

**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 HEARING:**

**APPLICATION OF CHESAPEAKE OPERATING, INC.
FOR COMPULSORY POOLING AND AN UNORTHODOX
OIL WELL LOCATION, LEA COUNTY, NEW MEXICO**

CASE 13287

PRE-HEARING STATEMENT

**Chesapeake Operating, Inc. submits this pre-hearing statement as required by the
New Mexico Oil Conservation Division.**

APPEARANCES OF THE PARTIES

APPLICANT

**Chesapeake Operating, Inc.
6100 N. Western Ave
Oklahoma City, OK 73118
Attn: Lynda Townsend
405-879-9414**

ATTORNEY

**Thomas Kellahin, Esq.
P. O. Box 2265
Santa Fe, New Mexico 87504
505-982-4285**

OPPONENT

none

ATTORNEY

STATEMENT OF THE CASE

APPLICANT:

Chesapeake Operating, Inc., in accordance with Section 70-1-17.C seeks a compulsory pooling order pooling all mineral interest from the surface to the base of the Wolfcamp formation underlying a standard 40-acre spacing unit consisting of the NE/4NW/4 of Section 22, T12S, R38E, Lea County, New Mexico for its State "22" Well No. 2 to be drilled as an unorthodox oil well location in Unit C of this section and the designation of Chesapeake Operating Inc. as the operator plus the standard provisions of the Division's compulsory pooling order including a 200% risk factor penalty in accordance with Commission Order R-11992, effective August 15, 2003.

The proposed unorthodox location is 217 feet FNL and 2417 feet FWL of this section and based upon 3-D seismic interpretation demonstrates that this location is necessary to produce oil that cannot be accessed at the closest standard location.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EST. EXHIBITS
Mike Braun, consulting landman (by affidavit or in person)	15-20 min	about 10
David Godsey, geologist	15 min	about 3

PROCEDURAL MATTERS

None

KELLAHIN & KELLAHIN



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