

MJ  
6-18-99

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

**CASE NO. 12186**

**APPLICATION OF CHESAPEAKE OPERATING INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

99 JUN 18 AM 8:32

OIL CONSERVATION DIV.

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by CHESAPEAKE OPERATING INC. as required by the Oil Conservation Division.

**APPEARANCE OF PARTIES**

**APPLICANT**

**ATTORNEY**

Chesapeake Operating Inc.  
P. O. Box 18496  
Oklahoma City, OK 73154  
(405) 848-8000  
attn: Lynda Townsend

W. Thomas Kellahin  
KELLAHIN & KELLAHIN  
P.O. Box 2265  
Santa Fe, NM 87504  
(505) 982-4285

**OPPONENT**

**ATTORNEY**

Ameristate Oil and Gas, Inc.

William F. Carr, Esq.  
P. O. Box 2248  
Santa Fe, New Mexico 87504  
(505) 988-4421

**STATEMENT OF THE CASE**

Chesapeake Operating Inc. seeks a compulsory pooling order for the E/2 of Section 15, T16S, R35E, Lea County, New Mexico as a 320-acre gas spacing unit for its proposed Boyce 15 Well No. to be drilled at a standard well location 1650 feet from the north line and 660 feet from the east line of this section.

**PROPOSED EVIDENCE**

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Lynda Townsend (landman)	30 min.	@ 8 exhibits
Robert Hefner (geology)	30 Min.	@ 3 exhibits

**PROCEDURAL MATTERS**

On April 29, 1999, Chesapeake filed its compulsory pooling application. On May 18, 1999, Ameristate filed its compulsory pooling application. On May 18, 1999, Ameristate obtained a subpoena seeking the production of Chesapeake's 2-D and 3-D seismic data. On May 26, 1999, Chesapeake filed its motion to quash the subpoena and its motion to dismiss the Ameristate compulsory pooling case. On June 3, 1999, Ameristate dismissed its compulsory pooling application.

The seismic data is not relevant to this compulsory pooling case and Ameristate, a business competitor of Chesapeake, is simply using a subpoena as an attempt to acquire Chesapeake's confidential or proprietary documents. Chesapeake requests that the Division enter an order granting Chesapeake's motion to quash the Ameristate subpoena.

KELLAHIN AND KELLAHIN

By:   
W. Thomas Kellahin