STATE OF NEW MEXICO ENERGY, MINER S AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON GOVERNOR

JENNIFER SALISBURY CABINET SECRETARY

December 24, 1996

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

Re: Well Placed In New Pool

Gentlemen:

As the result of Division Order R-10713 the following described well has been placed in the pool shown below. This change in nomenclature has been made in our files. Please change your records to reflect the proper pool name. All subsequent reports must show this nomenclature until further notice. As of January 1, 1997 please report the following pool:

Empire; Strawn Gas Pool Empire "16" State Com. #1 Unit E, Section 16, Township 18 South, Range 29 East, NMPM Poolcode: 96618

Transporters are advised, by copy of this letter, to change their records to reflect the pool name as established by this order, effective December 1, 1996.

Sincerely,

Bergen Arran

Bryan Arrant District Geologist

cc: Navajo Refining GPM Mae Well File / Santa Fe

Artesia NM 88210

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