

PROPOSED ADVERTISEMENT

Case 12879 : Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted overriding royalty owners with respect to production from the surface to the base of the Morrow formation underlying the following described acreage in Section 4, Township 17 South, Range 28 East, NMPM: Lots 3, 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, and SW $\frac{1}{4}$ (the W $\frac{1}{2}$) to form a standard 319.28-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 Southeast Crow Flats-Morrow Gas Pool; Lots 3, 4, and S $\frac{1}{2}$ NW $\frac{1}{4}$ (the NW $\frac{1}{4}$) to form a standard 159.28-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 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. Applicant requests that the pooling of the units be made effective as of the dates of first production from its Heavy Harry State Com. Well No. 1 drilled and completed an orthodox location in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 4, and its Heavy Harry State Com. Well No. 2 drilled and completed an orthodox location in Lot 3 of Section 4. Also to be considered will be the designation of Chi Operating, Inc. as operator of the wells. The units are located approximately 12 $\frac{1}{2}$ miles east-northeast of Artesia, New Mexico.

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