

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.

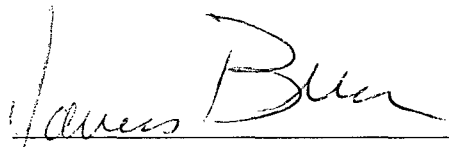
Case No. 14,353

AFFIDAVIT OF NOTICE

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

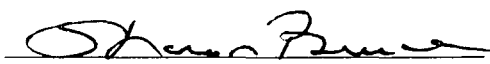
James Bruce, being duly sworn upon his oath, deposes and states:

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)

jamesbruce@aol.com

July 2, 2009

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons listed on Exhibit A

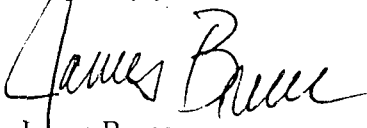
Ladies and gentlemen:

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

Chy-wf

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) *Cynthia A. Coffey* C. Date of Delivery *7-9-09*
- 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

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

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

OKLAHOMA CITY OK 73101

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 *Devon Energy Production Company, L.P.*

Street, Apt. No., P.O. Box 108838

City, State, ZIP+4[®] *Oklahoma City, Oklahoma 73101*

PS Form 3800, August 2006

See Reverse for Instructions

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

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

HIDALGO TX 79701

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

City, State, ZIP+4[®] *Midland, Texas 79701*

PS Form 3800, August 2006

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

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- 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:

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

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent ☐ Addressee
- B. Received by (Printed Name) *SPC* 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 ☐ Express Mail
- ☐ Registered ☐ Return Receipt for Merchandise
- ☐ Insured Mail ☐ C.O.D.
4. Restricted Delivery? (Extra Fee) ☐ Yes

7008 0500 0001 4528 4552

PS Form 3811, February 2004

Domestic Return Receipt

Chy-wf

102595-02-M-1540

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:

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

2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

7008 0500 0001 4528 4538

Domestic Return Receipt

102595-02-M-1540

Chi - WF

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *[Signature]* ☐ Agent ☐ Addressee
- B. Received by (Printed Name) *Chi - WF* C. Date of Delivery *7-9-09*
- 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

U.S. Postal ServiceTM CERTIFIED MAILTM RECEIPT

(Domestic Mail Only. No Insurance Coverage Provided)

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

ROSWELL, NM 88202

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 Featherstone Development Corporation

Street, Apt. No., or P.O. Box No. P.O. Box 429

City, State, Zip+4 Roswell, New Mexico 88202

PS Form 3800, August 2006 See Reverse for Instructions

102595-02-M-1540

Chi - WF

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:

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

2. Article Number

(Transfer from service label)

PS Form 3811, February 2004

7008 0500 0001 4528 4569

Domestic Return Receipt

102595-02-M-1540

Chi - WF

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *[Signature]* ☐ Agent ☐ Addressee
- B. Received by (Printed Name) *Chi - WF* C. Date of Delivery *7-9-09*
- 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

SENDER: COMPLETE THIS SECTION

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- 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:

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 *W*

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 ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

U.S. Postal Service™

CERTIFIED MAIL™ RECEIPT

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

OKLAHOMA CITY OK 73154

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

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

PS Form 3800, August 2006

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 Wilbey*

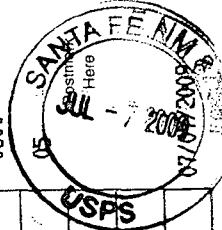
B. Received by (Printed Name)

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 ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes



U.S. Postal Service™

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

HOUSTON TX 77002

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

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

PS Form 3800, August 2006

See Reverse for Instructions

7008 0500 0001 4528 4521

hTSh 82Sh T000 0050 8002

CARL SDAID NH 88220

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
620 East Greene
Street, Apt. No. Carlshad, New Mexico 88220
or PO Box No.
City, State, ZIP+4

PS Form 3800 August 2006 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
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- 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)

PS Form 3811, February 2004

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i>		<input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee	
B. Received by <i>[Signature]</i> Printed Name) <i>A. Ansures</i>		Date of Delivery <i>17/8/09</i>	
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below:		<input checked="" type="checkbox"/> No	
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered <input type="checkbox"/> Insured Mail		<input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> C.O.D.	
4. Restricted Delivery? <i>(Extra Fee)</i>		<input type="checkbox"/> Yes	

7008 0500 0001 4528 4534

Domestic Return Receipt *Chen - W F*