

**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

PRE-HEARING STATEMENT

FINLEY RESOURCES ("Finley"), provisionally provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

FINLEY RESOURCES

FINLEY RESOURCES' ATTORNEY

J. Scott Hall, Esq.
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APPLICANT

**CHISHOLM ENERGY OPERATING,
LLC**

APPLICANT'S ATTORNEY

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STATEMENT OF THE CASE

Applicant Chisholm Energy Operating, LLC seeks an order (1) authorizing a non-standard, 160-acre spacing unit in the Purple Sage Wolfcamp Gas Pool; (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; and (3) pooling all uncommitted mineral interests in the Wolfcamp formation underlying this acreage.

Finley Resources is the owner of working interests in the S/2 of Section 22. Applicant's unit originally included the SW/4 of Section 22 and provided for two-mile laterals. The recent contraction of the unit to the NW/4 is sub-optimal for the development of Section 22.

PROPOSED EVIDENCE

<u>OPPONENT:</u> FINLEY RESOURCES	<u>EST. TIME</u>	<u>EXHIBITS</u>
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WITNESSES:

Scott Ramsey, Landman	15 min.	4
Petroleum Engineer (TBD)	20 min.	TBD
Geologist (TBD)	20 min.	TBD

<u>APPLICANT:</u> CHISHOLM ENERGY OPERATING, LLC	<u>EST. TIME</u>	<u>EXHIBITS</u>
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WITNESSES:

PROCEDURAL MATTERS

None.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: J. Scott Hall

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Attorneys for Finley Resources

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on February 15, 2018:

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A handwritten signature in black ink, appearing to read "J. Scott Hall", written over a horizontal line.

J. Scott Hall