

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

**APPLICATION OF CHISHOLM ENERGY OPERATING, LLC
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 15853

CHISHOLM'S PRE-HEARING STATEMENT

Chisholm Energy Operating, LLC, the applicant in the above referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Chisholm Energy Operating, LLC

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

Chisholm Energy Operating, LLC ("Chisholm") seeks an order (1) creating a 160-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 25, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation. Chisholm proposes to dedicate the above-referenced spacing and proration unit as the project area for the proposed **Lea South 25 Federal Com No. 12H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 25.

APPLICANT'S PROPOSED EVIDENCE

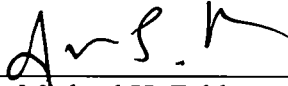
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Davis Armour– Landman	Approx. 10	Approx. 7
Josh Kuhn– Geologist	Approx. 10	Approx. 4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



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LLC**