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. 20270

CHISHOLM'S PRE-HEARING STATEMENT

Chisholm Energy Operating, LLC ("Chisholm") (OGRID No. 327137), the applicant in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

ATTORNEY

Chisholm Energy Operating, LLC

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APPLICANT'S STATEMENT OF CASE

Chisholm Energy Operating, LLC ("Chisholm") (OGRID No. 327137) seeks an order pooling all uncommitted interests in the Wolfcamp formation in the 238.85-acre horizontal spacing unit comprised of the W/2 W/2 equivalent of Section 1 (Lots 4-5, 12-13, and Units L and M) of Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. Chisholm seeks to dedicate the above-referenced horizontal spacing unit to its proposed **Minis 1 Fed Com WCA**No. 12H Well, which will 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. Section 1 is an irregular section with approximately 960 acres. This pool is subject to Division statewide rules for oil wells. The completed interval for the proposed well will comply with Division setback requirements.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|----------------------------|----------------|-----------|
| Jacob Daniels, Landman | Approx. 10 | Approx. 6 |
| Josh Kuhn, Geologist | Approx. 15 | Approx. 4 |

PROCEDURAL MATTERS

If uncontested, Chisholm will present these cases by affidavit.

Respectfully submitted,

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