

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:

*CASE NO. 11895
ORDER NO. R-10935*

**APPLICATION OF CHI ENERGY, INC. FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 18, 1997 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 31st day of December, 1997 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Chi Energy, Inc., seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 NE/4 (Unit G) of Section 21, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, thereby forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated East Malaga-Delaware Pool, Undesignated North Willow Lake-Delaware Pool, and the Undesignated Malaga-Bone Spring Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon.

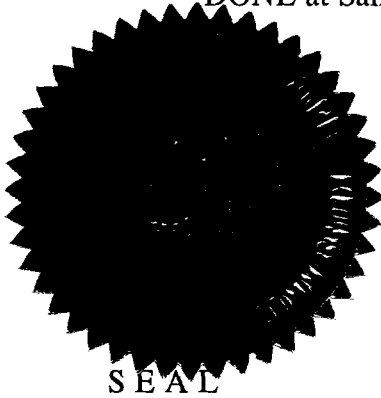
(3) Prior to the hearing, the applicant requested this matter be dismissed.

(4) Dismissal of this case should therefore be granted.

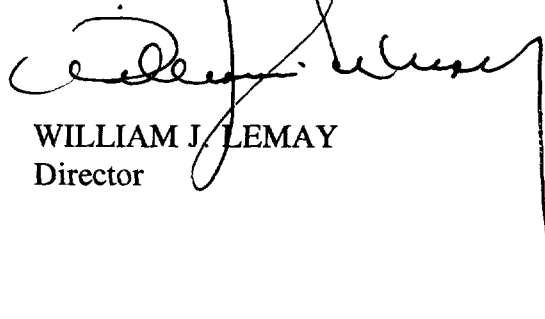
IT IS THEREFORE ORDERED THAT:

Case No. 11895 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director