

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

IN THE MATTER OF THE APPLICATION OF
CHESAPEAKE OPERATING, INC. FOR
COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

CASE NO. 14147

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PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Lobos Energy Partners, LLC, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Chesapeake Operating, Inc.
P. O. Box 18496
Oklahoma City, OK 73154

ATTORNEY

Ocean Munds-Dry
Holland & Hart, LLP
P. O. Box 2208
Santa Fe, NM 87504-2208

OPPOSITION OR OTHER PARTY

Lobos Energy Partners, LLC
3817 Northwest Expressway, Suite 950
Oklahoma City, OK 73112

ATTORNEY

J. Scott Hall, Esq.
Montgomery & Andrews, P.A.
P. O. Box 2307
Santa Fe, NM 87504-2307

STATEMENT OF CASE

APPLICANT

Applicant proposes to pool all mineral interests in a 160-acre project area located in the S/2 N/2 of Section 31, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico for dedication to its proposed Diamond 31 Federal Well No. 4-H to be drilled to the Bone Spring formation.

OPPOSING PARTY

Lobos Energy Partners, LLC is an interest owner in the proposed spacing unit. The well proposal for the Diamond 31 Federal Well No. 4H received by Lobos Energy Partners was for a Delaware formation well rather than a Bone Spring well. Without waiver of any rights, Lobos Energy Partners, LLC has entered an appearance in the case in order to obtain clarification of Applicant's proposal. Lobos Energy Partners, LLC does not at this time plan on presenting any witnesses at the hearing on this Application.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPOSING PARTY

None.

J. Scott Hall

J. Scott Hall

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Pre-Hearing Statement was faxed to Ocean Munds-Dry at 983-6043, on this 28th day of August, 2008.

J. Scott Hall

J. Scott Hall