

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.

No. 12959

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Chi Energy, Inc.
Post Office Box 1799
Midland, Texas 79702

Attention: John Qualls
(915) 685-5001

APPLICANT'S ATTORNEY

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

OTHER PARTY

OTHER PARTY'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the top
of the Wolfcamp formation to the base of the Morrow formation
underlying Lots 1-4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 30, Township 18 South,
Range 31 East, NMPM, to form a non-standard 301.68-acre gas spacing
and proration unit for any and all formations and/or pools
developed on 320-acre spacing. The unit is to be dedicated to
applicant's Big Red Fed. Com. Well No. 1, located 660 feet from the
south line and 1830 feet from the west line of Section 30. Also to
be considered will be the designation of Chi Operating, Inc. as
operator of the well.

OTHER PARTY

PROPOSED EVIDENCE

APPLICANT

WITNESSES
Gary Green
(landman)

EST. TIME
10 Min.

EXHIBITS
(a) Land plat
(b) Correspondence
(c) Notice affidavit

OTHER PARTY

WITNESSES

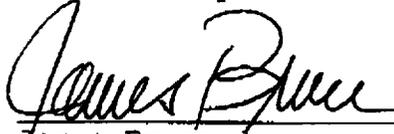
EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,



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

Attorney for Chi Energy, Inc.