

PROPOSED ADVERTISEMENT

Case L2654: Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 9, Township 22 South, Range 25 East, NMPM, and in the following manner: The $W\frac{1}{2}$ to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Revelation-Strawn Gas Pool and Undesignated Revelation-Morrow Gas Pool; the $SW\frac{1}{4}$ to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and the $NE\frac{1}{4}SW\frac{1}{4}$ to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to applicant's In Bounds Well No. 1, to be drilled at an orthodox location in the $NE\frac{1}{4}SW\frac{1}{4}$ of Section 9. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately $10\frac{1}{2}$ miles west-southwest of Carlsbad, New Mexico.

OIL CONSERVATION DIV
01 APR 10 PM 4:16