

PROPOSED ADVERTISEMENT

Case 12245 : **Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 10, Township 17 South, Range 28 East, NMPM, and in the following manner: The S $\frac{1}{2}$ of Section 10 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Dog Canyon-Strawn Gas Pool and Undesignated Southeast Crow-Flats-Morrow Gas Pool; the SW $\frac{1}{4}$ of Section 10 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent; and the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 10 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40 acres within said vertical extent. Said units are to be dedicated to the applicant's Coal Train Fed. Com. Well No. 1, to be drilled a location 990 feet from the south line and 990 feet from the west line of said Section 10. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Chi Operating, Inc. as operator of the well, and a charge for the risk involved in drilling and completing the well. Said units are located approximately 13.5 miles east of Artesia, New Mexico.

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