

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. 11,857

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Chi Energy, Inc.
P.O. Box 1799
Midland, Texas 79702
Attn: John Qualls
(915) 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

Applicant seeks an order pooling all formations spaced on 40, 160, and 320 acres, from the surface to the base of the Morrow formation, underlying the of S¼ S4-17S-27E. There are several interest owners who have not agreed to voluntarily join in applicant's proposed well, which will be at an orthodox location in the SE¼ S4.

OPPONENT

PROPOSED EVIDENCEAPPLICANTWITNESSES

Bill Bergman
(landman)

EST. TIME

10 min.

EXHIBITS

1. Land plat
2. Ownership list
3. Correspondence
4. AFE
5. Notice affidavit

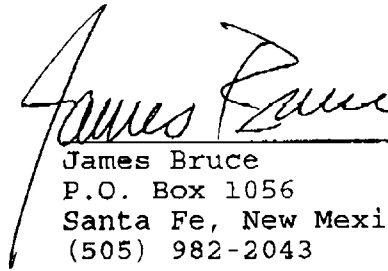
Curt Anderson
(geologist)

10 min.

1. Structure map
2. Production map
3. Isopach

OPPONENTWITNESSESEST. TIMEEXHIBITS**PROCEDURAL MATTERS**

-None-



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Attorney for Chi Energy, Inc.