

**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. 15,133

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

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

Attention: John W. Qualls
(432) 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

Chi Operating, Inc. seeks an order pooling all mineral interests in the Morrow formation underlying the S/2 of Section 10, Township 17 South, Range 28 East, NMPM, to form a standard 320 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The unit is dedicated to the Coal Train Fed. Com. Well No. 1, an existing well with an orthodox location in the SW/4SW/4 of Section 10. Also to be considered will be the designation of applicant as operator of the well.

OPPONENT

2014 JUN -5 P 4: 32
RECEIVED OOD

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

John W. Qualls
(landman)

10 min.

Approx. 3

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

THIS CASE IS FILED ONLY TO POOL PEOPLE NECESSARY TO OBTAIN APPROVAL OF A COMMUNITIZATION AGREEMENT FROM THE BLM. THEREFORE, APPLICANT INTENDS TO PRESENT THIS CASE BY AFFIDAVIT.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Chi Operating, Inc.