PROPOSED ADVERTISEMENT

Case /2959:

Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. 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 E½W½ 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 within that vertical extent, including the Undesignated North Shugart-Atoka Gas Pool and North Hackberry-Morrow Gas Pool. 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. The unit is located approximately 8 miles southeast of Loco Hills, New Mexico.