

**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 CONSIDERING:**

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

CASE NO. 14147

**RECEIVED
2008 JUN 28 PM 3 24**

PRE- HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Craig Barnard
Chesapeake Operating Inc.
6100 Western Ave.
Oklahoma City, OK 73148
(405) 879-9189

ATTORNEY

Ocean Munds-Dry, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
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STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling 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. The above-referenced spacing unit will be dedicated to Chesapeake's Diamond 31 Federal Well No. 4H which will be drilled to test the Bone Springs formation, Willow Lake Bone Spring Pool, from a surface location 1670 feet from the North line and 25 feet from the East line and to a bottomhole location 1670 feet from the North line and 350 feet from the West line of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Chesapeake Operating, Inc. as operator of the well and a charge for risk involved in

drilling said well. Said area is located approximately 4 miles southeast of Malaga, New Mexico.

PROPOSED EVIDENCE

WITNESSES

ESTIMATED TIME

EXHIBITS

Craig Barnard
Landman

30 Minutes

10 approx.

Chesapeake Operating Inc., has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

By:

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