

**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 CHESAPEAKE OPERATING, INC. FOR APPROVAL OF A  
WATERFLOOD PROJECT AND QUALIFICATION OF THE PROJECT AREA  
OF THE QUAIL QUEEN UNIT FOR THE RECOVERED OIL TAX RATE  
PURSUANT TO THE ENHANCED OIL RECOVERY ACT, LEA COUNTY, NEW  
MEXICO.**

**CASE NO. 14002**

**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  
6100 N. Western  
Post Office Box 18496  
Oklahoma City, OK 73154-0496  
(405) 810-2727

**ATTORNEY**

William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

**OPPOSITION**

Pride Energy Company

**ATTORNEY**

James Bruce, Esq.  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2151 Facsimile

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**STATEMENT OF CASE**

Applicant in the above-styled cause, seeks approval of its Quail-Queen Unit Waterflood Project by injection of water into the Queen formation through six injection wells located in the following described area:

**TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM**

Section 11:	S/2, NE/4
Section 13:	W/2 NW/4, NW/4 SW/4
Section 14:	NE/4, N/2 NW/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations.

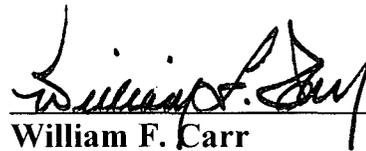
**PROPOSED EVIDENCE**

**APPLICANT**

<b><u>WITNESSES</u></b>	<b><u>EST. TIME</u></b>	<b><u>EXHIBITS</u></b>
Terry Frohnapfel (Land)	Approx. 20 Min.	Approx. 12
Robert Martin (Geology)	Approx. 15 Min.	Approx. 6
Greg Adams (Engineer)	Approx. 20 Min.	Approx. 7

**PROCEDURAL MATTERS**

Chesapeake Operating, Inc., will request that this case be consolidated for the purposes of hearing with Case 14001.



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William F. Carr  
Attorney for Chesapeake Operating,  
Inc.

**CERTIFICATE OF SERVICE**

I certify that on September 27, 2007 I served a copy of the foregoing document to the following by Hand Delivery or by Facsimile:

James Bruce, Esq.  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
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ATTORNEY FOR  
PRIDE ENERGY COMPANY

  
\_\_\_\_\_  
William F. Carr