

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

CASE NO. 12158

**APPLICATION OF CHI ENERGY, INC.
FOR AN UNORTHODOX GAS WELL LOCATION,
LEA COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Santa Fe Energy Resources, Inc. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Chi Energy, Inc.

ATTORNEY

James Bruce, Esq.
P. O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

Santa Fe Energy Resources Inc.
500 W. Texas Suite 1330
Midland, Texas 79701
(915) 687-3551
attn: Steve Smith

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

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STATEMENT OF CASE

Applicant, Chi Energy Inc, is the proposed operator of the Greenstone Federal Com Well No. 1 which it wants to drill to the Morrow formation at an unorthodox location 480 feet FSL and 1650 feet FEL (Unit O) of Section 19, T20S, R34E, Lea County, New Mexico to be dedicated to a standard 320 acre spacing unit consisting of the E/2 of this section.

Santa Fe Energy Resources, Inc. is the operator of the Topaz Federal Com Well No 1 located at a standard gas well location in the W/2 of Section 30 towards which Chi's well will encroach.

Santa Fe is opposed to the Chi location and requests that the Division deny Chi's application

PROPOSED EVIDENCE

OPPONENT:

WITNESSES

EST. TIME EXHIBITS

Tom Tinney (geologist)

40 Min. @ 4 exhibits

Rod Adams (petroleum engineer)

40 min @ 8 exhibits

PROCEDURAL MATTERS

None anticipated at this time

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin