

PROPOSED ADVERTISEMENT

Case 12621 : Application of Chi Energy, Inc. for compulsory pooling and two non-standard gas spacing and proration units, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 100 feet below the base of the Premier Sand to the base of the Morrow formation underlying the following described acreage in Section 31, Township 16 South, Range 30 East, NMPM, and in the following manner: Lots 1-4 and the E $\frac{1}{2}$ W $\frac{1}{2}$ (the W $\frac{1}{2}$ equivalent) to form a non-standard 306.84-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent; and Lots 1, 2, and the E $\frac{1}{2}$ NW $\frac{1}{4}$ (the NW $\frac{1}{4}$ equivalent) to form a non-standard 153.31-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Aspen Fed. Com. Well No. 1, to be drilled at an orthodox location in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 31. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 4 $\frac{1}{2}$ miles northwest of Loco Hills, New Mexico.

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