

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

CASE NO. 12985

APPLICATION OF CHESAPEAKE OPERATING INC.
FOR COMPULSORY POOLING,
Eddy 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: William Chatham

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 Morrow formation underlying the N/2 of Section 7, T23S, R28E, NMPM, Eddy County, New Mexico.

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

3. Despite its good faith effort, Chesapeake has been unable to obtain a voluntary agreement with all of the interests owners.

4. Pursuant to Section 70-2-17.C NMSA (1978) and in accordance with Division Rule 1207.A(1)(b) Chesapeake an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

The State of New Mexico, ex rel State Highway Commission
of New Mexico for a 0.58625 unleased mineral interest.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

EST. TIME EXHIBITS

By Affidavit:

20 minutes 10

William Chatham
Doug Bellis
Andrew McCalmont

PROCEDURAL MATTERS

KELLAHIN AND KELLAHIN



By: W. Thomas Kellahin