

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF CHI ENERGY, INC. FOR
APPROVAL OF A SECONDARY RECOVERY
PROJECT AND TO QUALIFY THE PROJECT
FOR THE RECOVERED OIL TAX RATE,
EDDY COUNTY, NEW MEXICO.**

Case No. 14,353

AFFIDAVIT OF NOTICE

COUNTY OF SANTA FE)
) ss.
STATE OF NEW MEXICO)

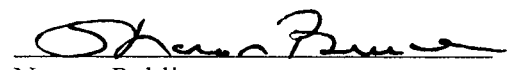
James Bruce, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.
2. I am an attorney for Chi Energy, Inc.
3. Applicant has conducted a good faith, diligent effort to find the names and correct addresses of the offset operators or working interest owners entitled to receive notice of the application filed herein.
4. Notice of the application was provided to the offset operators or working interest owners, at their correct addresses, by certified mail. Copies of the notice letter and certified return receipts are attached hereto as Exhibit A.
5. Applicant has complied with the notice provisions of Form C-108, and Division Rules NMAC 19.15.4.9 and 19.15.4.12.C.


James Bruce

SUBSCRIBED AND SWORN TO before me this 11th day of November, 2009 by James Bruce.

My Commission Expires: 3/14/13


Notary Public

Oil Conservation Division
Case No. _____
Exhibit No. 10

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

July 2, 2009

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons listed on Exhibit A


Ladies and gentlemen:

Enclosed is a copy of an application for approval of a secondary recovery project for the proposed Benson Delaware Unit, filed with the New Mexico Oil Conservation Division by Chi Energy, Inc.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, July 23, 2009, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an offset operator or owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

A party appearing in a Division case is required by Division Rule to file a Pre-Hearing Statement no later than Thursday, July 16, 2009. This statement must be filed with the Division's Santa Fe office at the above address, and with the attorney for Chi Energy, Inc., and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing.

Very truly yours,



James Bruce

Attorney for Chi Energy, Inc.

EXHIBIT A

EXHIBIT A

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, Oklahoma 73154-0496

OXY USA WTP Limited Partnership
5 Greenway Plaza
Houston, Texas 77046

Devon Energy Production Company, L.P.
P.O. Box 108838
Oklahoma City, Oklahoma 73101

Attention: Brett Hudson

Great Western Drilling Co.
700 West Louisiana
Midland, Texas 79701

Featherstone Development Corporation
P.O. Box 429
Roswell, New Mexico 88202

Crescent Porter Hale Foundation
Suite 2310
1021 Main Street
Houston, Texas 77002

Bureau of Land Management
620 East Greene
Carlsbad, New Mexico 88220

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Great Western Drilling Co.
700 West Louisiana
Midland, Texas 79701

2. Article Number
(Transfer from service label)

7008 0500 0001 4528 4545

PS Form 3811, February 2004

Domestic Return Receipt

Chl-wf

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Cynthia A. Coffey ☐ Agent
- B. Received by (Printed Name) ☐ Addressee
- C. Date of Delivery 7-9-09
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

COMPLETE THIS SECTION ON DELIVERY

1. Article Addressed to:
- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Devon Energy Production Company, L.P.
P.O. Box 108838
Oklahoma City, Oklahoma 73101

2. Article Number
(Transfer from service label)

7008 0500 0001 4528 4552

PS Form 3811, February 2004

Domestic Return Receipt

Chl-wf

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Cynthia A. Coffey ☐ Agent
- B. Received by (Printed Name) ☐ Addressee
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- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.
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P.O. Box 108838
Oklahoma City, Oklahoma 73101

2. Article Number
(Transfer from service label)

7008 0500 0001 4528 4552

PS Form 3811, February 2004

Domestic Return Receipt

Chl-wf

102595-02-M-1540

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only, No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	2.92
Certified Fee	\$	2.80
Return Receipt Fee (Endorsement Required)	\$	2.30
Restricted Delivery Fee (Endorsement Required)	\$	0.00
Total Postage & Fees	\$	8.02

Sent To: Great Western Drilling Co.
Street, Apt. No.: 700 West Louisiana
or PO Box No.: Midland, Texas 79701
City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Cynthia A. Coffey ☐ Agent
- B. Received by (Printed Name) ☐ Addressee
- C. Date of Delivery 7-9-09
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

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Devon Energy Production Company, L.P.
P.O. Box 108838
Oklahoma City, Oklahoma 73101

2. Article Number
(Transfer from service label)

7008 0500 0001 4528 4552

PS Form 3811, February 2004

Domestic Return Receipt

Chl-wf

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Cynthia A. Coffey ☐ Agent
- B. Received by (Printed Name) ☐ Addressee
- C. Date of Delivery 7-9-09
- D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
- ☒ Certified Mail ☐ Express Mail
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

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P.O. Box 108838
Oklahoma City, Oklahoma 73101

2. Article Number
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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, Oklahoma 73154-0496

2. Article Number

(Transfer from service label)

7008 0500 0001 4430 6675

PS Form 3811, February 2004

Domestic Return Receipt

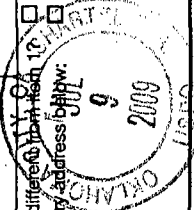
102595-02-M-1540

Chi-wf

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *X M/M* ☐ Agent ☐ Addressee
- B. Received by (Printed Name) _____ C. Date of Delivery _____

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:



3. Service Type
- ☒ Certified Mail
 - ☐ Registered
 - ☐ Insured Mail
 - ☐ Express Mail
 - ☐ Return Receipt for Merchandise
 - ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

U.S. Postal Service™

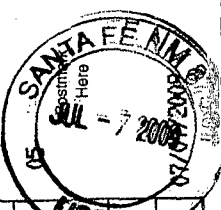
CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	\$2.92	0500
Certified Fee	\$	\$2.80	05
Return Receipt Fee (Endorsement Required)	\$	\$2.30	
Restricted Delivery Fee (Endorsement Required)	\$	\$0.00	
Total Postage & Fees	\$	\$8.02	



Sent To Crescent Porter Hale Foundation
Street, Apt. No., Suite 2310
or PO Box No. 1021 Main Street
City, State, ZIP+4 Houston, Texas 77002

PS Form 3800, August 2005 See Reverse for Instructions

U.S. Postal Service™

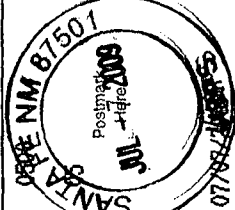
CERTIFIED MAIL™ RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	\$2.92	0500
Certified Fee	\$	\$2.80	05
Return Receipt Fee (Endorsement Required)	\$	\$2.30	
Restricted Delivery Fee (Endorsement Required)	\$	\$0.00	
Total Postage & Fees	\$	\$8.02	



Sent To Chesapeake Operating, Inc.
Street, Apt. No., P.O. Box 18496
or PO Box No. Oklahoma City, Oklahoma 73154-0496
City, State, ZIP+4

PS Form 3800, August 2005 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Crescent Porter Hale Foundation
Suite 2310
1021 Main Street
Houston, Texas 77002

2. Article Number
(Transfer from service label)

7008 0500 0001 4528 4521

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

Chi-wf

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *X Laura Willey* ☒ Agent ☐ Addressee
- B. Received by (Printed Name) *Laura Willey* C. Date of Delivery *8/10/09*
- D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type
- ☒ Certified Mail
 - ☐ Registered
 - ☐ Insured Mail
 - ☐ Express Mail
 - ☐ Return Receipt for Merchandise
 - ☐ C.O.D.

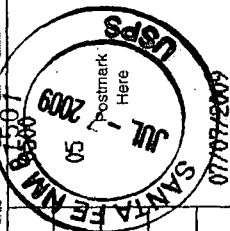
4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

U.S. Postal ServiceTM
CERTIFIED MAIL[®] RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	\$2.92
Certified Fee		\$2.80
Return Receipt Fee (Endorsement Required)		\$2.30
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$8.02



Sent To: Bureau of Land Management
 Street, Apt. No.: 620 East Greene
 or PO Box No. Carlsbad, New Mexico 88220
 City, State, ZIP+4

See Reverse for Instructions

4525 8254 1000 0050 8002

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Bureau of Land Management
 620 East Greene
 Carlsbad, New Mexico 88220

2. Article Number
(Transfer from service label)

7008 0500 0001 4528 4514

PS Form 3811, February 2004

Domestic Return Receipt

du-wf

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]* ☒ Agent ☐ Addressee

B. Received by *[Signature]* (Printed Name) C. Date of Delivery *7/6/09*

D. Is delivery address different from item 1? ☐ Yes ☒ No
 If YES, enter delivery address below:

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No