



**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

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

October 18, 1999

Chi Operating, Inc.  
P.O. Box 1799  
Midland, Texas 79702

Attention: John Wolf

RE: C-142 Application for New Well Status  
Cannonball "9" State Com Well No. 1, API No. 30-015-30388

Dear Mr. Wolf:

Pursuant to Division Rule 34.C.(3), the deadline for filing for the New Well Tax Incentive is within sixty (60) days of completion of the well as a producer, or by October 1, 1999 for a well commenced after January 1, 1999 and before July 1, therefore your application is hereby denied.

If you have any questions, please contact me at (505) 827-8183.

Sincerely,

Mark Ashley  
Petroleum Engineering Specialist