

**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:

Case No. 11404

Application of Chesapeake Operating, Inc.
for an Unorthodox Oil Well Location
for Shaw "15" Well No. 2
Lea County, New Mexico.

RECEIVED

OCT 12 1995

Oil Conservation Division

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Chesapeake
Operating Inc. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, OK 73154
Attn: Mike Hazlip
(405) 848-8000

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

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218 Montezuma Street
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STATEMENT OF CASE

APPLICANT:

Chesapeake Operating, Inc. has 100% of the working interest in the S/2NE/4 of Section 15, T17S, R37E, NMPM, Lea County, New Mexico.

Chesapeake Operating, Inc. proposes to locate its Shaw "15" Well No. 2 at an unorthodox oil well location within the current boundaries of the Humble City-Strawn Pool.

The unorthodox location is necessary in order to attempt to locate the point of greatest thickness of potential strawn algal mound development within the spacing unit.

Approval of the application will afford Chesapeake Operating, Inc. the opportunity to produce its just and equitable share of the hydrocarbons in the Strawn formation and will otherwise prevent waste and protect correlative rights.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS:
Mike Hazlip (Landman)	20 min.	7 total
Robert Hefner IV (Geologist)	20 min.	

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN

By: 

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