

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF CHI ENERGY, INC. FOR  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.**

**Case No. 15,133**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Chi Operating, Inc..  
P.O. Box 1799  
Midland, Texas 79702

Attention: John W. Qualls  
(432) 685-5001

**APPLICANT'S ATTORNEY**

James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

**OPPONENT**

**OPPONENT'S ATTORNEY**

**STATEMENT OF THE CASE**

**APPLICANT**

Chi Operating, Inc. seeks an order pooling all mineral interests in the Morrow formation underlying the S/2 of Section 10, Township 17 South, Range 28 East, NMPM, to form a standard 320 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The unit is dedicated to the Coal Train Fed. Com. Well No. 1, an existing well with an orthodox location in the SW/4SW/4 of Section 10. Also to be considered will be the designation of applicant as operator of the well.

**OPPONENT**

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**PROPOSED EVIDENCE****APPLICANT****WITNESSES**John W. Qualls  
(landman)**EST. TIME**

10 min.

**EXHIBITS**

Approx. 3

**OPPONENT****WITNESSES****EST. TIME****EXHIBITS****PROCEDURAL MATTERS**

THIS CASE IS FILED ONLY TO POOL PEOPLE NECESSARY TO OBTAIN APPROVAL OF A COMMUNITIZATION AGREEMENT FROM THE BLM. THEREFORE, APPLICANT INTENDS TO PRESENT THIS CASE BY AFFIDAVIT.

Respectfully submitted,



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James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Chi Operating, Inc.