

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:

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

No. 12959

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as  
required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Chi Energy, Inc.  
Post Office Box 1799  
Midland, Texas 79702

Attention: John Qualls  
(915) 685-5001

APPLICANT'S ATTORNEY

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

OTHER PARTY

OTHER PARTY'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying Lots 1-4 and the E $\frac{1}{2}$ W $\frac{1}{2}$  of Section 30, Township 18 South, Range 31 East, NMPM, to form a non-standard 301.68-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing. The unit is to be dedicated to applicant's Big Red Fed. Com. Well No. 1, located 660 feet from the south line and 1830 feet from the west line of Section 30. Also to be considered will be the designation of Chi Operating, Inc. as operator of the well.

OTHER PARTY

**PROPOSED EVIDENCE**

**APPLICANT**

**WITNESSES**  
Gary Green  
(landman)

**EST. TIME**  
10 Min.

**EXHIBITS**  
(a) Land plat  
(b) Correspondence  
(c) Notice affidavit

**OTHER PARTY**

**WITNESSES**

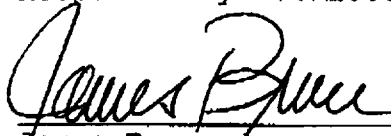
**EST. TIME**

**EXHIBITS**

**PROCEDURAL MATTERS**

-None-

Respectfully submitted,



James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Chi Energy, Inc.