

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. 13079

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 base of the Wolfcamp formation to the base of the Morrow formation underlying the E½ of Section 16, Township 18 South, Range 32 East, NMPM, to form a standard 320-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 Undesignated North Lusk-Morrow Gas Pool and Undesignated Young-Morrow Gas Pool. The unit is to be dedicated to applicant's Raven 16 State Com. Well No. 1, to be located at an orthodox well location in the NW¼SE¼ of Section 16. AT THIS TIME, APPLICANT SEEKS TO POOL ONLY THE RECORD TITLE OWNER OF A STATE OIL AND GAS LEASE.

OTHER PARTY

PROPOSED EVIDENCE**APPLICANT****WITNESSES**

John Qualls
(landman)

EST. TIME

10 Min.

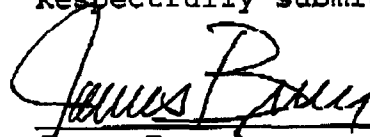
EXHIBITS

(a) Land plat

OTHER PARTY**WITNESSES****EST. TIME****EXHIBITS****PROCEDURAL MATTERS**

-None-

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
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Attorney for Chi Energy, Inc.