



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Jennifer A. Salisbury**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

June 12, 2001

**Chi Energy, Inc.**  
c/o **James Bruce**  
**P. O. Box 1056**  
**Santa Fe, New Mexico 87504**

*Re Administrative application on behalf of Chi Energy, Inc. to establish a non-standard 160-acre gas spacing and proration unit within the Undesignated Happy Valley-Morrow Gas Pool comprising the SE/4 of Section 9, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, for its Dovetail State Com. Well No. 1.*

Dear Mr. Bruce:

I have reviewed the subject application and have a few concerns that need to be addressed:

- (1) What will the location be for the proposed Dovetail State Com. Well No. 1; and
- (2) Have the notification requirements provided in Division Rule 1207.A (3) been properly followed, please explain.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

**Michael E. Stogner**  
Chief Hearing Officer/Engineer

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA  
HYDE PARK ESTATES  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

OIL CONSERVATION DIV.  
01 AUG -6 PM 3:12

August 3, 2001

Michael E. Stogner  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Administrative application of Chi Energy, Inc. for  
administrative approval of a non-standard gas spacing and  
proration unit:

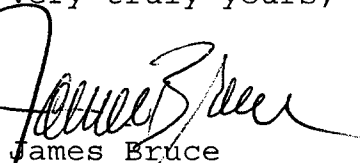
Dovetail State Com. Well No. 1  
SE¼ of §9, Township 22 South, Range 26 East, NMPM  
Eddy County, New Mexico

Dear Mr. Stogner:

Regarding your letter of June 12th: (1) The above well will be located in the NE¼SE¼ of Section 9. The exact location will be determined after a well being drilled in offsetting Section 10 is completed; and (2) I believe the notification requirements of Rule 1207.A(3) have been followed. The SW¼ of Section 9 is in the Lancaster Springs Unit, operated by Ricks Exploration, Inc. A review of the State Land Office file shows that the entire W½ of Section 9 is in the Morrow participating area for the unit. The NE¼ of Section 9, which would normally be dedicated to a 320 acre well unit, is unleased federal land (it has been unleased for about 30 years). Notice of the proposed non-standard unit has been given to the Bureau of Land Management and Ricks Exploration, Inc., as indicated by the enclosed letter and certified return receipts.

Please call me if you need anything further on this application.

Very truly yours,



James Bruce

Attorney for Chi Energy, Inc.

**JAMES BRUCE**  
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

3304 CAMINO LISA  
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SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

May 2, 2001

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Bureau of Land Management  
2909 West Second Street  
Roswell, New Mexico 88201

Ricks Exploration, Inc.  
3000 Oklahoma Tower  
210 Park Avenue  
Oklahoma City, Oklahoma 73102

Ladies and Gentlemen:

Enclosed is a copy of an application, filed by Chi Energy, Inc. with the Oil Conservation Division, requesting administrative approval of a non-standard spacing and proration unit in the Morrow formation in the SE¼ of Section 9, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. If you object to the well's location, you must notify the Division in writing no later than Tuesday, May 22, 2001 (1220 South St. Francis Drive, Santa Fe, New Mexico 87505; attention: Michael E. Stogner). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Chi Energy, Inc.

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bureau of Land Management  
2909 West Second Street  
Roswell, New Mexico 88201

2. Article Number (Copy from service label)

7001670002

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

Chi-NSP

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Name)

B. Date of Delivery

5/24/01

C. Signature

☐ Agent

☐ Addressee

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered ☒ Return Receipt for Merchandise

☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

**U.S. Postal Service**

**CERTIFIED MAIL RECEIPT**

(Domestic Mail Only: No Insurance Coverage Provided.)

ROSWELL, NM 88201

Postage \$ 0.55 UNIT ID: 0500

Certified Fee

Return Receipt Fee

(Endorsement Required)

Restricted Delivery Fee

(Endorsement Required)

Total Postage & Fees

\$ 3.50

Sent To

Bureau of Land Management

2909 West Second Street

Roswell, New Mexico 88201

City, State, ZIP+4



7000 1670 0002 3764 1114

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ricks Exploration, Inc.  
3000 Oklahoma Tower  
210 Park Avenue  
Oklahoma City, Oklahoma 73102

2. Article Number (Copy from service label)

1000 1690 0012 3768 6134

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

*clm-NSP*

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly)

B. Date of Delivery

*5-7-01*

C. Signature

*R. Howard*

☐ Agent

☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No

If YES, enter delivery address below:

3. Service Type

☒ Certified Mail ☐ Express Mail

☐ Registered ☐ Return Receipt for Merchandise

☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

**U.S. Postal Service**

**CERTIFIED MAIL RECEIPT**

(Domestic Mail Only. No Insurance Coverage Provided.)

OKLAHOMA CITY, OK 73102

Postage	\$ 0.55
Certified Fee	1.99
Return Receipt Fee (Endorsement Required)	1.54
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 3.99</b>



Sent To

Ricks Exploration, Inc.  
3000 Oklahoma Tower  
210 Park Avenue

City, State, ZIP+4 Oklahoma City, Oklahoma 73102

1000 1690 0012 3768 6134