

**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,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 15990

CHISHOLM'S PRE-HEARING STATEMENT

Chisholm Energy Operating, LLC, the applicant in the above referenced matters, 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) authorizing a non-standard, 160-acre spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 480-acre non-standard spacing and proration unit comprised of the W/2 of Section 15 and the NW/4 of Section 22, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico; (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Chisholm proposes to dedicate the above-referenced spacing and proration unit as the project area for two initial wells, the **Dark Canyon 15-22 State Com WCB No. 2H Well** and the **Dark Canyon 15-22 State Com WCA No. 3H Well**. These wells are stacked laterals and will be pad-

drilled and batch completed. Both proposed wells will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 15 to a standard bottom hole location in the SW/4 NW/4 (Unit E) of Section 22.

APPLICANT'S PROPOSED EVIDENCE

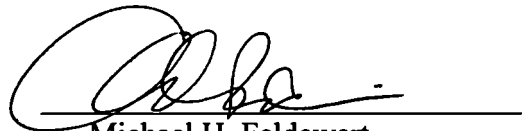
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Luke Shelton, Landman	Approx. 10	Approx. 7
George Roth, Geologist	Approx. 10	Approx. 4

PROCEDURAL MATTERS

Chisholm respectfully requests that Case Nos. 15989 and 15990 be consolidated for hearing.

Respectfully submitted,

HOLLAND & HART LLP



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