

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. 12007
ORDER NO. R-11012

APPLICATION OF CHESAPEAKE OPERATING INC. FOR COMPULSORY
POOLING AND DIRECTIONAL DRILLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on July 9, 1998, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 24th day of July, 1998, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Chesapeake Operating Inc., seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the following described acreage in Section 10, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, in the following manner:

(a) the E/2 NW/4 to form a standard 80-acre oil spacing and proration unit for any and all pools developed on 80-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Lovington-Wolfcamp Pool and the Undesignated Northeast Lovington-Pennsylvanian Pool; and,

(b) the SE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or

pools developed on 40-acre spacing within said vertical extent.

(3) Both units are to be dedicated to the proposed Warehouse "10" Well No. 1, which the applicant seeks to drill as a directional wellbore from a surface location 1172 feet from the North line and 2445 feet from the East line (Unit B) of Section 10 to an approximate bottomhole location within the Strawn interval 1438 feet from the North line and 1856 feet from the West line (Unit F) of Section 10.

(4) At the time of the hearing legal counsels for both the applicant and Bahlburg Exploration, Inc., a working interest owner within the acreage to be pooled, mutually requested that this matter be dismissed.

(5) Dismissal of this case should therefore be granted.

IT IS THEREFORE ORDERED THAT:

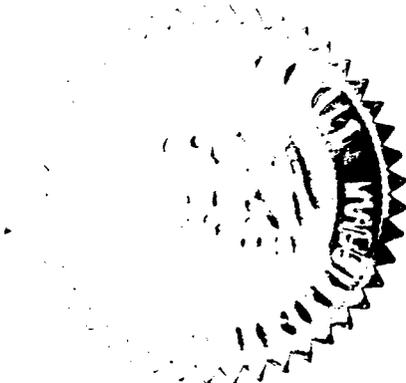
Case No. 12007 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery

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Director



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