEREST
1	CHISHOLM ENERGY OPERATING, LLC	0.89516881
	MARATHON OIL PERMIAN, LLC	0.06296040
	TUMBLER OPERATING PARTNERS, LLC	0.04187079
		1.00000000
2	CHISHOLM ENERGY OPERATING, LLC	0.89516881
	MARATHON OIL PERMIAN, LLC	0.06296040
	TUMBLER OPERATING PARTNERS, LLC	0.04187079
		1.00000000
3	CHISHOLM ENERGY OPERATING, LLC	0.89516881
	MARATHON OIL PERMIAN, LLC	0.06296040
	TUMBLER OPERATING PARTNERS, LLC	0.04187079
		1.00000000
4	CHISHOLM ENERGY OPERATING, LLC	0.89516881
	MARATHON OIL PERMIAN, LLC	0.06296040
	TUMBLER OPERATING PARTNERS, LLC	0.04187079
		1.00000000
5	CHISHOLM ENERGY OPERATING, LLC	0.95812921
	TUMBLER OPERATING PARTNERS, LLC	0.04187079
		1.00000000

**Proposed Unit Working Interest Ownership**

E/2 W/2 of Section 1, T21S-R32E, Lea County, NM

WI OWNER	WORKING INTEREST
CHISHOLM ENERGY OPERATING, LLC	0.91626019
MARATHON OIL PERMIAN, LLC	0.04186902
TUMBLER OPERATING PARTNERS, LLC	0.04187079
	1.00000000

\*Parties highlighted in yellow are the Working Interest Owners to be pooled.

**Working Interest and Overriding Royalty Owners by Tract**

<b>Tract</b>	<b>Owner</b>	<b>Ownership Type</b>
1	NEARBURG EXPLORATION COMPANY, LLC	ORRI
	NEARBURG PRODUCING COMPANY FBO NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
	RESOURCE DEVELOPMENT TECHNOLOGY, LLC	ORRI
	CHISHOLM ENERGY OPERATING, LLC	WI
	MARATHON OIL PERMIAN, LLC	WI
	TUMBLER OPERATING PARTNERS, LLC	WI
<b>Tract</b>	<b>Owner</b>	<b>Ownership Type</b>
2	NEARBURG PRODUCING COMPANY FBO NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
	NEARBURG EXPLORATION COMPANY, LLC	ORRI
	CHISHOLM ENERGY OPERATING, LLC	WI
	MARATHON OIL PERMIAN, LLC	WI
	TUMBLER OPERATING PARTNERS, LLC	WI
<b>Tract</b>	<b>Owner</b>	<b>Ownership Type</b>
3	PENWELL EMPLOYEE ROYALTY POOL	ORRI
	PAUL R. BARWIS	ORRI
	JAREED PARTNERS, LTD.	ORRI
	JOHN KYLE THOMA, TRUSTEE OF THE CORNERSTONE FAMILY TRUST DATED JUNE 9, 2016	ORRI
	CROWNROCK MINERALS, LP	ORRI
	KINGDOM INVESTMENTS, LIMITED	ORRI
	RAVE ENERGY, INC.	ORRI
	GEORGE VAUGHT, JR.	ORRI
	VENDETTA ROYALTY PARTNERS, LTD.	ORRI
	THE TAURUS ROYALTY, LLC	ORRI
	KIMBELL ROYALTY HOLDINGS, LLC	ORRI
	RAVE ENERGY, INC. D/B/A GEP III	ORRI
	CHISHOLM ENERGY OPERATING, LLC	WI
	MARATHON OIL PERMIAN, LLC	WI
	TUMBLER OPERATING PARTNERS, LLC	WI
<b>Tract</b>	<b>Owner</b>	<b>Ownership Type</b>
4	NEARBURG PRODUCING COMPANY FBO NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
	CHISHOLM ENERGY OPERATING, LLC	WI
	MARATHON OIL PERMIAN, LLC	WI
	TUMBLER OPERATING PARTNERS, LLC	WI
<b>Tract</b>	<b>Owner</b>	<b>Ownership Type</b>
5	NEARBURG PRODUCING COMPANY FBO NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
	CHISHOLM ENERGY OPERATING, LLC	WI
	TUMBLER OPERATING PARTNERS, LLC	WI



December 9, 2019

**VIA CERTIFIED MAIL:**

Marathon Oil Company  
Attn: Land Department  
5555 San Felipe Street  
Houston, Texas 77056

RE: Minis 1 Fed Com 3BS #4H Well Proposal  
W/2 W/2 of Section 1-T21S-R32E  
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of a horizontal Bone Spring well to a Measured Depth of approximately 19,208'. The expected surface location for this well is approximately 135' FNL & 1,190' FWL of Section 1-T21S-R32E with a bottom hole location of 100' FSL & 400' FWL of Section 1-T21S-R32E. Enclosed is our Authority for Expenditure ("AFE") reflecting estimated costs of \$5,629,085 for a completed well.

Chisholm is proposing to drill this well under the terms of a modified 1989 AAPL form Operating Agreement covering the W/2 of Section 1, Township 21 South, Range 32 East, which will be provided upon request. Said Operating Agreement contains the following general provisions:

- 100%/300%/300% Non-consenting penalty
- \$7,500/\$750 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

According to our ownership, Marathon Oil Permian, LLC, owns an undivided 0.04187255 interest in the above captioned unit. Chisholm respectfully requests that you select one of the following options:

1. Participate with your interest in the drilling of the proposed well and execute the enclosed Operating Agreement.
2. Farmout/Assign your interest in the above captioned project area, subject to mutually agreeable terms.

Please indicate your election in the space provided below and return one copy of this letter to the undersigned. In the event all parties do not enter into an agreement to develop the proposed project area(s), Chisholm intends to file application(s) for compulsory pooling with the New Mexico Oil Conservation Division.

Please call at your earliest convenience to discuss our proposal.

**Chisholm Energy Operating, LLC**

Jacob Daniels  
Landman  
817-953-0737

Enclosures

\_\_\_\_\_ Elect to participate in the drilling of the Minis 1 Fed Com 3BS #4H.

\_\_\_\_\_ Elect to farmout/assign your interest in the Minis 1 Fed Com 3BS #4H.

**Marathon Oil Permian, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

**Exhibit No. C5**

Submitted by: **Chisholm Energy Operating, LLC**

Hearing Date: March 05, 2020

Case Nos. 21140 & 21141



### Statement of Estimated Well Cost (100%)

Well: Minis 1 Fed Com 3BS 4H  
 Field: 3rd Bone Springs  
 County, State: Lea, NM  
 BHL: Horizontal  
 Proposed TD: 19,208 MD 11,435 TVD  
 Normal Pressure? Yes

PROP #:  
 WI #:  
 NRI #:  
 AFE #:

		BCP	ACP	TOTAL
<b>COSTS TO CASING POINT: TANGIBLES</b>				
8510-400	Conductor Casing or Drive Pipe	\$20,000		\$20,000
8510-405	Surface Casing	\$46,410		\$46,410
8510-410	Intermediate Casing/Drig Liner	\$116,478		\$116,478
8510-415	Wellhead Equipment - Surface & MLS	\$40,000		\$40,000
8510-420	Other Sub-Surface Equipment	\$0		
8510-425	Cementing Equipment	\$64,000		\$64,000
8510-500	Production Casing	\$255,851		\$255,851
8510-600	Nonoperated	\$0		
8510-700	Impairment	\$0		
8510-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - TANGIBLES</b>	<b>\$542,739</b>		<b>\$542,739</b>
<b>COSTS TO CASING POINT: INTANGIBLES</b>				
8500-100	Roads/Location	\$10,000		\$10,000
8500-105	Drilling Turnkey	\$0		
8500-110	Drilling Daywork	\$494,625		\$494,625
8500-115	Fuel/Power	\$108,000		\$108,000
8500-125	Equipment Rental	\$151,080		\$151,080
8500-130	Legal Fees	\$0		
8500-135	Bonds, Permits and Inspection	\$0		
8500-155	Mud and Chemicals	\$200,000		\$200,000
8500-160	Cementing Services	\$165,000		\$165,000
8500-170	Supervision/Consulting	\$63,800		\$63,800
8500-175	Casing and Other Tangible Crew	\$39,000		\$39,000
8500-180	Damages/Penalties	\$0		
8500-185	Coring and Analysis	\$0		
8500-190	Cuttings/Fluids Disposal	\$150,000		\$150,000
8500-195	Directional Drilling Services	\$548,500		\$548,500
8500-200	Drill Bits	\$94,000		\$94,000
8500-210	Surface Damages/ROW	\$0		
8500-215	Contract Labor and Services	\$40,000		\$40,000
8500-220	Mud Logging	\$0		
8500-235	Reclamation	\$0		
8500-240	Rig Mobilization/Demob	\$120,000		\$120,000
8500-245	Fishing Tools and Services	\$0		
8500-250	Testing-Drill Stem/Production	\$0		
8500-260	Wireline Services	\$0		
8500-265	Water	\$71,250		\$71,250
8500-270	Camp Expenses	\$47,950		\$47,950
8500-285	Contingencies	\$0		
8500-290	Environmental	\$0		
8500-300	Overhead	\$0		
8500-350	Insurance	\$0		
8500-600	Nonoperated	\$0		
8500-700	Impairment	\$0		
8500-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - INTANGIBLES</b>	<b>\$2,303,205</b>		<b>\$2,303,205</b>
<b>COMPLETION COSTS: TANGIBLES</b>				
8530-415	Wellhead		\$40,000	\$40,000
8530-420	Subsurface Equipment		\$0	
8530-510	Tubing		\$48,141	\$48,141
8530-515	Rods		\$0	
8530-525	Artificial Lift Equipment		\$60,000	\$60,000
8530-530	Gas Metering Equipment		\$48,000	\$48,000
8530-535	LACT Unit		\$0	
8530-540	Production Facilities and Flowlines		\$100,000	\$100,000
8530-545	Pumping Unit		\$0	
8530-550	Separator, Heater, Treater		\$85,000	\$85,000
8530-555	Tank Battery		\$55,000	\$55,000
8530-560	Vapor Recovery Unit		\$0	
8530-590	Other Misc Equipment		\$0	

8530-600	Nonoperated			\$0	
8530-700	Impairment			\$0	
8530-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - TANGIBLES</b>			<b>\$436,141</b>	<b>\$436,141</b>
	<b>COMPLETION COSTS: INTANGIBLES</b>				
8520-100	Roads/Location			\$10,000	\$10,000
8520-120	Perforating Services			\$210,000	\$210,000
8520-125	Equipment Rental			\$173,000	\$173,000
8520-135	Bonds, Permits and Inspection			\$0	
8520-145	Completion Unit			\$13,000	\$13,000
8520-150	Frac Plugs			\$36,000	\$36,000
8520-155	Mud and Chemicals			\$20,000	\$20,000
8520-160	Cementing Services			\$0	
8520-165	Acidizing and Fracturing			\$1,137,500	\$1,137,500
8520-170	Supervision/Consulting			\$38,500	\$38,500
8520-175	Casing and Other Tangible Crew			\$0	
8520-190	Cuttings/Fluids Disposal			\$60,000	\$60,000
8520-200	Drill Bits			\$50,000	\$50,000
8520-210	Surface Damages/ROW			\$0	
8520-215	Contract Labor and Services			\$25,000	\$25,000
8520-230	Pump/Vacuum Trucks			\$15,000	\$15,000
8520-235	Reclamation			\$0	
8520-245	Fishing Tools and Services			\$0	
8520-250	Well Testing			\$84,000	\$84,000
8520-255	Trucking and Hauling			\$0	
8520-260	Wireline Services			\$5,000	\$5,000
8520-270	Camp Expenses			\$6,000	\$6,000
8520-275	Coiled Tubing Services			\$105,000	\$105,000
8520-280	Frac Water			\$359,000	\$359,000
8520-285	Contingencies			\$0	
8520-290	Environmental			\$0	
8520-300	Overhead			\$0	
8520-350	Insurance			\$0	
8520-600	Nonoperated			\$0	
8520-700	Impairment			\$0	
8520-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - INTANGIBLES</b>			<b>\$2,347,000</b>	<b>\$2,347,000</b>
	<b>TOTAL WELL COST</b>		<b>\$2,845,944</b>	<b>\$2,783,141</b>	<b>\$5,629,085</b>

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_





December 9, 2019

**VIA CERTIFIED MAIL:**

Marathon Oil Company  
Attn: Land Department  
5555 San Felipe Street  
Houston, Texas 77056

**RE:** Minis 1 Fed Com 3BS #5H Well Proposal  
E/2 W/2 of Section 1-T21S-R32E, NMPM  
Lea County, New Mexico

To whom it may concern,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of a horizontal Bone Spring well to a Measured Depth of approximately 18,800'. The expected surface location for this well is approximately 135' FNL & 1,250' FWL of Section 1-T21S-R32E with a bottom hole location of 100' FSL & 1,800' FWL of Section 1-T21S-R32E. Enclosed is our Authority for Expenditure ("AFE") reflecting estimated costs of \$5,623,692 for a completed well.

Chisholm is proposing to drill this well under the terms of a modified 1989 AAPL form Operating Agreement covering the W/2 of Section 1, Township 21 South, Range 32 East, which will be provided upon request. Said Operating Agreement contains the following general provisions:

- 100%/300%/300% Non-consenting penalty
- \$7,500/\$750 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator

According to our ownership, Marathon Oil Permian, LLC, owns an undivided 0.04186902 interest in the above captioned unit. Chisholm respectfully requests that you select one of the following options:

1. Participate with your interest in the drilling of the proposed well and execute the enclosed Operating Agreement.
2. Farmout/Assign your interest in the above captioned project area, subject to mutually agreeable terms.

Please indicate your election in the space provided below and return one copy of this letter to the undersigned. In the event all parties do not enter into an agreement to develop the proposed project area(s), Chisholm intends to file application(s) for compulsory pooling with the New Mexico Oil Conservation Division.

Please call at your earliest convenience to discuss our proposal.

**Chisholm Energy Operating, LLC**

Jacob Daniels  
Landman  
817-953-0737

Enclosures

\_\_\_\_\_ Elect to participate in the drilling of the Minis 1 Fed Com 3BS #5H.

\_\_\_\_\_ Elect to farmout/assign our interest in the Minis 1 Fed Com 3BS #5H.

**Marathon Oil Permian, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



### Statement of Estimated Well Cost (100%)

Well: Minis 1 Fed Com 3BS 5H  
 Field: 3rd Bone Springs  
 County, State: Lea, NM  
 BHL: Horizontal  
 Proposed TD: 18,800 MD 11,445 TVD  
 Normal Pressure? Yes

PROP #:  
 WI #:  
 NRI #:  
 AFE #:

		BCP	ACP	TOTAL
<b>COSTS TO CASING POINT: TANGIBLES</b>				
8510-400	Conductor Casing or Drive Pipe	\$20,000		\$20,000
8510-405	Surface Casing	\$46,410		\$46,410
8510-410	Intermediate Casing/Drig Liner	\$116,478		\$116,478
8510-415	Wellhead Equipment - Surface & MLS	\$40,000		\$40,000
8510-420	Other Sub-Surface Equipment	\$0		
8510-425	Cementing Equipment	\$64,000		\$64,000
8510-500	Production Casing	\$250,416		\$250,416
8510-600	Nonoperated	\$0		
8510-700	Impairment	\$0		
8510-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - TANGIBLES</b>	<b>\$537,304</b>		<b>\$537,304</b>
<b>COSTS TO CASING POINT: INTANGIBLES</b>				
8500-100	Roads/Location	\$10,000		\$10,000
8500-105	Drilling Turnkey	\$0		
8500-110	Drilling Daywork	\$494,625		\$494,625
8500-115	Fuel/Power	\$108,000		\$108,000
8500-125	Equipment Rental	\$151,080		\$151,080
8500-130	Legal Fees	\$0		
8500-135	Bonds, Permits and Inspection	\$0		
8500-155	Mud and Chemicals	\$200,000		\$200,000
8500-160	Cementing Services	\$165,000		\$165,000
8500-170	Supervision/Consulting	\$63,800		\$63,800
8500-175	Casing and Other Tangible Crew	\$39,000		\$39,000
8500-180	Damages/Penalties	\$0		
8500-185	Coring and Analysis	\$0		
8500-190	Cuttings/Fluids Disposal	\$150,000		\$150,000
8500-195	Directional Drilling Services	\$548,500		\$548,500
8500-200	Drill Bits	\$94,000		\$94,000
8500-210	Surface Damages/ROW	\$0		
8500-215	Contract Labor and Services	\$40,000		\$40,000
8500-220	Mud Logging	\$0		
8500-235	Reclamation	\$0		
8500-240	Rig Mobilization/Demob	\$120,000		\$120,000
8500-245	Fishing Tools and Services	\$0		
8500-250	Testing-Drill Stem/Production	\$0		
8500-260	Wireline Services	\$0		
8500-265	Water	\$71,250		\$71,250
8500-270	Camp Expenses	\$47,950		\$47,950
8500-285	Contingencies	\$0		
8500-290	Environmental	\$0		
8500-300	Overhead	\$0		
8500-350	Insurance	\$0		
8500-600	Nonoperated	\$0		
8500-700	Impairment	\$0		
8500-999	Accruals	\$0		
	<b>TOTAL COST TO CASING POINT - INTANGIBLES</b>	<b>\$2,303,205</b>		<b>\$2,303,205</b>
<b>COMPLETION COSTS: TANGIBLES</b>				
8530-415	Wellhead		\$40,000	\$40,000
8530-420	Subsurface Equipment		\$0	
8530-510	Tubing		\$48,183	\$48,183
8530-515	Rods		\$0	
8530-525	Artificial Lift Equipment		\$60,000	\$60,000
8530-530	Gas Metering Equipment		\$48,000	\$48,000
8530-535	LACT Unit		\$0	
8530-540	Production Facilities and Flowlines		\$100,000	\$100,000
8530-545	Pumping Unit		\$0	
8530-550	Separator, Heater, Treater		\$85,000	\$85,000
8530-555	Tank Battery		\$55,000	\$55,000
8530-560	Vapor Recovery Unit		\$0	
8530-590	Other Misc Equipment		\$0	

8530-600	Nonoperated			\$0	
8530-700	Impairment			\$0	
8530-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - TANGIBLES</b>			<b>\$436,183</b>	<b>\$436,183</b>
	<b>COMPLETION COSTS: INTANGIBLES</b>				
8520-100	Roads/Location			\$10,000	\$10,000
8520-120	Perforating Services			\$210,000	\$210,000
8520-125	Equipment Rental			\$173,000	\$173,000
8520-135	Bonds, Permits and Inspection			\$0	
8520-145	Completion Unit			\$13,000	\$13,000
8520-150	Frac Plugs			\$36,000	\$36,000
8520-155	Mud and Chemicals			\$20,000	\$20,000
8520-160	Cementing Services			\$0	
8520-165	Acidizing and Fracturing			\$1,137,500	\$1,137,500
8520-170	Supervision/Consulting			\$38,500	\$38,500
8520-175	Casing and Other Tangible Crew			\$0	
8520-190	Cuttings/Fluids Disposal			\$60,000	\$60,000
8520-200	Drill Bits			\$50,000	\$50,000
8520-210	Surface Damages/ROW			\$0	
8520-215	Contract Labor and Services			\$25,000	\$25,000
8520-230	Pump/Vacuum Trucks			\$15,000	\$15,000
8520-235	Reclamation			\$0	
8520-245	Fishing Tools and Services			\$0	
8520-250	Well Testing			\$84,000	\$84,000
8520-255	Trucking and Hauling			\$0	
8520-260	Wireline Services			\$5,000	\$5,000
8520-270	Camp Expenses			\$6,000	\$6,000
8520-275	Coiled Tubing Services			\$105,000	\$105,000
8520-280	Frac Water			\$359,000	\$359,000
8520-285	Contingencies			\$0	
8520-290	Environmental			\$0	
8520-300	Overhead			\$0	
8520-350	Insurance			\$0	
8520-600	Nonoperated			\$0	
8520-700	Impairment			\$0	
8520-999	Accruals			\$0	
	<b>TOTAL COMPLETION COST - INTANGIBLES</b>			<b>\$2,347,000</b>	<b>\$2,347,000</b>
	<b>TOTAL WELL COST</b>		<b>\$2,840,509</b>	<b>\$2,783,183</b>	<b>\$5,623,692</b>

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_



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

**APPLICATIONS OF CHISHOLM ENERGY  
OPERATING, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NOS. 21140 & 21141**

**AFFIDAVIT OF JOSH KUHN  
IN SUPPORT OF CASE NOS. 21140 & 21141**

Josh Kuhn, of lawful age and being first duly sworn, declares as follows:

1. My name is Josh Kuhn. I work for Chisholm Energy Operating, LLC ("Chisholm") as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by Chisholm in these cases, and I have conducted a geologic study of the lands in the subject areas.
4. In **Case Nos. 21140 and 21141**, Chisholm is targeting the 3<sup>rd</sup> Bone Spring Sandstone within Bone Spring formation.
5. **Chisholm Exhibit D-1** is a project location map showing the section comprising the standard horizontal spacing units in these cases in relation to the surrounding area.
6. **Chisholm Exhibit D-2** is a subsea structure map that I prepared off the top of the Wolfcamp. The contour interval is 50 feet. The map also identifies wells used to create this Wolfcamp subsea structure map. Within Section 1, there are dashed lines on the map that reflect the paths of the proposed wellbores for the **Minis 1 Fed Com 3BS #4H well**, and the **Minis 1**

**BEFORE THE OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico  
**Exhibit No. D**  
Submitted by: **Chisholm Energy Operating, LLC**  
Hearing Date: March 05, 2020  
Case Nos. 21140 & 21141

**Fed Com 3BS #5H well.** The structure map shows that the 3<sup>rd</sup> Bone Spring Sandstone is dipping gently to the south/southeast. The structure appears consistent in this section. I do not observe any faulting, pinchouts, or other geologic hazards to developing a horizontal well.

7. **Chisholm Exhibit D-2** also shows the location of the four wells, depicted by the red line, that were used to construct the cross-section from A to A'. I consider these wells to be representative of the geology of the area.

8. **Chisholm Exhibit D-3** is a stratigraphic cross section prepared by me for the four representative wells from A to A' and shows the following logs: gamma ray, resistivity, and porosity. The proposed target interval is labeled and depicted with green shading. The target interval for the proposed wells is labeled and depicted with a green shading. The logs in the cross-section demonstrate that the target interval within the Bone Spring formation is consistent in thickness, across the entire spacing unit.

9. Based on my geologic study of the areas, I have not identified any geologic impediments to drilling horizontal wells in the area.

10. In my opinion, each tract comprising the proposed spacing unit will be productive and contribute more-or-less equally to production from the wellbore.

11. In my opinion, the stand-up orientation of the proposed wells is the preferred orientation for horizontal well development in this area and is appropriate to efficiently and effectively develop the subject acreage.

12. In my opinion, the granting of Chisholm application in this case is in the best interest of conservation, the prevention of waste, and protection of correlative rights.

13. **Chisholm Exhibits D-1 through D-3** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
JOSH KUHN

STATE OF TEXAS                    )  
  )  
COUNTY OF TARRANT            )

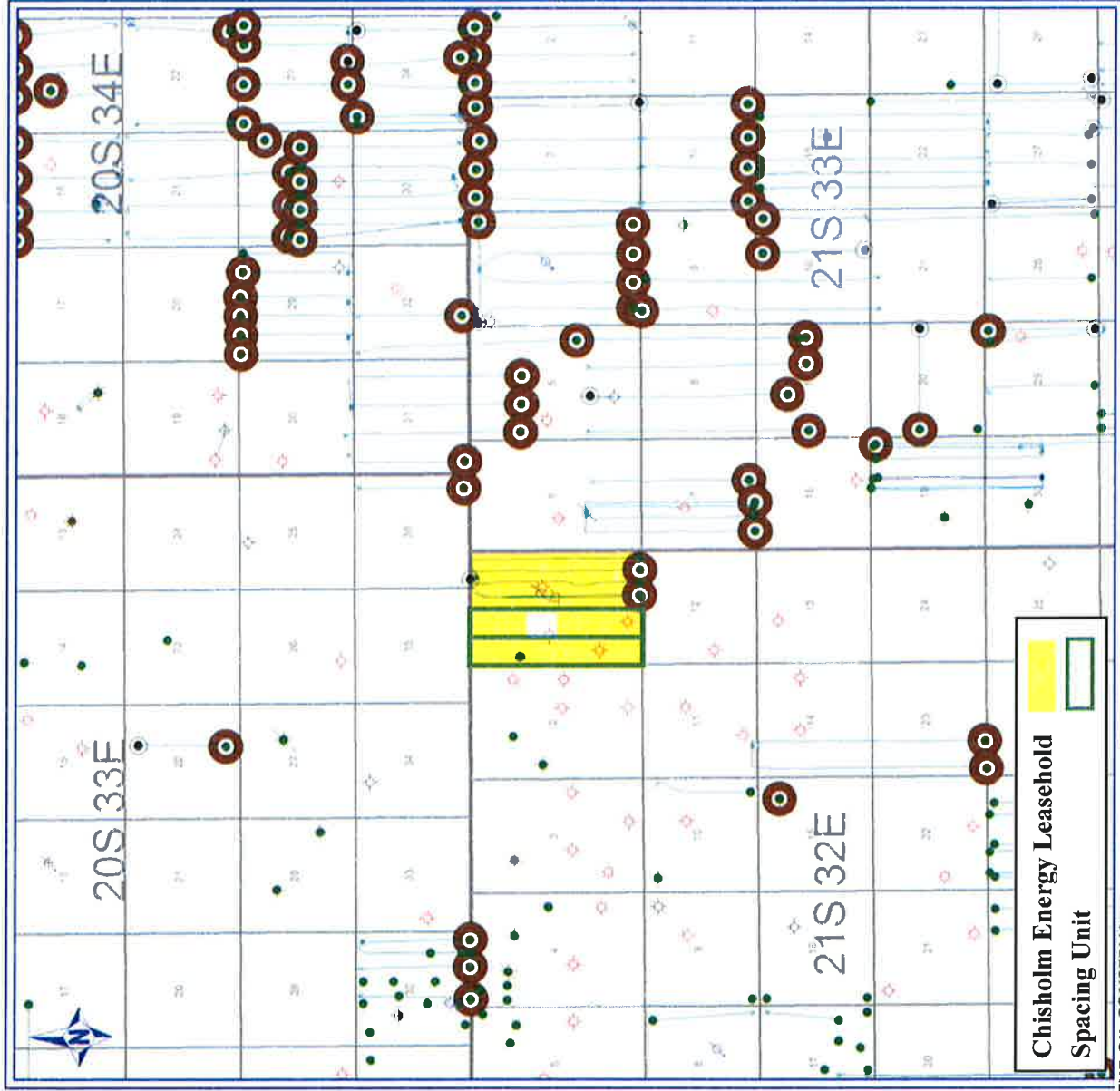
SUBSCRIBED and SWORN to before me this 2<sup>nd</sup> day of March 2020 by Josh Kuhn.

  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires:

09-12-2020





BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D1

Submitted by: Chisholm Energy Operating, LLC

Hearing Date: March 05, 2020

Case Nos. 21140 & 21141

**Lea County, NM**

**Minis Prospect**

**S1 / T21S / R32E**

**Project Locator Map**

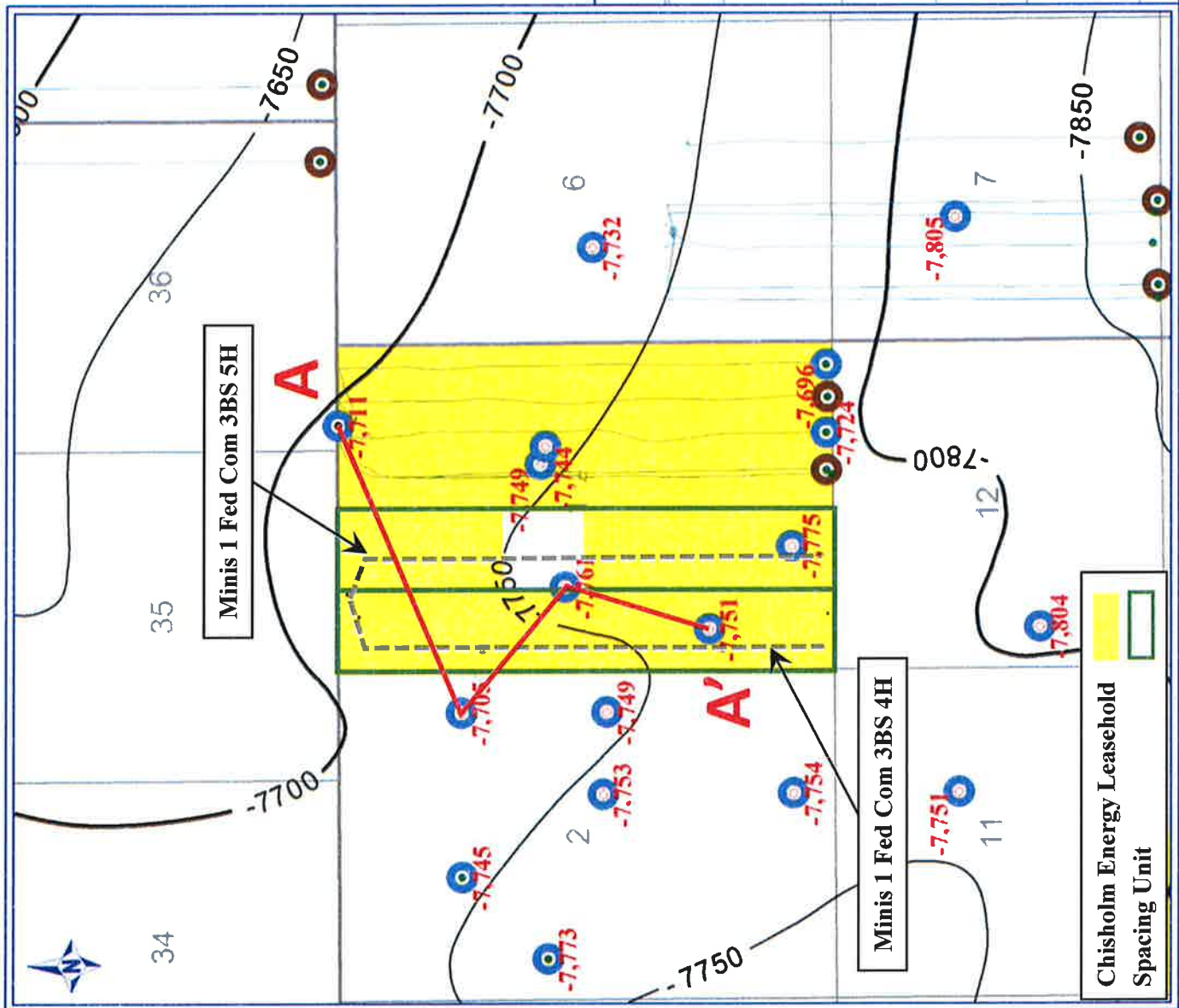


**ATTRIBUTE MAP**  
**3RD BONE SPRING SS PRODUCER**

**REMARKS**

**Wells > 8,000 ft**

**By: Joshua Kuhn**



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D2

Submitted by: Chisholm Energy Operating, LLC

Hearing Date: March 05, 2020

Case Nos. 21140 & 21141



NE

SW

CHISHOLM  
MINIS 1 FED COM 3BS



A

44856

COG  
MINIS 2 FEDERAL COM



36290

CHISHOLM  
MINIS FEDERAL COM



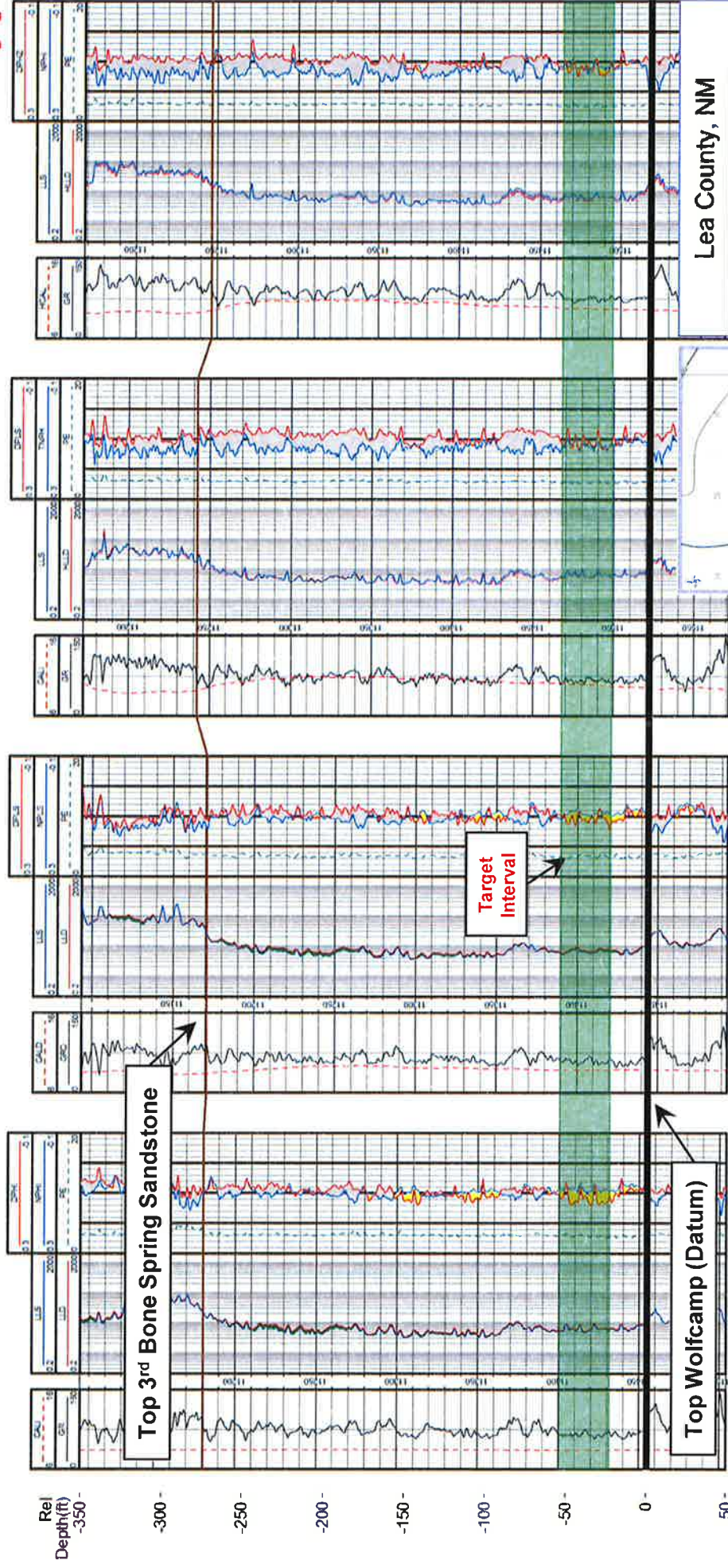
33506

CHISHOLM  
MINIS 1' FEDERAL



33227

A'



Top Wolfcamp (Datum)

Top 3rd Bone Spring Sandstone

Target Interval

Lea County, NM

Minis Prospect

S 1 / T 21S/R 34E

3rd Bone Spring Sandstone

Stratigraphic Cross Section (A-A')

Operator  
Well Name  
Well Number  
API Series

By: Joshua Kuhn



BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. D3

Submitted by: Chisholm Energy Operating, LLC

Hearing Date: March 05, 2020

Case Nos. 21140 & 21141

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

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

**CASE NOS. 21140 & 21141**

**AFFIDAVIT**

STATE OF NEW MEXICO   )  
  ) ss.  
COUNTY OF SANTA FE   )

Kaitlyn A. Luck, attorney in fact and authorized representative of Chisholm Energy Operating, LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.



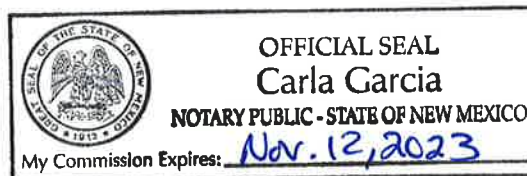
Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 4th day of March, 2020 by Kaitlyn A. Luck.

  
Notary Public

My Commission Expires:

Nov. 12, 2023



**BEFORE THE OIL CONSERVATION DIVISION**

Santa Fe, New Mexico

**Exhibit No. E**

Submitted by: **Chisholm Energy Operating, LLC**

Hearing Date: March 05, 2020

Case Nos. 21140 & 21141





February 14, 2020

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED****TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS****Re: Application of Chisholm Energy Operating LLC for compulsory pooling, Lea County, New Mexico.**  
**Minis 1 Fed Com 3BS #4H Well**

Ladies &amp; Gentlemen:

This letter is to advise you that Chisholm Energy Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on March 5, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Jacob Daniels, at (817) 953-0737 or [jdaniels@chisholmenergy.com](mailto:jdaniels@chisholmenergy.com).

Sincerely,

Michael H. Feldewert

**ATTORNEY FOR CHISHOLM ENERGY OPERATING, LLC**

14158000\_v1



**Michael H. Feldewert**  
Phone (505) 988-4421  
Fax (505) 983-6043  
mfeldewert@hollandhart.com

February 14, 2020

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Application of Chisholm Energy Operating LLC for compulsory pooling, Lea County, New Mexico.**  
**Minis 1 Fed Com 3BS #5H Well**

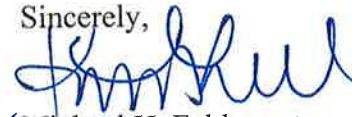
Ladies & Gentlemen:

This letter is to advise you that Chisholm Energy Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on March 5, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>. Division hearings will commence at 8:15 a.m. in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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If you have any questions about this matter, please contact Jacob Daniels, at (817) 953-0737 or [jdaniels@chisholmenergy.com](mailto:jdaniels@chisholmenergy.com).

Sincerely,

  
for Michael H. Feldewert

**ATTORNEY FOR CHISHOLM ENERGY OPERATING, LLC**

Chisholm - Minis 4H, 5H, 13H  
Case No. 21140, 21141, 21143 Postal Delivery Report

Tracking Number	Recipient	Status
9214890194038306501166	Marathon Oil Permian LLC Attn: Land Department 5555 San Felipe Houston TX 77056	Delivered Signature Received
9214890194038306501173	Nearburg Producing Company F/B/O Nearburg Producing Employee Fund PO BOX 823085 Dallas TX 75382	Delivered Signature Received
9214890194038306501180	Nearburg Exploration Company LLC PO BOX 823085 Dallas TX 75382	Delivered Signature Received



$\$5.90 \times 3 = \$17.70$

## Shipment Confirmation Acceptance Notice

### A. Mailer Action

**Note to Mailer:** The labels and volume associated to this form online, **must** match the labeled packages being presented to the USPS® employee with this form.

Chisholm - Minis 4H, 5H, 13H  
Case No. 21140, 21141, 21143  
CM# 93684.0001

Shipment Date: 02/13/2020

Shipped From:

Name: HOLLAND & HART LLP (1)

Address: 110 N GUADALUPE ST # 1

City: SANTA FE

State: NM ZIP+4® 87501

Type of Mail	Volume
Priority Mail Express®	
Priority Mail®	0
First-Class Package Service®	
Returns	
International*	
Other	3
Total	3

\*Start time for products with service guarantees will begin when mail arrives at the local Post Office™ and items receive individual processing and acceptance scans.

### B. USPS Action

Note to RSS Clerk:

1. Home screen > Mailing/Shipping > More
2. Select Shipment Confirm
3. Scan or enter the barcode/label number from PS Form 5630
4. Confirm the volume count message by selecting Yes or No
5. Select Pay and End Visit to complete transaction

USPS EMPLOYEE: Please scan upon pickup or receipt of mail.  
Leave form with customer or in customer's mail receptacle.

USPS SCAN AT ACCEPTANCE



9275 0901 1935 6200 0020 2705 74





Name and Address of Sender

Holland & Hart LLP (1)  
110 N Guadalupe St # 1  
Santa Fe NM 87501

**Affix Stamp Here**  
*(if issued as an international  
certificate of mailing or for  
additional copies of this receipt).*  
**Postmark with Date of Receipt.**

Check type of mail or service

- |  |   |
|--|---|
| <input type="checkbox"/> Adult Signature Required            | <input type="checkbox"/> Priority Mail Express                      |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail                            |
| <input checked="" type="checkbox"/> Certified Mail           | <input type="checkbox"/> Return Receipt for Merchandise             |
| <input type="checkbox"/> Certified Mail Restricted Delivery  | <input type="checkbox"/> Signature Confirmation                     |
| <input type="checkbox"/> Collect on Delivery (COD)           | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail                        |   |
| <input type="checkbox"/> Priority Mail                       |   |

USPS Tracking/Article Number

1. 9214 8901 9403 8306 5011 66

Marathon Oil Permian LLC Attn: Land Department 5555 San Felipe  
Houston TX 77056

2. 9214 8901 9403 8306 5011 73

Nearburg Producing Company F/B/O Nearburg Producing Employee  
Fund PO BOX 823065 Dallas TX 75382

3. 9214 8901 9403 8306 5011 80

Nearburg Exploration Company LLC PO BOX 823085 Dallas TX 75382



Item	Total Number of Pieces Listed by Sender
1	3

Total Number of Pieces  
Received at Post Office

Postmaster, Per (Name of receiving employee)

PS Form 3877, April 2015 (Page 1 of 1)

## Complete in Ink

**Privacy Notice:** For more information on USPS privacy policies, visit [usps.com/privacypolicy](https://usps.com/privacypolicy).

USPS Tracking/Article Number	Addressee (Name, Street, City, State, & ZIP Code <sup>TM</sup> )	Postage	(Extra Service) Fee	Handling Charge - if Registered and over \$50.00 in value	Actual Value if Registered	Insured Value	Due Sender if COD	ASR Fee	ASRD Fee	RD Fee	RR Fee	SC Fee	SCRD Fee	SH Fee
1. 9214 8901 9403 8306 5011 66	Marathon Oil Permian, LLC Attn: Land Department 5555 San Felipe Houston TX 77056	0.65	3.55								1.70			
2. 9214 8901 9403 8306 5011 73	Nearburg Producing Company F/B/O Nearburg Producing Employee Fund PO BOX 823085 Dallas TX 75382	0.65	3.55								1.70			
3. 9214 8901 9403 8306 5011 80	Nearburg Exploration Company LLC PO BOX 823085 Dallas TX 75382	0.65	3.55								1.70			
								Adult Signature Required	Adult Signature Restricted Delivery	Restricted Delivery	Return Receipt	Signature Confirmation	Signature Confirmation Restricted Delivery	Special Handling



# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
February 21, 2020  
and ending with the issue dated  
February 21, 2020.



Publisher

Sworn and subscribed to before me this  
21st day of February 2020.

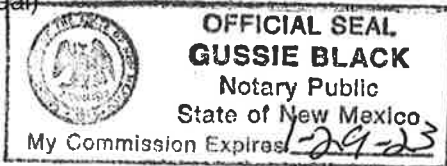


Business Manager

My commission expires

January 29, 2023

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

## LEGAL NOTICE FEBRUARY 21, 2020

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold a public hearing before a hearing examiner on **March 5, 2020, 8:15 a.m.**, in Porter Hall, 1st Floor, Wendell Chino Building, 1220 South St. Francis, Santa Fe, New Mexico. The docket may be viewed electronically on the Division's website, <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Florene Davidson, OCD Clerk, at (505) 476-3458. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imagIn/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hearing, contact Florene Davidson, OCD Clerk, at (505) 476-3458, or at the New Mexico Relay Network, 1-800-659-1779, no later than **February 24, 2020**.

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

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All overriding royalty interest owners and pooled parties, including: Marathon Oil Permian, LLC; Nearburg Producing Company F/B/O Nearburg Producing Employee Fund; and Nearburg Exploration Company, LLC.

Case No. 21140: Application of Chisholm Energy Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the W/2 W/2 of irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the following initial **Minis 1 Fed Com 3BS #4H** well to be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 1 to bottom hole location in the SW/4 SW/4 (Unit M) of Section 1. The completed interval of the proposed well will comply with Statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 30 miles west of Eunice, New Mexico.  
#35219

67100754

00239658

HOLLAND & HART LLC  
PO BOX 2208  
SANTA FE, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. F

Submitted by: Chisholm Energy Operating, LLC

Hearing Date: March 05, 2020

Case Nos. 21140 & 21141

# Affidavit of Publication

STATE OF NEW MEXICO  
COUNTY OF LEA

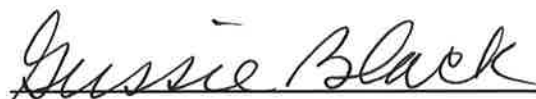
I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
February 21, 2020  
and ending with the issue dated  
February 21, 2020.



Publisher

Sworn and subscribed to before me this  
21st day of February 2020.

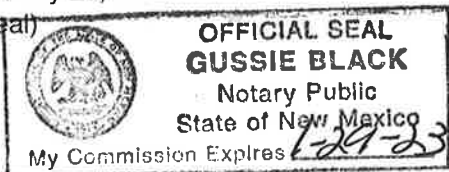


Business Manager

My commission expires

January 29, 2023

(Seal)



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL

LEGAL

LEGAL

## LEGAL NOTICE FEBRUARY 21, 2020

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

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**To: All overriding royalty interest owners and pooled parties, including: Marathon Oil Permian, LLC; Nearburg Producing Company F/B/O Nearburg Producing Employee Fund; Nearburg Exploration Company, LLC; Resource Development Technology, LLC; Penwell Employee Royalty Pool; Paul R. Barwis, his heirs and devisees; Jared Partners, Ltd.; John Kyle Thoma, Trustee of the Cornerstone Family Trust Dated June 9, 2016; Crownrock Minerals, LP; Kingdom Investments, Limited; Rave Energy, Inc.; George Vaught, Jr., his heirs and devisees; Vendetta Royalty Partners, Ltd.; The Taurus Royalty, LLC; Kimbell Royalty Holdings, LLC; and Rave Energy, Inc. D/B/A GEP III.**

**Case No. 21141: Application of Chisholm Energy Operating, LLC for compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Bone Spring formation underlying a standard 240-acre, more or less, horizontal spacing unit comprised of the E/2 W/2 of irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the following initial **Minis 1 Fed Com 3BS #5H** well to be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) of Section 1 to bottom hole location in the SE/4 SW/4 (Unit N) of Section 1. The completed interval of the proposed well will comply with Statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and a 200% charge for risk involved in drilling and completing each well. Said area is located approximately 30 miles west of Eunice, New Mexico.  
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