

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:

CASE NO. 14353

APPLICATION OF CHI ENERGY, INC. FOR APPROVAL OF A
SECONDARY RECOVERY PROJECT AND TO QUALIFY THE
PROJECT FOR THE RECOVERED OIL TAX RATE,
EDDY COUNTY, NEW MEXICO.

CASE NO. 14354

APPLICATION OF CHI ENERGY, INC. FOR STATUTORY
UNITIZATION, EDDY COUNTY, NEW MEXICO.

ORDER NO. R-13262-A

ORDER OF THE DIVISION *Nunc Pro Tunc*

BY THE DIVISION:

These cases came on for hearing at 8:15 a.m. on November 12, 2009, at Santa Fe, New Mexico, before Examiner Richard Ezeanyim. On May 21, 2010 the Division issued Order No. R-13262 in these cases.

NOW, on this 19th day of January, 2011, the Division Director, having reviewed Order No. R-13262 and ascertained that it contains clerical errors, hereby issues this Order *nunc pro tunc*, to correct said errors.

FINDS THAT:

(1) Order No. R-13262 contains clerical errors regarding the definition of the unitized interval.

(2) This Order should be issued *nunc pro tunc* to correctly define the unitized interval as the interval between 4370 and 5500 feet subsurface in the reference well.

IT IS THEREFORE ORDERED THAT:

(1) Finding Paragraph (6), on Page 2, of Order No. R-13262 is hereby amended to read:

(6) The vertical extent of the proposed Unitized Formation is the stratigraphic equivalent of the interval within the Delaware formation from 4370 feet to 5500 feet below the surface, as shown by the Density Neutron Log for the Munchkin Federal Well No. 9 (**API No. 30-015-34293**), located 990 feet from the North line and 300 feet from the East line of Section 11, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico.

(2) Ordering Paragraph (3), on Page 7, of Order No. R-13262 is hereby amended to read:

(3) The Unitized Formation shall consist of the stratigraphic equivalent of the interval within the Delaware formation from 4370 feet to 5500 feet below the surface, as shown by the Density Neutron Log for the Munchkin Federal Well No. 9 (**API No. 30-015-34293**), located 990 feet from the North line and 300 feet from the East line of Section 11, Township 19 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) That portion of Ordering Paragraph (9) above the table setting forth the description of the permitted injection wells, on Page 8, of Order No. R-13262 is hereby amended to read:

(9) Chi Operating, Inc. (Operator) is hereby authorized to institute secondary recovery operations within the Unit Area initially by the injection of water into the Unitized Formation of the Benson-Delaware Pool, in the interval from 4370 to 5500 feet below the surface, through the following nine wells to be located in Township 19 South, Range 30 East, NMPM, in Eddy County, New Mexico:

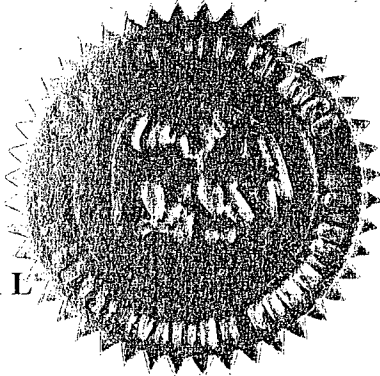
(4) In all other respects, Order No. R-13262 shall remain in full force and effect.

(5) This Order be effective from and after May 21, 2010.

(6) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

SEAL



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Daniel Sanchez", written over a horizontal line.

DANIEL SANCHEZ
ACTING DIRECTOR