

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

324 MCKENZIE STREET
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)

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January 7, 2002

Via Fax and U.S. Mail

Lori Wrotenbery
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Case 12787

Dear Ms. Wrotenbery:

Enclosed is an entry of appearance and request for a continuance,
filed on behalf of Southwestern Energy Production Company.

Very truly yours,


James Bruce

Attorney for Southwestern
Energy Production Company

cc: W. Thomas Kellahin (vis fax)

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

1001-6 1 6:10

No. 12787

ENTRY OF APPEARANCE AND MOTION FOR A CONTINUANCE

I. ENTRY OF APPEARANCE.

James Bruce enters his appearance in this case on behalf of Southwestern Energy Production Company ("Southwestern").

II. MOTION FOR A CONTINUANCE.

Chesapeake Operating Inc. ("Chesapeake") has applied for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E½ of Section 20, Township 17 South, Range 35 East, N.M.P.M., Lea County, New Mexico. The application is set for hearing on January 10, 2002.

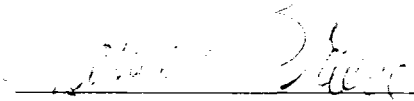
Southwestern, the majority interest owner in the well unit, proposes to drill its Electrolux "20" State Com. Well No. 1, to a depth sufficient to test the Mississippian formation, and to dedicate the E½ of Section 20 to the well. A copy of the pooling application Southwestern intends to file with the Division is attached hereto as Exhibit A. The application will be scheduled for the February 7, 2002 Examiner hearing.

Because both applications involve the same land and interest owners, it will be more economic to hear both applications at the same time. Southwestern has asked Chesapeake to voluntarily continue its case to February 7th, but Chesapeake has refused.

WHEREFORE, Southwestern requests that Chesapeake's case be continued to the February 7, 2002 Examiner hearing, and

consolidated for hearing with the application to be filed by Southwestern.

Respectfully submitted,


James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

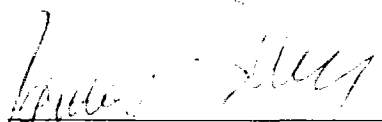
Attorney for Southwestern Energy
Production Company

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record via facsimile transmission this 7th day of January, 2002:

W. Thomas Kellahin
Kellahin & Kellahin
Post Office Box 2265
Santa Fe, New Mexico 87504
Fax No. (505) 982-2047

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505
Fax No. (505) 476-3462


James Bruce

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF SOUTHWESTERN ENERGY
PRODUCTION COMPANY FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

No. _____

APPLICATION

Southwestern Energy Production Company applies for an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the E½ of Section 20, Township 17 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the E½ of Section 20, and has the right to drill a well thereon.

2. Applicant proposes to drill its Electrolux "20" State Com. Well No. 1, at an orthodox gas well location in the NE¼NE¼ of the section, to a depth sufficient to test the Mississippian formation, and seeks to dedicate the following acreage to the well:

(a) the NE¼ of Section 20 to form a standard 160 acre gas spacing and proration unit for any and all formations and/or pools developed on 160 acre spacing within that vertical extent; and

(b) the E½ of Section 20 to form a standard 320 acre gas spacing and proration unit for any and all formations and/or pools developed on 320 acre spacing within that vertical extent.

3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 20 for the purposes set forth herein.



4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the E½ of Section 20, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 20 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the E½ of Section 20 from the surface to the base of the Mississippian formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a penalty for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Southwestern Energy
Production Company