

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

WTK

CASE NO. 12660

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

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

STATEMENT OF THE CASE

1. Chesapeake has the right to drill and develop the oil and gas minerals from the surface to the base of the Strawn formation underlying the N/2SE/4 of Section 21, T16S, R37E, NMPM, Lea County, New Mexico.

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2. This well is subject to the special rules for the Northeast Lovington Pennsylvanian Pool which provide for standard 80-acre spacing unit with well to be located within 150 feet of the center of a governmental quarter-quarter section.

3. Chesapeake has proposed this well and its appropriate spacing unit to the working interest and unleased mineral interest owners in the spacing unit.

4. Because the current addresses of some of these parties cannot be determined after a good faith search, it will not be possible for Chesapeake to obtain written voluntary agreement from all the parties.

5. For those parties which Chesapeake was able to locate, some of whom have elected not to participate on a voluntary basis.

6. Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, the applicant needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

EST. TIME EXHIBITS

Lynda Townsend (landman)

20 min. @ 5 exhibits

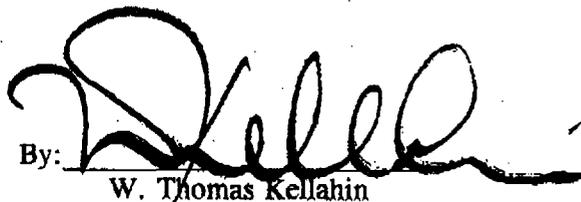
Robert Hefner (geology)

20 Min. @ 3 exhibits

PROCEDURAL MATTERS

None

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin