



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

September 24, 1997

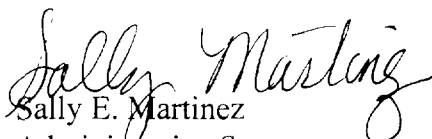
Mr. Jim Bruce
Attorney At Law
P. O. Box 1056
Santa Fe, New Mexico 87504

RE: CASE NO. 11794
ORDER NO. R-10884

Dear Mr. Bruce:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,


Sally E. Martinez
Administrative Secretary

cc: BLM- Carlsbad



LTR



Job separation sheet

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. 11794
ORDER NO. R-10884

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 21, 1997, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 24th day of September, 1997, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

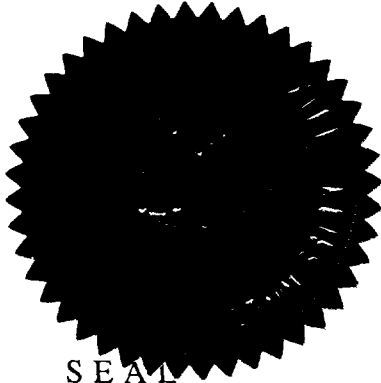
FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Chi Energy, Inc., seeks an order pooling all mineral interests from the surface to the base of the Cisco formation underlying Lots 1 and 2, the S/2 NE/4, and the SE/4 (E/2 equivalent) of Section 3, Township 19 South, Range 27 East, NMPM, Eddy County, New Mexico, thereby forming a standard 318.51-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon.
- (3) Prior to the hearing, the applicant requested this matter be dismissed.
- (4) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

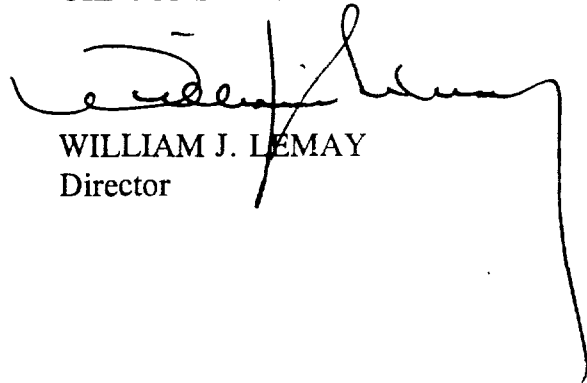
Case No. 11794 is hereby dismissed.

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



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director