

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING SEPTEMBER 10, 2020**

CASE NOS. 21262-21263

*STETSON 13-24 FED COM 1BS #5H WELL
STETSON 13-24 FED COM 1BS #6H WELL*

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. 21262-21263

**CONSOLIDATED HEARING PACKAGE
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- **COG Exhibit C:** Notice Affidavit
- **COG Exhibit D:** Affidavit of Publication

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21262	APPLICANT'S RESPONSE
Date: September 8, 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:	EOG Resources, Inc, Cimarex Energy Co., MCM Permian LP
Well Family	Stetson 13-24 Fed Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Gem; Bone Spring, East Pool (Pool Code 27230)
Well Location Setback Rules:	Standard
Spacing Unit Size:	320-acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	W/2 E/2 of Secs. 13 and 24, T19S, R33E, Lea County
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 A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<p><u>Stetson 13-24 1BS Fed Com 5H</u>, API No. (waiting assignment) SHL:37' FNL & 1290' FEL (Unit A) of Sec. 13, T19S, R33E BHL:100' FSL & 1750' FEL (Unit O) of Sec. 24, T19S, R33E</p> <p>Completion Target: Bone Spring formation Well Orientation:North to South Completion Location expected to be:Standard</p>

Horizontal Well First and Last Take Points	See Exhibit A-1
Completion Target (Formation, TVD and MD)	See Exhibit A-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$700
Production Supervision/Month \$	\$7,000
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit C
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
Cost Estimate for Production Facilities	Exhibit A-3
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-1 and Exhibit A-1
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-1
Tracts	Exhibit A-2


Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit A-1 and B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	8-Sep-20

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21263	APPLICANT'S RESPONSE
Date: September 8, 2020	
Applicant	Chisholm Energy Operating, LLC
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Well Family	Stetson 13-24 Fed Com
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Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Gem; Bone Spring, East Pool (Pool Code 27230)
Well Location Setback Rules:	Standard
Spacing Unit Size:	320-acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	E/2 E/2 of Secs. 13 and 24, T19S, R33E, Lea County
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 A-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	
Well #1	<p><u>Stetson 13-24 1BS Fed Com 6H</u>, API No. (waiting assignment) SHL:37' FNL & 1260' FEL (Unit A) of Sec. 13, T19S, R33E BHL:100' FSL & 400' FEL (Unit P) of Sec. 24, T19S, R33E</p> <p>Completion Target: Bone Spring formation Well Orientation:North to South Completion Location expected to be:Standard</p>

Well #2	
Horizontal Well First and Last Take Points	See Exhibit A-1
Completion Target (Formation, TVD and MD)	See Exhibit A-3
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$700
Production Supervision/Month \$	\$7,000
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit C
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-2
Tract List (including lease numbers and owners)	Exhibit A-2
Pooled Parties (including ownership type)	Exhibit A-2
Unlocatable Parties to be Pooled	Exhibit C
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-3
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-2
Chronology of Contact with Non-Joined Working Interests	Exhibit A-4
Overhead Rates In Proposal Letter	Exhibit A-3
Cost Estimate to Drill and Complete	Exhibit A-3
Cost Estimate to Equip Well	Exhibit A-3
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Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-1 and Exhibit A-1
Well Orientation (with rationale)	Exhibit B

Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
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Tracts	Exhibit A-2
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-2
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Cross Section Location Map (including wells)	Exhibit B-2
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Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael H. Feldewert
Signed Name (Attorney or Party Representative):	
Date:	8-Sep-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. 21262

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 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 13 and 24, Township 19 South, Range 33 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 **Stetson 13-24 Fed Com 1BS #5H Well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 24.
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 May 14, 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

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ATTORNEYS FOR CHISHOLM ENERGY OPERATING, LLC

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

**APPLICATION OF CHISHOLM ENERGY
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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 **Stetson 13-24 Fed Com 1BS #6H Well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 24.
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.

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Respectfully submitted,

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**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. 21262 & 21263

AFFIDAVIT OF JACOB DANIELS, LANDMAN

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

1. My name is Jacob Daniels and I am employed by 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 consolidated cases, and I am familiar with the status of the lands in the subject areas.
4. After additional discussions with the parties that have entered an appearance in these matters, I no longer expect any opposition to the presentation of these case by affidavits.
5. In these consolidated cases, Chisholm seeks orders pooling all uncommitted interests in the Bone Spring formation [WC-025 G-08 S213304D; BONE SPRING Pool (97895)] underlying two standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 and the E/2 E/2 of Sections 13 and 24, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico.
 - In **Case No. 21262**, Chisholm seeks to form and initially dedicate the W/2 E/2 of Sections 13 and 24 to the **Stetson 13-24 Fed Com 1BS #5H Well** to be horizontally

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A
Submitted by: **Chisholm Energy Operating, LLC**
Hearing Date: September 10, 2020
Case Nos. 21262-21263

drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 24.

- In **Case No. 212163**, Chisholm seeks to form and initially dedicate the E/2 E/2 of Sections 13 and 24 to the **Stetson 13-24 Fed Com 1BS #6H Well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 24.

6. This acreage contains federal lands and no ownership depth severances exist in the Bone Spring formation underlying the subject acreage.

7. **Chisholm Exhibit A-1** contains Form C-102s for the proposed initial wells for each spacing unit in numerical order. They reflect that each well will comply with the standard setback requirements for horizontal oil wells.

8. **Chisholm Exhibit A-2** identifies the tracts of lands comprising each proposed spacing units, the working interests in each tract and their respective percentage interest in the horizontal spacing unit. I have highlighted on this exhibit the working interest owners and the overriding royalty interest owners that remain to be pooled for each spacing unit.

9. Chisholm has conducted a diligent search of company records, county records, telephone directories and conducted computer searches to locate contact information for each of the mineral owners that it seeks to pool. All of the pooled working interest owners have been located.

10. **Chisholm Exhibit A-3** contains a sample of the well proposal letters and AFE's Chisholm sent to the working interest owners it has been able to locate. The costs reflected in each AFE are consistent with what Chisholm and other operators have incurred for drilling similar horizontal wells in this formation in this area.


11. **Chisholm Exhibit A-4** contains a chronology of the contacts with the uncommitted working interest owners Chisholm have been able to locate. It reflects that Chisholm has made a good faith effort to obtain voluntary joinder of these owners in the proposed wells.

12. Chisholm seeks approval of overhead and administrative rates of \$7,000/month while drilling and \$700/month while producing. These rates are consistent with what Chisholm and other operators are charging in this area for these types of wells.

13. I provided the law firm of Holland & Hart LLP a list of names and addresses of the mineral owners that Chisholm seeks to pool and instructed that they be notified of this hearing.

14. **Chisholm Exhibits A-1 through A-4** were either prepared by me or compiled under my direction and supervision.

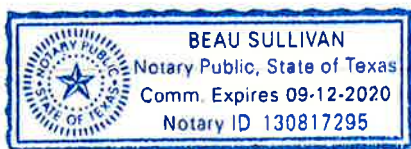
FURTHER AFFIANT SAYETH NOT.



JACOB DANIELS

STATE OF TEXAS)
)
COUNTY OF TARRANT)

SUBSCRIBED and SWORN to before me this 1st day of September 2020 by
Jacob Daniels.





NOTARY PUBLIC

My Commission Expires:

9/12/2020

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: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462


State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name STETSON 13-24 1BS FED COM				⁶ Well Number 5H			
⁷ OGRID No. 372137		⁸ Operator Name CHISHOLM ENERGY OPERATING, LLC				⁹ Elevation 3721.1			
¹⁰ Surface Location									
UL or lot no. A	Section 13	Township 19 S	Range 33 E	Lot Idn	Feet from the 37	North/South line NORTH	Feet from the 1290	East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. O	Section 24	Township 19 S	Range 33 E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 1750	East/West line EAST	County LEA
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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.

NMSP EAST (FT) N=607285.41 E=759263.63 NMSP EAST (FT) N=604644.06 E=759272.91 NMSP EAST (FT) N=602004.58 E=759283.95 NMSP EAST (FT) N=596719.06 E=759309.66		NMSP EAST (FT) N=607295.76 E=761899.53 LANDING POINT 100' FNL, 1750' FEL LAT. = 32.6671702°N LONG. = 103.6137219°W N = 607198.22 E = 762780.54 GRID AZ. TO LP N81°59'06"E HORIZ. DIST. 460.36 FT NMSP EAST (FT) N=602012.98 E=761918.59 STETSON 13-24 1BS FED COM 5H 97' FNL, 1290' FEL ELEV. = 3721.1' LAT. = 32.6673381°N (NAD83) LONG. = 103.6122268°W NMSP EAST (FT) N = 607262.40 E = 763240.20 SEC. 24 BOTTOM OF HOLE 100' FSL, 1750' FEL LAT. = 32.6386888°N LONG. = 103.6137956°W NMSP EAST (FT) N = 596836.02 E = 762828.06 NMSP EAST (FT) N=596732.15 E=761931.95		NMSP EAST (FT) N=607303.06 E=764529.76 NMSP EAST (FT) N=604661.12 E=764540.57 NMSP EAST (FT) N=602023.63 E=764553.27 NMSP EAST (FT) N=599383.40 E=764567.77 NMSP EAST (FT) N=596743.67 E=764578.08		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>NOVEMBER 7, 2019 Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: </p> <p>BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A1 Submitted by: Chisholm Energy Operating, LLC Hearing Date: September 10, 2020 Case Nos. 21262-21263</p>
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Intent ☐ As Drilled ☐

API #		
Operator Name: CHISHOLM ENERGY OPERATING, LLC	Property Name: STETSON 13-24 1BS FED COM	Well Number 5H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

First Take Point (FTP)

UL B	Section 13	Township 19S	Range 33E	Lot	Feet 100	From N/S NORTH	Feet 1750	From E/W EAST	County LEA
Latitude 32.6671702					Longitude 103.6137219				NAD 83

Last Take Point (LTP)

UL O	Section 24	Township 19S	Range 33E	Lot	Feet 100	From N/S SOUTH	Feet 1750	From E/W EAST	County LEA
Latitude 32.6386888					Longitude 103.6137956				NAD 83

Is this well the defining well for the Horizontal Spacing Unit? ☐

Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

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: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

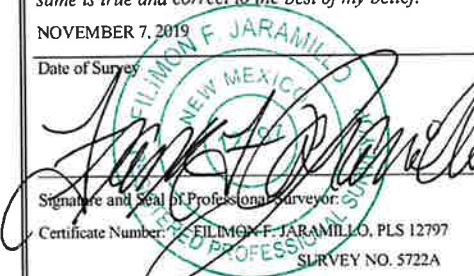
Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name					
⁴ Property Code		⁵ Property Name STETSON 13-24 1BS FED COM				⁶ Well Number 6H			
⁷ OGRID No. 372137		⁸ Operator Name CHISHOLM ENERGY OPERATING, LLC				⁹ Elevation 3721.2			
¹⁰ Surface Location									
UL or lot no. A	Section 13	Township 19 S	Range 33 E	Lot Idn	Feet from the 37	North/South line NORTH	Feet from the 1260	East/West line EAST	County LEA
¹¹ Bottom Hole Location If Different From Surface									
UL or lot no. P	Section 24	Township 19 S	Range 33 E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 400	East/West line EAST	County LEA
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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.

<p>NMSP EAST (FT) N=607285.41 E=759263.63</p> <p>NMSP EAST (FT) N=604644.06 E=759272.91</p> <p>NMSP EAST (FT) N=602004.58 E=759283.95</p> <p>NMSP EAST (FT) N=596719.06 E=759309.66</p>		<p>NMSP EAST (FT) SHL N=607295.76 E=761899.53</p> <p>LANDING POINT 100' FNL, 400' FEL LAT. = 32.6671554°N LONG. = 103.6093360°W N=607201.98 E=764130.26 GRID AZ. TO LP S85°58'11"E HORIZ. DIST. 862.42 FT</p> <p>SEC. 13</p> <p>NMSP EAST (FT) N=602012.98 E=761918.59</p> <p>STETSON 13-24 1BS FED COM 6H 97' FNL, 1260' FEL ELEV. = 3721.2 LAT. = 32.6673380°N (NAD83) LONG. = 103.6121295°W NMSP EAST (FT) N = 607262.58 E = 763270.15</p> <p>SEC. 24</p> <p>BOTTOM OF HOLE 100' FSL, 400' FEL LAT. = 32.6386798°N LONG. = 103.6094112°W NMSP EAST (FT) N = 596841.90 E = 764177.73</p> <p>NMSP EAST (FT) N=596732.15 E=761931.95</p>		<p>NMSP EAST (FT) N=607303.06 E=764529.76</p> <p>NMSP EAST (FT) N=604661.12 E=764540.57</p> <p>NMSP EAST (FT) N=602023.63 E=764553.27</p> <p>NMSP EAST (FT) N=599383.40 E=764567.77</p> <p>NMSP EAST (FT) N=596743.67 E=764578.08</p>		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>NOVEMBER 7, 2019</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number: FILIMON F. JARAMILLO, PLS 12797</p> <p>SURVEY NO. 5722A</p>
---	--	--	--	---	--	--

Intent ☐ As Drilled ☐

API #			
Operator Name: CHISHOLM ENERGY OPERATING, LLC		Property Name: STETSON 13-24 1BS FED COM	Well Number 6H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

First Take Point (FTP)

UL A	Section 13	Township 19S	Range 33E	Lot	Feet 100	From N/S NORTH	Feet 400	From E/W EAST	County LEA
Latitude 32.6671554					Longitude 103.6093360				NAD 83

Last Take Point (LTP)

UL P	Section 24	Township 19S	Range 33E	Lot	Feet 100	From N/S SOUTH	Feet 400	From E/W EAST	County LEA
Latitude 32.6386798					Longitude 103.6094112				NAD 83

Is this well the defining well for the Horizontal Spacing Unit? ☐

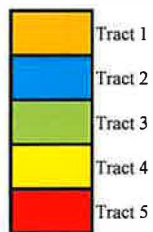
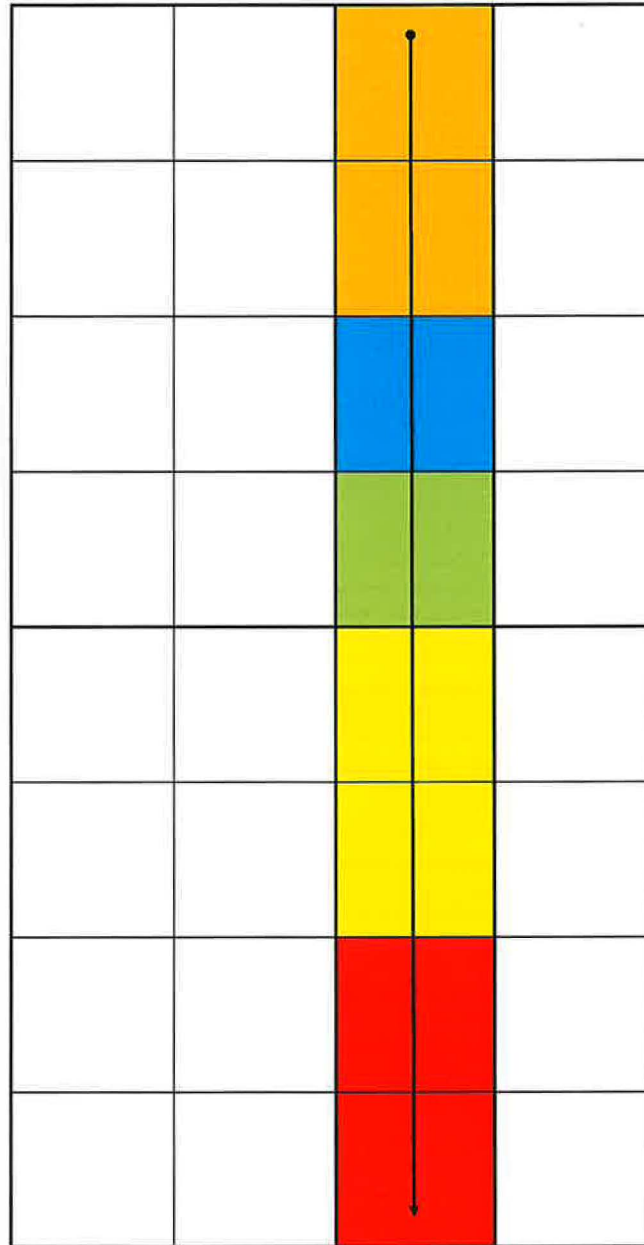
Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #			
Operator Name:		Property Name:	Well Number

KZ 06/29/2018

Sections 13 and 24, T19S-R33E, Lea County, NM



Working Interest Ownership by Tract

TRACT	WI OWNER	WORKING INTEREST
1	EOG RESOURCES, INC.	0.31764720
	CHISHOLM ENERGY OPERATING, LLC	0.20234051
	TIMOTHY R. MACDONALD	0.00007115
	WILLIAMSON ENTERPRISES	0.00441176
	STEPHEN MITCHELL	0.00423529
	COG OPERATING, LLC	0.00635294
	HUTCHINGS OIL COMPANY	0.01764706
	NUEVO SEIS LIMITED PARTNERSHIP	0.00141176
	DAVID J. SORENSON	0.02823528
	MARCIA JOY VAREL	0.01764705
	MCM PERMIAN LP	0.40000000
		1.00000000
	EOG RESOURCES, INC.	0.31764720
	CHISHOLM ENERGY OPERATING, LLC	0.16780068
2	COG OPERATING, LLC	0.02352987
	TIMOTHY R. MACDONALD	0.00013995
	WILLIAMSON ENTERPRISES	0.00441176
	STEPHEN MITCHELL	0.00423529
	HUTCHINGS OIL COMPANY	0.01764706
	NUEVO SEIS LIMITED PARTNERSHIP	0.00141176
	DAVID J. SORENSON	0.02823528
	MARCIA JOY VAREL	0.01764705
	THOMAS ALDEN RITCH, M.D.	0.00882352
	MAXINE S. REYNOLDS, KENNETH JAY REYNOLDS, TANZA BRUMFIELD, AND WESTERN OIL PRODUCERS, INC.	0.00847058
	MCM PERMIAN LP	0.40000000
		1.00000000
	CHISHOLM ENERGY OPERATING, LLC	0.99916667
	TIMOTHY R. MACDONALD	0.00083333
		1.00000000
3	CHISHOLM ENERGY OPERATING, LLC	0.74937500
	FR ENERGY, LLC	0.25000000
	TIMOTHY R. MACDONALD	0.00062500
		1.00000000
4	CHISHOLM ENERGY OPERATING, LLC	0.50000000
	CIMAREX ENERGY COMPANY	0.50000000
		1.00000000

Proposed Unit Working Interest Ownership
W/2 E/2 of Sections 13 and 24, T19S-R33E, Lea County, NM

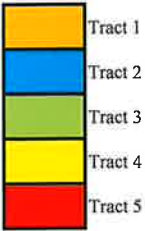
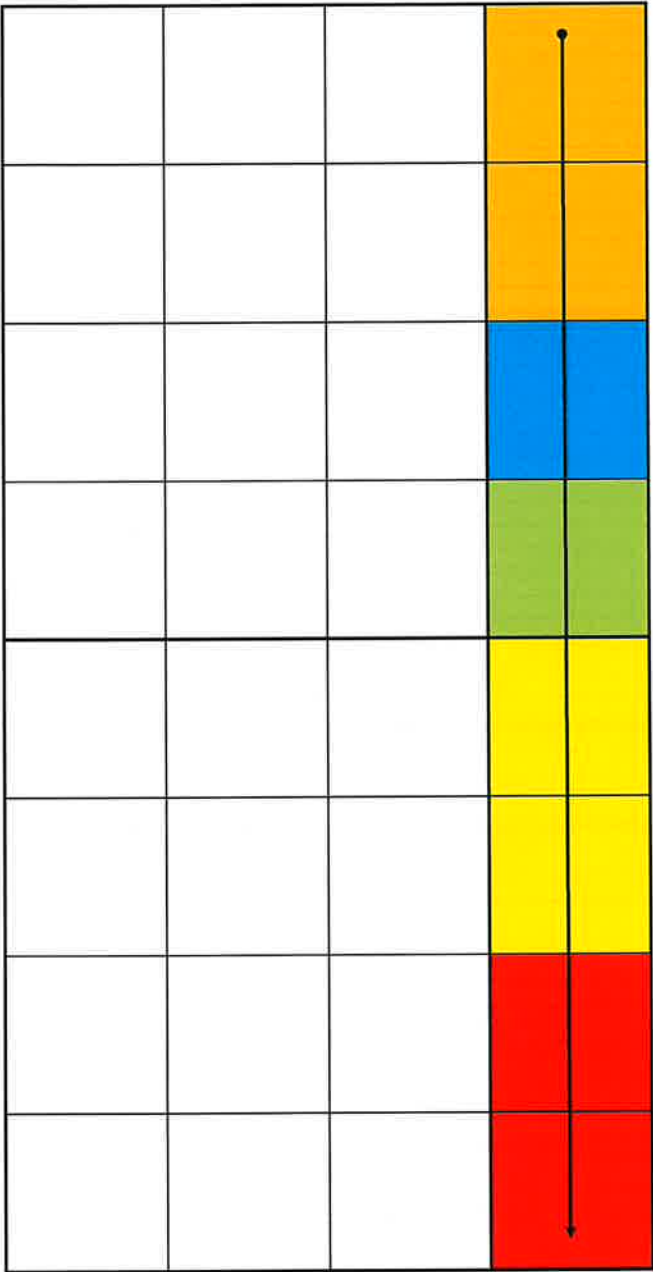
WI OWNER	WORKING INTEREST
CHISHOLM ENERGY OPERATING, LLC	0.50879980
MCM PERMIAN LP	0.15000000
CIMAREX ENERGY COMPANY	0.12500000
EOG RESOURCES, INC.	0.11911770
FR ENERGY, LLC	0.06250000
DAVID J. SORENSON	0.01058823
HUTCHINGS OIL COMPANY	0.00661765
MARCIA JOY VAREL	0.00661764
COG OPERATING, LLC	0.00452947
WILLIAMSON ENTERPRISES	0.00165441
STEPHEN MITCHELL	0.00158823
THOMAS ALDEN RITCH, M.D.	0.00110294
MAXINE S. REYNOLDS, KENNETH JAY REYNOLDS, TANZA BRUMFIELD, AND WESTERN OIL PRODUCERS, INC.	0.00105882
NUEVO SEIS LIMITED PARTNERSHIP	0.00052941
TIMOTHY R. MACDONALD	0.00029570
	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	EOG RESOURCES, INC.	WI
	CHISHOLM ENERGY OPERATING, LLC	WI
	TIMOTHY R. MACDONALD	WI
	WILLIAMSON ENTERPRISES	WI
	STEPHEN MITCHELL	WI
	COG OPERATING LLC	WI
	HUTCHINGS OIL COMPANY	WI
	NUEVO SEIS LIMITED PARTNERSHIP	WI
	DAVID J. SORENSON	WI
	MARCIA JOY VAREL	WI
	MCM PERMIAN LP	WI
	LINDA SUE HENRY	ORRI
	BLUE RIDGE ROYALTIES, LLC	ORRI
	ROLLA R. HINKLE III	ORRI
	MADISON M. HINKLE	ORRI
	MORRIS E SCHERTZ	ORRI
	IPERC ROYALTY FUND	ORRI
	TRAINER PARTNERS, LTD.	ORRI
	MARVIN C. GROSS TRUST	ORRI
	MEXCO ENERGY CORPORATION	ORRI
	CAVIN TRUST DATED AUGUST 28, 2013; , SEALY H CAVIN JR. AND SYNDA S. CAVIN AND THEIR SUCCESSORS, TRUSTEES	ORRI
2	EOG RESOURCES, INC.	WI
	CHISHOLM ENERGY OPERATING, LLC	WI
	COG OPERATING LLC	WI
	TIMOTHY R. MACDONALD	WI
	WILLIAMSON ENTERPRISES	WI
	STEPHEN MITCHELL	WI
	HUTCHINGS OIL COMPANY	WI
	NUEVO SEIS LIMITED PARTNERSHIP	WI
	DAVID J. SORENSON	WI
	MARCIA JOY VAREL	WI
	THOMAS ALDEN RITCH, M.D.	WI
	MAXINE S. REYNOLDS, KENNETH JAY REYNOLDS, TANZA BRUMFIELD, AND WESTERN OIL PRODUCERS, INC.	WI
	MCM PERMIAN LP	WI
	LINDA SUE HENRY	ORRI
	BLUE RIDGE ROYALTIES, LLC	ORRI
	ROLLA R. HINKLE III	ORRI
	MADISON M. HINKLE	ORRI
	MORRIS E SCHERTZ	ORRI
	IPERC ROYALTY FUND	ORRI
	TRAINER PARTNERS, LTD.	ORRI
	MARVIN C. GROSS TRUST	ORRI
	MEXCO ENERGY CORPORATION	ORRI
	CAVIN TRUST DATED AUGUST 28, 2013; , SEALY H CAVIN JR. AND SYNDA S. CAVIN AND THEIR SUCCESSORS, TRUSTEES	ORRI
	NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
3	CHISHOLM ENERGY OPERATING, LLC	WI
	TIMOTHY R. MACDONALD	WI
	NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
	MAP2004-OK	ORRI
4	CHISHOLM ENERGY OPERATING, LLC	WI
	FR ENERGY, LLC	WI
	TIMOTHY R. MACDONALD	WI
	NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
	MAP2004-OK	ORRI
5	CHISHOLM ENERGY OPERATING, LLC	WI
	CIMAREX ENERGY COMPANY	WI

Sections 13 and 24, T19S-R33E, Lea County, NM



Working Interest Ownership by Tract

TRACT	WI OWNER	WORKING INTEREST
1	EOG RESOURCES, INC.	0.31764720
	CHISHOLM ENERGY OPERATING, LLC	0.20234051
	TIMOTHY R. MACDONALD	0.00007115
	WILLIAMSON ENTERPRISES	0.00441176
	STEPHEN MITCHELL	0.00423529
	COG OPERATING, LLC	0.00635294
	HUTCHINGS OIL COMPANY	0.01764706
	NUEVO SEIS LIMITED PARTNERSHIP	0.00141176
	DAVID J. SORENSON	0.02823528
	MARCIA JOY VAREL	0.01764705
	MCM PERMIAN LP	0.40000000
		1.00000000
2	CHISHOLM ENERGY OPERATING, LLC	0.41714391
	EOG RESOURCES, INC.	0.07941180
	COG OPERATING, LLC	0.02494163
	TIMOTHY R. MACDONALD	0.00067916
	WILLIAMSON ENTERPRISES	0.00441176
	NUEVO SEIS LIMITED PARTNERSHIP	0.00141176
	DAVID J. SORENSON	0.02823528
	MARCIA JOY VAREL	0.01764706
	HUTCHINGS OIL COMPANY	0.01764706
	MAXINE S. REYNOLDS, KENNETH JAY REYNOLDS, TANZA BRUMFIELD, AND WESTERN OIL PRODUCERS, INC.	0.00847058
	MCM PERMIAN LP	0.40000000
		1.00000000
3	CHISHOLM ENERGY OPERATING, LLC	0.99916667
	TIMOTHY R. MACDONALD	0.00083333
		1.00000000
4	CHISHOLM ENERGY OPERATING, LLC	0.74937500
	FR ENERGY, LLC	0.25000000
	TIMOTHY R. MACDONALD	0.00062500
		1.00000000
5	CHISHOLM ENERGY OPERATING, LLC	0.50000000
	CIMAREX ENERGY COMPANY	0.50000000
		1.00000000

Proposed Unit Working Interest Ownership E/2 E/2 of Sections 13 and 24, T19S-R33E, Lea County, NM

WI OWNER	WORKING INTEREST
CHISHOLM ENERGY OPERATING, LLC	0.53996770
MCM PERMIAN LP	0.15000000
CIMAREX ENERGY COMPANY	0.12500000
EOG RESOURCES, INC.	0.08933828
FR ENERGY, LLC	0.06250000
DAVID J. SORENSON	0.01058823
HUTCHINGS OIL COMPANY	0.00661765
MARCIA JOY VAREL	0.00661765
COG OPERATING, LLC	0.00470594
WILLIAMSON ENTERPRISES	0.00165441
STEPHEN MITCHELL	0.00105882
MAXINE S. REYNOLDS, KENNETH JAY REYNOLDS, TANZA BRUMFIELD, AND WESTERN OIL PRODUCERS, INC.	0.00105882
NUEVO SEIS LIMITED PARTNERSHIP	0.00052941
TIMOTHY R. MACDONALD	0.00036310
	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	EOG RESOURCES, INC.	WI
	CHISHOLM ENERGY OPERATING, LLC	WI
	TIMOTHY R. MACDONALD	WI
	WILLIAMSON ENTERPRISES	WI
	STEPHEN MITCHELL	WI
	COG OPERATING, LLC	WI
	HUTCHINGS OIL COMPANY	WI
	NUEVO SEIS LIMITED PARTNERSHIP	WI
	DAVID J. SORENSON	WI
	MARCIA JOY VAREL	WI
	MCM PERMIAN LP	WI
	LINDA SUE HENRY	ORRI
	BLUE RIDGE ROYALTIES, LLC	ORRI
	ROLLA R. HINKLE III	ORRI
	MADISON M. HINKLE	ORRI
	MORRIS E SCHERTZ	ORRI
	IPERC ROYALTY FUND	ORRI
	TRAINER PARTNERS, LTD.	ORRI
	MARVIN C. GROSS TRUST	ORRI
	MEXCO ENERGY CORPORATION	ORRI
	CAVIN TRUST DATED AUGUST 28, 2013; , SEALY H CAVIN JR. AND SYNDA S. CAVIN AND THEIR SUCCESSORS, TRUSTEES	ORRI
2	CHISHOLM ENERGY OPERATING, LLC	WI
	EOG RESOURCES, INC.	WI
	COG OPERATING, LLC	WI
	TIMOTHY R. MACDONALD	WI
	WILLIAMSON ENTERPRISES	WI
	NUEVO SEIS LIMITED PARTNERSHIP	WI
	DAVID J. SORENSON	WI
	MARCIA JOY VAREL	WI
	HUTCHINGS OIL COMPANY	WI
	MAXINE S. REYNOLDS, KENNETH JAY REYNOLDS, TANZA BRUMFIELD, AND WESTERN OIL PRODUCERS, INC.	WI
	MCM PERMIAN LP	WI
	LINDA SUE HENRY	ORRI
	THOMAS ALDEN RITCH, M.D.	ORRI
	BLUE RIDGE ROYALTIES, LLC	ORRI
	ROLLA R. HINKLE III	ORRI
	MADISON M. HINKLE	ORRI
	MORRIS E SCHERTZ	ORRI
	IPERC ROYALTY FUND	ORRI
	TRAINER PARTNERS, LTD.	ORRI
	MARVIN C. GROSS TRUST	ORRI
	MEXCO ENERGY CORPORATION	ORRI
	CAVIN TRUST DATED AUGUST 28, 2013; , SEALY H CAVIN JR. AND SYNDA S. CAVIN AND THEIR SUCCESSORS, TRUSTEES	ORRI
	NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
	MAP2004-OK	ORRI
3	CHISHOLM ENERGY OPERATING, LLC	WI
	TIMOTHY R. MACDONALD	WI
	NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
	MAP2004-OK	ORRI
4	CHISHOLM ENERGY OPERATING, LLC	WI
	FR ENERGY, LLC	WI
	TIMOTHY R. MACDONALD	WI
	NEARBURG PRODUCING COMPANY EMPLOYEE FUND	ORRI
	MAP2004-OK	ORRI
5	CHISHOLM ENERGY OPERATING, LLC	WI
	CIMAREX ENERGY COMPANY	WI



March 3, 2020

MCM Permian LP
223 W. Wall St Suite 400
Midland, TX 79701

RE: Stetson 13-24 Fed Com 1BS #5H
W2E2 Sections 13 & 24: T19S-R33E
Lea County, New Mexico

Dear Working Interest Owner,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of the Stetson 13-24 Fed Com 1BS #5H in Sections 13 & 24, Township 19 South, Range 33 East, Lea County, New Mexico. The surface location for this well is proposed in Section 13 Unit Letter A with a bottom hole in Unit Letter O of Section 24 (see attached plat for further detail). The well will have a targeted interval in the Bone Spring formation to a Measured Depth of approximately 19,900' with a TVD of 9,205'. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$6,859,397, being the total estimated cost to drill and complete said well.

Chisholm is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement that will follow under separate letterhead. The Operating Agreement will cover the E/2 of Sections 13 & 24, Township 19 South, Range 33 East, limited from the surface to the bottom of the Penn Shale Formation. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$7,000/\$700 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator
- Initial Well Stetson 13-24 Fed Com 1BS #6H

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements, to my attention at the letterhead address. You may also email your response to darmour@chisholmenergy.com. Should you have any questions, please do not hesitate to contact myself at 817-953-0480.

Very truly yours,
Chisholm Energy Operating, LLC

Davis Armour
Senior Landman

Company: **MCM Permian LP**

____ I/We hereby elect to participate in the Stetson 13-24 Fed Com 1BS #5H

____ I/We hereby elect NOT to participate in the Stetson 13-24 Fed Com 1BS #5H

By: _____
Name: _____
Title: _____
Date: _____

Address: Chisholm Energy Operating, LLC 801 Cherry Street Suite 1200 Unit 20 Fort Worth, TX 76102

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A3**

**Submitted by: Chisholm Energy Operating, LLC
Hearing Date: September 10, 2020
Case Nos. 21262-21263**



Statement of Estimated Well Cost (100%)

Well Stetson 13-24 Fed Com 1BS 5H
 Field 1st Bone Spring
 County, State: Lea, NM
 BHL: Horizontal
 Proposed TD: 19,900 MD 9,205 TVD
 Normal Pressure? Yes

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

		BCP	ACP	TOTAL
COSTS TO CASING POINT: TANGIBLES				
8510-400	Conductor Casing or Drive Pipe	\$20,000		\$20,000
8510-405	Surface Casing	\$50,645		\$50,645
8510-410	Intermediate Casing/Drilg Liner	\$118,328		\$118,328
8510-415	Wellhead Equipment - Surface & MLS	\$40,000		\$40,000
8510-420	Other Sub-Surface Equipment	\$0		
8510-425	Cementing Equipment	\$74,000		\$74,000
8510-500	Production Casing	\$252,531		\$252,531
8510-600	Nonoperated	\$0		
8510-700	Impairment	\$0		
8510-999	Accruals	\$0		
	TOTAL COST TO CASING POINT - TANGIBLES	\$555,504		\$555,504
COSTS TO CASING POINT: INTANGIBLES				
8500-100	Roads/Location	\$40,000		\$40,000
8500-105	Drilling Turnkey	\$0		
8500-110	Drilling Daywork	\$561,970		\$561,970
8500-115	Fuel/Power	\$124,000		\$124,000
8500-125	Equipment Rental	\$171,640		\$171,640
8500-130	Legal Fees	\$0		
8500-135	Bonds, Permits and Inspection	\$50,000		\$50,000
8500-155	Mud and Chemicals	\$250,000		\$250,000
8500-160	Cementing Services	\$155,000		\$155,000
8500-170	Supervision/Consulting	\$92,400		\$92,400
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	\$638,000		\$638,000
8500-200	Drill Bits	\$69,000		\$69,000
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	\$145,000		\$145,000
8500-245	Fishing Tools and Services	\$0		
8500-250	Testing-Drill Stem/Production	\$0		
8500-260	Wireline Services	\$0		
8500-265	Water	\$71,500		\$71,500
8500-270	Camp Expenses	\$54,150		\$54,150
8500-285	Contingencies	\$160,358		\$160,358
8500-290	Environmental	\$0		
8500-300	Overhead	\$0		
8500-350	Insurance	\$0		
8500-600	Nonoperated	\$0		
8500-700	Impairment	\$0		
8500-999	Accruals	\$0		
	TOTAL COST TO CASING POINT - INTANGIBLES	\$2,812,018		\$2,812,018
COMPLETION COSTS: TANGIBLES				
8530-415	Wellhead		\$40,000	\$40,000
8530-420	Subsurface Equipment		\$0	
8530-510	Tubing		\$38,845	\$38,845
8530-515	Rods		\$0	
8530-525	Artificial Lift Equipment		\$75,000	\$75,000
8530-530	Gas Metering Equipment		\$40,000	\$40,000
8530-531	Electrical		\$30,000	\$30,000
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		\$80,000	\$80,000
8530-560	Vapor Recovery Unit		\$0	

8530-590	Other Misc Equipment			\$0	
8530-600	Nonoperated			\$0	
8530-700	Impairment			\$0	
8530-999	Accruals			\$0	
	TOTAL COMPLETION COST - TANGIBLES			\$488,845	\$488,845
	COMPLETION COSTS: INTANGIBLES				
8520-100	Roads/Location			\$10,000	\$10,000
8520-120	Perforating Services			\$318,500	\$318,500
8520-125	Equipment Rental			\$132,000	\$132,000
8520-135	Bonds, Permits and Inspection			\$0	
8520-145	Completion Unit			\$10,000	\$10,000
8520-150	Frac Plugs			\$55,000	\$55,000
8520-155	Mud and Chemicals			\$40,000	\$40,000
8520-160	Cementing Services			\$0	
8520-165	Acidizing and Fracturing			\$1,470,000	\$1,470,000
8520-170	Supervision/Consulting			\$39,000	\$39,000
8520-175	Casing and Other Tangible Crew			\$0	
8520-190	Cuttings/Fluids Disposal			\$60,000	\$60,000
8520-200	Drill Bits			\$25,000	\$25,000
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			\$150,000	\$150,000
8520-255	Trucking and Hauling			\$0	
8520-260	Wireline Services			\$5,000	\$5,000
8520-270	Camp Expenses			\$15,000	\$15,000
8520-275	Coiled Tubing Services			\$105,000	\$105,000
8520-280	Frac Water			\$362,250	\$362,250
8520-285	Contingencies			\$166,280	\$166,280
8520-290	Environmental			\$0	
8520-300	Overhead			\$0	
8520-350	Insurance			\$0	
8520-600	Nonoperated			\$0	
8520-700	Impairment			\$0	
8520-999	Accruals			\$0	
	TOTAL COMPLETION COST - INTANGIBLES			\$3,003,030	\$3,003,030
	TOTAL WELL COST		\$3,367,522	\$3,491,875	\$6,859,397

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____



March 3, 2020

Cimarex Energy Co
600 N. Marienfeld St #600
Midland, TX 79701

RE: Stetson 13-24 Fed Com 1BS #6H
E2E2 Sections 13 & 24: T19S-R33E
Lea County, New Mexico

Dear Working Interest Owner,

Chisholm Energy Operating, LLC ("Chisholm") hereby proposes the drilling of the Stetson 13-24 Fed Com 1BS #6H in Sections 13 & 24, Township 19 South, Range 33 East, Lea County, New Mexico. The surface location for this well is proposed in Section 13 Unit Letter A with a bottom hole in Unit Letter P of Section 24 (see attached plat for further detail). The well will have a targeted interval in the Bone Spring formation to a Measured Depth of approximately 20,200' with a TVD of 9,223'. Included herewith is our Authority for Expenditure ("AFE") in the gross amount of \$6,863,474, being the total estimated cost to drill and complete said well.

Chisholm is proposing to drill this well under the terms of the modified 1989 AAPL form of Operating Agreement that will follow under separate letterhead. The Operating Agreement will cover the E/2 of Sections 13 & 24, Township 19 South, Range 33 East, limited from the surface to the bottom of the Penn Shale Formation. It has the following general provisions:

- 100/300 Non-consenting penalty
- \$7,000/\$700 Drilling and Production rate
- Chisholm Energy Operating, LLC named as Operator
- Initial Well Stetson 13-24 Fed Com 1BS #6H

Please indicate your participation election in the space provided below, sign and return this letter, along with a signed copy of the enclosed AFE and a copy of your geologic well requirements, to my attention at the letterhead address. You may also email your response to darmour@chisholmenergy.com. Should you have any questions, please do not hesitate to contact myself at 817-953-0480.

Very truly yours,
Chisholm Energy Operating, LLC

Davis Armour
Senior Landman

Company: **Cimarex Energy Co**

____ I/We hereby elect to participate in the Stetson 13-24 Fed Com 1BS #6H

____ I/We hereby elect NOT to participate in the Stetson 13-24 Fed Com 1BS #6H

By: _____
Name: _____
Title: _____
Date: _____

Address: Chisholm Energy Operating, LLC 801 Cherry Street Suite 1200 Unit 20 Fort Worth, TX 76102



Statement of Estimated Well Cost (100%)

Well Stetson 13-24 Fed Com 1BS 6H
 Field 1st Bone Spring
 County, State: Lea, NM
 BHL: Horizontal
 Proposed TD: 20,200 MD 9,223 TVD
 Normal Pressure? Yes

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

		BCP	ACP	TOTAL
COSTS TO CASING POINT: TANGIBLES				
8510-400	Conductor Casing or Drive Pipe	\$20,000		\$20,000
8510-405	Surface Casing	\$50,645		\$50,645
8510-410	Intermediate Casing/Drilg Liner	\$118,328		\$118,328
8510-415	Wellhead Equipment - Surface & MLS	\$40,000		\$40,000
8510-420	Other Sub-Surface Equipment	\$0		
8510-425	Cementing Equipment	\$74,000		\$74,000
8510-500	Production Casing	\$256,338		\$256,338
8510-600	Nonoperated	\$0		
8510-700	Impairment	\$0		
8510-999	Accruals	\$0		
	TOTAL COST TO CASING POINT - TANGIBLES	\$559,311		\$559,311
COSTS TO CASING POINT: INTANGIBLES				
8500-100	Roads/Location	\$40,000		\$40,000
8500-105	Drilling Turnkey	\$0		
8500-110	Drilling Daywork	\$561,970		\$561,970
8500-115	Fuel/Power	\$124,000		\$124,000
8500-125	Equipment Rental	\$171,640		\$171,640
8500-130	Legal Fees	\$0		
8500-135	Bonds, Permits and Inspection	\$50,000		\$50,000
8500-155	Mud and Chemicals	\$250,000		\$250,000
8500-160	Cementing Services	\$155,000		\$155,000
8500-170	Supervision/Consulting	\$92,400		\$92,400
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	\$638,000		\$638,000
8500-200	Drill Bits	\$69,000		\$69,000
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	\$145,000		\$145,000
8500-245	Fishing Tools and Services	\$0		
8500-250	Testing-Drill Stem/Production	\$0		
8500-260	Wireline Services	\$0		
8500-265	Water	\$71,500		\$71,500
8500-270	Camp Expenses	\$54,150		\$54,150
8500-285	Contingencies	\$160,549		\$160,549
8500-290	Environmental	\$0		
8500-300	Overhead	\$0		
8500-350	Insurance	\$0		
8500-600	Nonoperated	\$0		
8500-700	Impairment	\$0		
8500-999	Accruals	\$0		
	TOTAL COST TO CASING POINT - INTANGIBLES	\$2,812,209		\$2,812,209
COMPLETION COSTS: TANGIBLES				
8530-415	Wellhead		\$40,000	\$40,000
8530-420	Subsurface Equipment		\$0	
8530-510	Tubing		\$38,921	\$38,921
8530-515	Rods		\$0	
8530-525	Artificial Lift Equipment		\$75,000	\$75,000
8530-530	Gas Metering Equipment		\$40,000	\$40,000
8530-531	Electrical		\$30,000	\$30,000
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		\$80,000	\$80,000
8530-560	Vapor Recovery Unit		\$0	

8530-590	Other Misc Equipment			\$0	
8530-600	Nonoperated			\$0	
8530-700	Impairment			\$0	
8530-999	Accruals			\$0	
	TOTAL COMPLETION COST - TANGIBLES			\$488,921	\$488,921
	COMPLETION COSTS: INTANGIBLES				
8520-100	Roads/Location			\$10,000	\$10,000
8520-120	Perforating Services			\$318,500	\$318,500
8520-125	Equipment Rental			\$132,000	\$132,000
8520-135	Bonds, Permits and Inspection			\$0	
8520-145	Completion Unit			\$10,000	\$10,000
8520-150	Frac Plugs			\$55,000	\$55,000
8520-155	Mud and Chemicals			\$40,000	\$40,000
8520-160	Cementing Services			\$0	
8520-165	Acidizing and Fracturing			\$1,470,000	\$1,470,000
8520-170	Supervision/Consulting			\$39,000	\$39,000
8520-175	Casing and Other Tangible Crew			\$0	
8520-190	Cuttings/Fluids Disposal			\$60,000	\$60,000
8520-200	Drill Bits			\$25,000	\$25,000
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			\$150,000	\$150,000
8520-255	Trucking and Hauling			\$0	
8520-260	Wireline Services			\$5,000	\$5,000
8520-270	Camp Expenses			\$15,000	\$15,000
8520-275	Coiled Tubing Services			\$105,000	\$105,000
8520-280	Frac Water			\$362,250	\$362,250
8520-285	Contingencies			\$166,284	\$166,284
8520-290	Environmental			\$0	
8520-300	Overhead			\$0	
8520-350	Insurance			\$0	
8520-600	Nonoperated			\$0	
8520-700	Impairment			\$0	
8520-999	Accruals			\$0	
	TOTAL COMPLETION COST - INTANGIBLES			\$3,003,034	\$3,003,034
	TOTAL WELL COST		\$3,371,520	\$3,491,955	\$6,863,474

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Approved by: _____

Date: _____

Stetson 13-24 Fed Com #5H and #6H Conversation Log

<u>Date</u>	<u>Notes</u>
2/10/2020	Original well proposals mailed to all partners
2/26/2020	Cimarex reached out for additional information regarding well proposals
2/27/2020	Chisholm provided the requested information to Riley at Cimarex
2/27/2020	Morris E. Schertz with Nuevo Seis reached out regarding an offer for their interest
2/27/2020	Damon Weger at EOG reached out for additional data regarding the well proposals
3/3/2020	Correction well proposals mailed to all partners
3/23/2020 - 4/16/2020	Davis Armour conversed via email with Mollie McAuliffe at COG regarding various well data information and provided a proposed form of JOA via USPS
4/16/2020 - 5/27/2020	Davis Armour and Stuart Dirks at COG had multiple conversations regarding COG interest. Stuart was going to propose a Term Assignment/Farmout offer. Have not received this offer yet.
4/7/2020	Spoke with Katie McBryde, Landman at EOG, on the phone and re-sent 5H & 6H well proposals (email and USPS)
4/8/2020	Katie McBryde inquired as to CEH's interest in acquiring EOG's interest.
4/28/2020	Davis Armour received email from Jay Reynolds notifying Chisholm of the Non-Consent Election for Kenneth Jay Reynolds, Maxine Reynolds, Tanza Brumfield and Western Oil Producers, Inc.
5/5/2020	Visited with Riley Morris at Cimarex regarding amending existing JOA to remove Cimarex from contractual interest in spacing units
5/6/2020	Katie McBryde at EOG reached out regarding a continuance of the May hearing. CEH agreed to the continuance.
6/9/2020	Provided a Term Assignment offer to EOG for their interest in the spacing units. Have received no response from EOG.
6/16/2020	Visited with Ron Miller, son-in-law of Thomas Alden Ritch, deceased, regarding an offer to acquire their interest.
6/18/2020	Matt Bruns at Cimarex reached out to inform me that they were filing a Motion for Continuance
6/18/2020	Left VM for Jay Reynolds, heir of Kenneth D. Reynolds, to discuss their non-consent election.
6/22/2020 - Present	MCM reached out regarding a possible acreage trade. Have had multiple calls and emails regarding various trade scenarios. Meeting in person on 9/3/2020 for further discussions
6/29/2020	Mailed Term-Assignment Offer Letter to all uncommitted WI owners
7/13/2020	Traded GIS Shape files with MCM
7/14/2020 - Present	Conversed with Cimarex regarding dissolving existing JOA. Working on a finalizing an agreement
7/24/2020	Sent proposed JOA form to COG at their request
8/5/2020	Sent email to attorney for David J. Sorenson regarding development plans
8/6/2020	Sent updated GIS shape files and tract tracking spreadsheet to MCM
8/19/2020	Received call from Nuevo Seis regarding T/A offer. Returned call but have not heard back.
9/1/2020	Spoke with Nuevo Seis and they stated they are reviewing our T/A offer

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A4

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

Hearing Date: September 10, 2020

Case Nos. 21262-21263

**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. 21262 & 21263

**AFFIDAVIT OF JOSH KUHN
IN SUPPORT OF CASE NOS. 21262 & 21263**

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. 21262 and 21263**, Chisholm is targeting the Bone Spring formation.

5. **Chisholm Exhibit B-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 B-2** is a subsea structure map that I prepared for the top of the 1st Bone Spring Sandstone. The contour interval is 50 feet. The map also identifies wells used to create this 1st Bone Spring Sandstone subsea structure map. Within Sections 13 and 24, there are gray dashed lines on the map that reflect the paths of the proposed wellbores for the **Stetson 13-24 Fed Com 1BS #5H Well**, and the **Stetson 13-24 Fed Com 1BS #6H Well**. The structure

map shows that the 1st 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 B-2** also shows the location of the four wells, depicted by the blue line, that were used to construct a cross-section from A to A'. I consider these wells to be representative of the geology of the area.

8. **Chisholm Exhibit B-3** is a stratigraphic cross section prepared by me for the four representative wells from A to A'. The exhibit shows the following logs: gamma ray, resistivity, and porosity. The proposed targeted interval for the wells is labeled and depicted with a green shading. The logs in the cross-section demonstrate that the targeted interval within the 1st Bone Spring Sandstone 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.

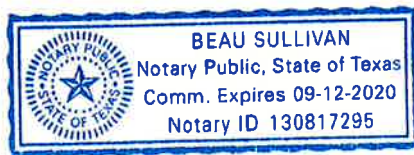
13. **Chisholm Exhibits B-1 through B-3** were either prepared by me or compiled under my direction and supervision.


FURTHER AFFIANT SAYETH NOT.


JOSH KUHN

STATE OF TEXAS)
)
COUNTY OF TARRANT)

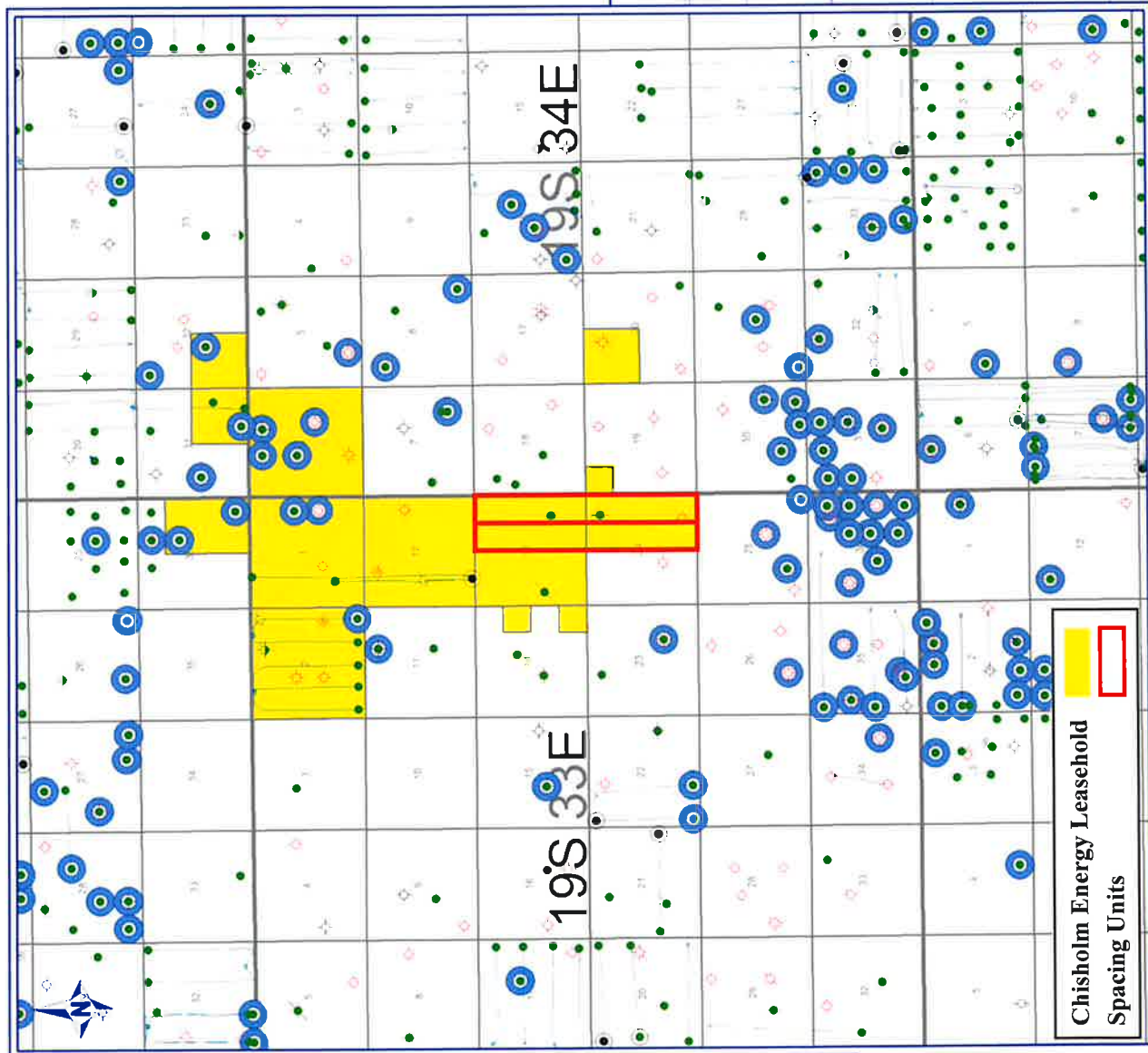
SUBSCRIBED and SWORN to before me this 22nd day of June 2020 by Josh Kuhn.




NOTARY PUBLIC

My Commission Expires:

09/12/2020



Lea County, NM

Stetson Prospect

S 13 & 24 / T19S / R33E

Project Locator Map



ATTRIBUTE MAP
1ST BONE SPRING SANDSTONE PRODUCER

REMARKS
Wells >8,000 ft

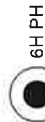
By: **Joshua Kuhn**

**Chisholm Energy Leasehold
Spacing Units**

NW

CHISHOLM

BUFFALO 12-1 WCC FED COM



A

45159

CHISHOLM

PANAMA '13' FEDERAL



35192

CHISHOLM

SAGEBRUSH '24' FEDERAL



34676

CIMAREX

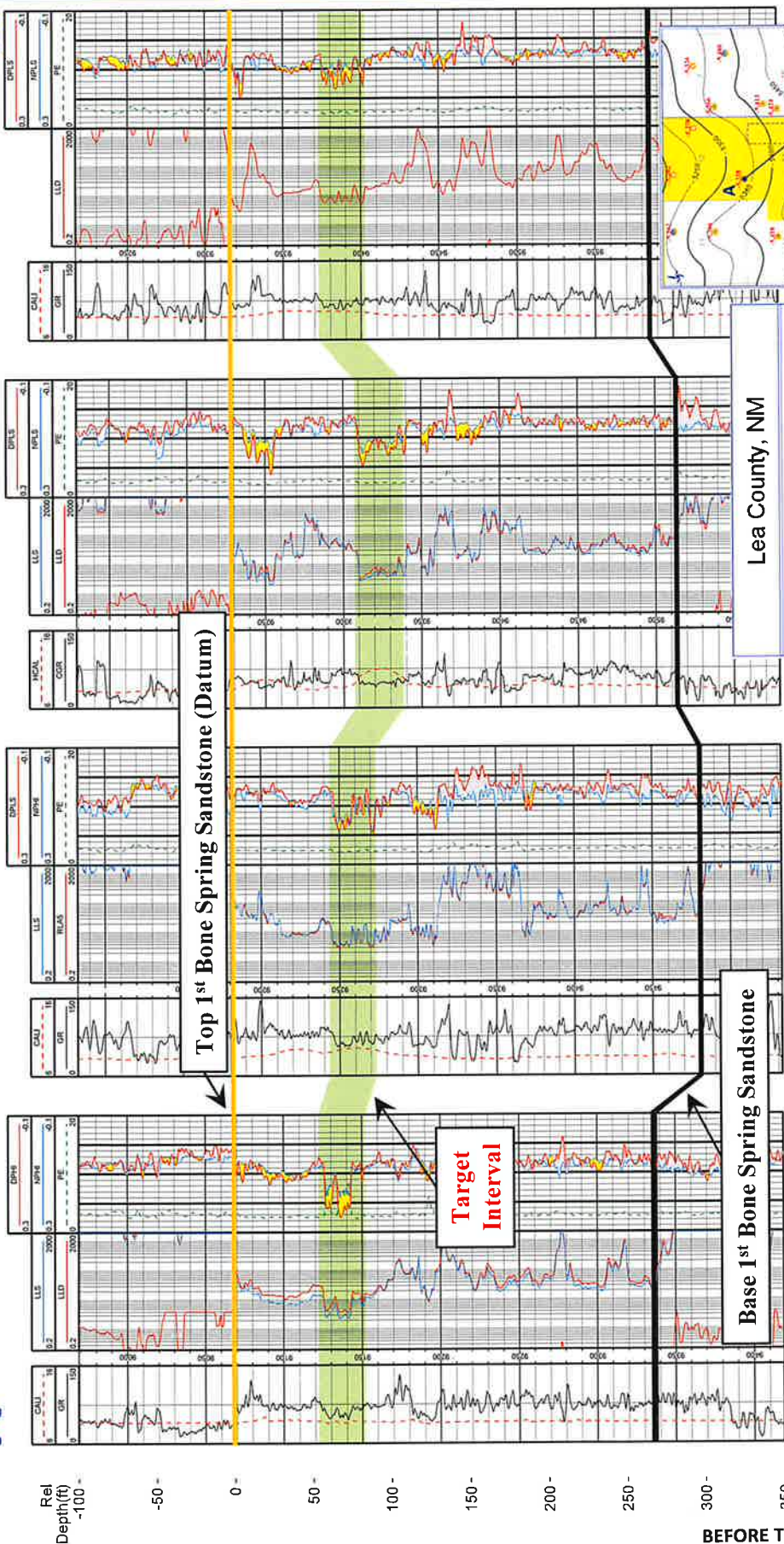
AFTON 24 FEDERAL COM



38388

SE

A'



Lea County, NM

Stetson Prospect

S 13 & 24 / T 19S / R 33E

1st 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. B3

Submitted by: Chisholm Energy Operating, LLC

Hearing Date: September 10, 2020

Case Nos. 21262-21263

**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. 21262-21263

AFFIDAVIT

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

Michael H. Feldewert, attorney in fact and authorized representative 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.



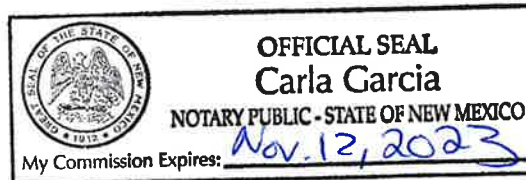
Michael H. Feldewert

SUBSCRIBED AND SWORN to before me this 2nd day of September, 2020 by Michael H. Feldewert.


Notary Public

My Commission Expires:

Nov. 12, 2023



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: **Chisholm Energy Operating, LLC**
Hearing Date: September 10, 2020
Case Nos. 21262-21263



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

May 8, 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.
Stetson 13-24 Fed Com 1BS #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 May 14, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on May 14, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>. 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 Davis Armour at (817) 953-0480 or darmour@chisholmenergy.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert", followed by the word "for".

Michael H. Feldewert

**ATTORNEY FOR CHISHOLM ENERGY OPERATING,
LLC**



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

May 8, 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.
Stetson 13-24 Fed Com 1BS #6H 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 May 14, 2020, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on May 14, 2020 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>. 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 Davis Armour at (817) 953-0480 or darmour@chisholmenergy.com.

Sincerely,

 for
Michael H. Feldewert

ATTORNEY FOR CHISHOLM ENERGY OPERATING, LLC

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).

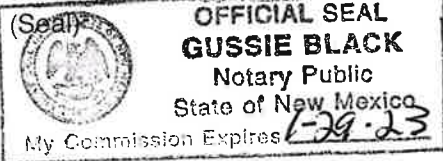
Beginning with the issue dated
April 29, 2020
and ending with the issue dated
April 29, 2020.


Publisher

Sworn and subscribed to before me this
29th day of April 2020.


Business Manager

My commission expires
January 29, 2023



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
April 29, 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 public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The remote electronic public hearing will be conducted remotely. The hearing will be conducted on **Thursday, May 14, 2020**, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/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 a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **Monday, May 4, 2020**.

Persons may view and participate in the hearings through the following link and as indicated below:

Meeting number: 968 329 152
Password: YQe6KZBe3n6
<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mb3ddb90721ccc17207709b8c71dc2ac1>

Join by video system
Dial 968329152@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your meeting number.

Join by phone
+1-408-418-9388 United States Toll
Access code: 968 329 152

**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: Cimarex Energy; EOG Resources, Inc.; MCM Permian LP; FR Energy; David J. Sorenson, his heirs and devisees; Hutchings Oil Company; COG Operating LLC; Williamson Enterprises; Stephen T. Mitchell, his heirs and devisees; Maxine S. Reynolds, her heirs and devisees; Kenneth Jay Reynolds, his heirs and devisees; Western Oil Producers, Inc. c/o Kenneth D. Reynolds; Tanza Brumfield, her heirs and devisees; Thomas Alden Ritch, M.D., his heirs and devisees; Nuevo Seis Limited Partnership; Timothy R. MacDonald, his heirs and devisees; Marcia Joy Varel, her heirs and devisees; Nearburg Producing Company Employee Fund; MAP2004 OK; Linda Sue Henry, her heirs and devisees; Blue Ridge Royalties, LLC; Rolla R. Hinkle, III, his heirs and devisees; Madison M. Hinkle, her heirs and devisees; Morris E. Schertz, his heirs and devisees; IPERC Royalty Fund; Trainer Partners, Ltd.; Marvin C. Gross Trust; Mexco Energy Corporation; and Cavin Trust dated August 28, 2013, Sealy H Cavin Jr. and Synda S. Cavin and their Successors, Trustees.

Case No. 21262: 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 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 13 and 24, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the following initial **Stetson 13-24 Fed Com 1BS #5H Well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 24. 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 28 miles west of Hobbs, New Mexico.

#35439

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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Chisholm Energy Operating, LLC
Hearing Date: September 10, 2020
Case Nos. 21262-21263

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).

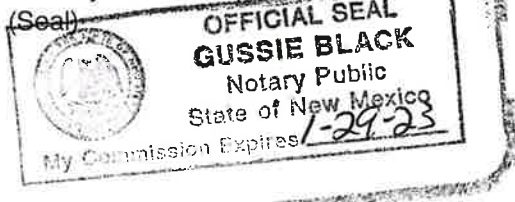
Beginning with the issue dated
April 29, 2020
and ending with the issue dated
April 29, 2020.


Publisher

Sworn and subscribed to before me this
29th day of April 2020.


Business Manager

My commission expires
January 29, 2023



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
April 29, 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 public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The remote electronic public hearing will be conducted remotely. The hearing will be conducted on **Thursday, May 14, 2020**, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings.html> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <http://ocdimage.emnrd.state.nm.us/imaging/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 a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than **Monday, May 4, 2020**.

Persons may view and participate in the hearings through the following link and as indicated below:

Meeting number: 968 329 152
Password: YQe6KZBe3n6
<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=mb3ddb90721ccc17207709b8c71dc2ac1>

Join by video system
Dial 968329152@nmemnrd.webex.com
You can also dial 173.243.2.68 and enter your meeting number.

Join by phone
+1-408-418-9388 United States Toll
Access code: 968 329 152

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: Cimarex Energy; EOG Resources, Inc.; MCM Permian LP; FR Energy; David J. Sorenson, his heirs and devisees; Hutchings Oil Company; COG Operating LLC; Williamson Enterprises; Stephen T. Mitchell, his heirs and devisees; Maxine S. Reynolds, her heirs and devisees; Kenneth Jay Reynolds, his heirs and devisees; Western Oil Producers, Inc. c/o Kenneth D. Reynolds; Tanza Brumfield, her heirs and devisees; Thomas Alden Ritch, M.D., his heirs and devisees; Nuevo Seis Limited Partnership; Timothy R. MacDonald, his heirs and devisees; Marcia Joy Varel, her heirs and devisees; Nearburg Producing Company Employee Fund; MAP2004 OK; Linda Sue Henry, her heirs and devisees; Blue Ridge Royalties, LLC; Rolla R. Hinkle, III, his heirs and devisees; Madison M. Hinkle, her heirs and devisees; Morris E. Schertz, his heirs and devisees; IPERC Royalty Fund; Trainer Partners, Ltd.; Marvin C. Gross Trust; Mexco Energy Corporation; and Cavin Trust dated August 28, 2013, Sealy H Cavin Jr. and Synda S. Cavin and their Successors, Trustees.

Case No. 21263: 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 320-acre, more or less, horizontal spacing unit comprised of the W/2 E/2 of Sections 13 and 24, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico. The above-referenced unit will be dedicated to the following initial **Stetson 13-24 Fed Com 1BS #6H Well** to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 13 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 24. 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 28 miles west of Hobbs, New Mexico #35440

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