

PROPOSED ADVERTISEMENT

Case 12880: Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted overriding royalty owners with respect to production 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: The N $\frac{1}{2}$ to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Southeast Crow Flats-Morrow Gas Pool; and the NW $\frac{1}{4}$ to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent. Applicant requests that the pooling of the units be made effective as of the date of first production from its Hiawatha Fed. Com. Well No. 1 drilled and completed an orthodox location in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 10. Also to be considered will be the designation of Chi Operating, Inc. as operator of the well. The units are located approximately 13 $\frac{1}{2}$ miles east-northeast of Artesia, New Mexico.

02 JUN -4 PM 2:51
JL OCHS: JMD DL