

**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:**

2005 OCT 13 PM 3 04
CASE NO. 13582

**APPLICATION OF CHESAPEAKE OPERATING, INC.
FOR STATUTORY UNITIZATION OF THE TRINITY
BURRUS UNIT AREA, LEA COUNTY, NEW MEXICO**

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Chesapeake Operating, Inc.
Attn: Terry Frohnapfel
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ATTORNEY

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STATEMENT OF CASE

Applicant in the above-styled cause, seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interest in the Wolfcamp formation, Trinity-Wolfcamp Pool, underlying 1720 acres, more or less, of Federal, State and Fee lands in the following acreage:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM

Section 15:	SW/4 SE/4
Section 22:	E/2, E/2 W/2
Section 23:	W/2, W/2 E/2
Section 26:	W/2 W/2, NE/4 NW/4, SE/4 SW/4
Section 27:	E/2, E/2 W/2

Said unit to be designated the Trinity Burrus Unit. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a non-consent penalty for risk to be charged against carried working interests within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 25 miles northeast of Lovington, New Mexico.

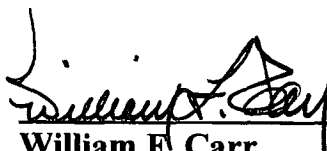
PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Terry Frohnapfel (Land)	Approx. 20 Min.	Approx. 12
David Godsey (Geology)	Approx. 15 Min.	Approx. 4
Everett Bradley (Engineer)	Approx. 20 Min.	Approx. 5

PROCEDURAL MATTERS

Chesapeake Operating, Inc., will request that this case be consolidated for the purposes of hearing with Case 13583.



William F. Carr
Attorneys for Chesapeake Operating, Inc.