

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION FOR THE
PURPOSE OF CONSIDERING:**

**APPLICATION OF CHESAPEAKE OPERATING, INC.
FOR AN ORDER AUTHORIZING THE DRILLING
OF A WELL IN THE POTASH AREA, LEA COUNTY,
NEW MEXICO.**

CASE NO. 14100

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Ed Birdshead
Chesapeake Energy Corporation
P.O. Box 18496
Oklahoma City, Ok 73154
(405) 879-8409

ATTORNEY

Ocean Munds-Dry, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant seeks an order approving the drilling of its proposed Lost Tank 16 State Well No. 1 to test the Lower Brushy Canyon Formation, Lost Tank Delaware Pool within the Potash Area at a location 330 feet from the South and West lines (Unit M) of Section 16, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico. This well will be drilled to an approximate depth of 8,700 to test the Lower Brushy Canyon formation. Said location is within the Potash Area and approximately 36.1 miles east of Eunice, New Mexico.

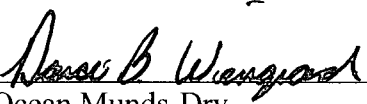
PROPOSED EVIDENCE

APPLICANT

| WITNESSES | ESTIMATED TIME | EXHIBITS |
|---------------------------|----------------|----------|
| Ed Birdshead Landman | 30 | 10 |
| Lee Wescott or | 30 | 10 |
| David Godsey Geologist | 30 | 10 |

PROCEDURAL MATTERS

Chesapeake Energy Corporation has none at this time.



Ocean Munds-Dry
Attorney for Chesapeake Energy Corporation.