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**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 NOS. 20522 & 20523

**CHISHOLM ENERGY OPERATING, LLC'S
CONSOLIDATED PRE-HEARING STATEMENT**

Chisholm Energy Operating, LLC ("Chisholm") (OGRID No. 327137), 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

In Case No. 20522, Chisholm seeks an order pooling all uncommitted interests in the Bone Spring formation in the Wilson; Bone Spring Pool (Pool Code 64560) underlying a standard 285-acre horizontal spacing unit comprised of the W/2 W/2 of Sections 7 and 18 (Lots 1-4 of each Section), Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. Chisholm seeks to dedicate the above-referenced horizontal spacing unit to its proposed **Outland 18-7 State Com**

1BS 1H Well, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 18 to bottom hole location in the NW/4 NW/4 (Lot 1) of irregular Section 7. The completed interval will comply with the Statewide setback requirements for oil wells.

In Case No. 20523, Chisholm seeks an order pooling all uncommitted interests in the Bone Spring formation in the Wilson; Bone Spring Pool (Pool Code 64560) underlying a standard 320-acre horizontal spacing unit comprised of the E/2 W/2 of Sections 7 and 18, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. Chisholm seeks to dedicate the above-referenced horizontal spacing unit to its proposed **Outland 18-7 State Com 2BS 2H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 18 to bottom hole location in the NE/4 NW/4 (Unit C) of Section 7. The completed interval will comply with the Statewide setback requirements for oil wells.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Beau Sullivan, Landman	Approx. 10	Approx. 5
Bill Francis, Geologist	Approx. 10	Approx. 3

PROCEDURAL MATTERS

Chisholm requests that Case Nos. 20522 and 20523 be consolidated for purposes of hearing. If uncontested, Chisholm anticipates presenting these cases by affidavits.

Respectfully submitted,

HOLLAND & HART LLP



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