## Examiner Hearing -October 29, 2009 Docket No. 38-09 Page 6 of 6

to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1-5). The project is centered approximately 10 miles South-Southeast of Loco Hills, New Mexico.

## 19. CASE 14354: (Amended and Readvertised)

Application of Chi Energy, Inc. for statutory unitization, Eddy County, New Mexico. Applicant seeks an order unitizing all mineral interests in the Brushy Canyon member of the Delaware formation (Benson-Delaware Pool) underlying parts of Sections 1, 11, and 12, Township 19 South, Range 30 East, N.M.P.M., comprising 560.00 acres of federal lands for its proposed Benson Delaware Unit. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §\$70-7-1 et seq., will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the designation of Chi Operating, Inc. as unit operator; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate. The unit area is centered approximately 10 miles South-Southeast of Loco Hills, New Mexico.