

**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, LEA COUNTY, NEW MEXICO**

CASE 13280

PRE-HEARING STATEMENT

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

*Lynda
7/6/04*

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 SW/4NW/4 of Section 26, T12S, R38E, Lea County, New Mexico for its Burrus "26" Well No. 2 to be drilled as an standard oil well location in Unit E 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.

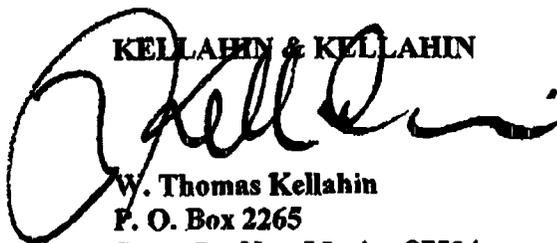
PROPOSED EVIDENCE**APPLICANT**

WITNESSES	EST. TIME	EST. EXHIBITS
Mike Braun, consulting landman, or Lynda Townsend	15-20 min	about 10

PROCEDURAL MATTERS

None

KELLAHIN & KELLAHIN



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