

**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 APPROVAL OF A PILOT PROJECT
IN THE SEVEN RIVERS FORMATION TO
STUDY THE FEASIBILITY OF IMPLEMENTING
ENHANCED RECOVERY OPERATIONS IN THIS POOL,
LEA COUNTY, NEW MEXICO.**

CASE NO. 14325

PRE- HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Terry Frohnapfel
Chesapeake Operating Inc.
P.O. Box 18496
Oklahoma City, OK 73154-0496
(405) 935-2727

ATTORNEY

William F. Carr
Holland & Hart LLP
Post Office Box 2208
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(505) 988-4421

6/2/09
WFC

STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order authorizing a pilot project on Federal Oil and Gas Lease NM 56749 covering 520 acres located in the W/2, W/2 SE/4, N/2 NE/4, SW/4 NE/4 of Section 14, Township 19 South, Range 33 East, NMPM by the injection of water into the Tonto-Seven Rivers Pool in its Federal USA L Well No. 4 at a

location 2100 feet from the South line and 2310 feet from the West line of Section 14, Township 19 South, Range 33 East, NMPM. Said lease is located approximately 13.5 miles South Southeast of Maljamar, New Mexico.

PROPOSED EVIDENCE

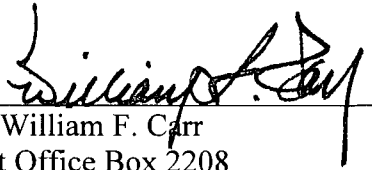
<u>WITNESSES</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Terry Frohnapfel (Land)	Approx. 15 Min	Approx 10
Robert Martin (Geology)	Approx. 10 Min	Approx 3
Greg Adams (Engineer)	Approx. 15 Min	Approx 3

PROCEDURAL MATTERS

Chesapeake Operating Inc., has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

By: 
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**ATTORNEY FOR
CHESAPEAKE OPERATING INC.**