



**MONTGOMERY
& ANDREWS**

J. SCOTT HALL

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RECEIVED
2009 MAR 25 PM 3 43

March 26, 2009

Ms. Florene Davidson
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Re: In the Matter of the Application of Chesapeake Operating, Inc. for Special Rules and Regulations for the Lost Tank Delaware Pool, Lea County, New Mexico, NMOCD Case No. 14301

Dear Ms. Davidson:

Attached for filing are originals and two copies of (1) an Entry of Appearance and (2) a Pre-Hearing Statement in the above-referenced matter. I have included extra copies to be conformed.

Thank you.

Very truly yours,

Karen Williams
Assistant to J. Scott Hall

:kw
Enclosure

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

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RECEIVED STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
2009 MAR 26 PM 03:49 CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF
CHESAPEAKE OPERATING, INC. FOR SPECIAL
RULES AND REGULATIONS FOR THE LOST TANK
DELAWARE POOL, LEA COUNTY NEW MEXICO

CASE NO. 14301

ENTRY OF APPEARANCE

Comes now OXY USA, Inc., by and through its undersigned attorneys,
Montgomery & Andrews, P.A., (J. Scott Hall) and hereby enters its appearance in the
above matter.

MONTGOMERY & ANDREWS, P.A.

By:

J. Scott Hall

J. Scott Hall

Attorneys for OXY USA, Inc.

Post Office Box 2307

Santa Fe, New Mexico 87504-2307

(505) 982-3873

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to
counsel of record on the 26th day of March, 2009 as follows:

Ocean Munds-Dry, Esq.
Holland & Hart LLP
Post Office Box 228
Santa Fe, NM 87504-0228
(505) 983-6043

J. Scott Hall

J. Scott Hall

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2009 MAR 26 PM 3 43
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 SPECIAL
RULES AND REGULATIONS FOR THE LOST TANK
DELAWARE POOL, LEA COUNTY NEW MEXICO

CASE NO. 14301

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Montgomery and Andrews, P.A.

(J. Scott Hall) on behalf of Oxy USA, Inc., as required by the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEY

Ocean Munds-Dry, Esq.
Holland & Hart LLP
Post Office Box 228
Santa Fe, New Mexico 87504
(505) 988-4421

APPLICANT

Chesapeake Operating, Inc.

OPPONENT'S ATTORNEY

J. Scott Hall, Esq.
Montgomery and Andrews, P.A.
Post Office Box 2307
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(505) 982-3873

OPPONENT

Oxy USA, Inc.

OTHER PARTY'S ATTORNEY

OTHER PARTY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks establishment of special rules and regulations for the Lost Tank Delaware Pool, including a special depth bracket allowable of 400 barrels of oil per day and a limiting gas:oil ratio of 2000 cubic feet of gas for each barrel of oil produced, effective January 1, 2009. The pool is located in Sections 24, 25, 34, 36 and 36 of Township 21 South, Range 31 East; Sections 17, 18, 19, 30 and 31 of Township 21 South, Range 32 East; Sections 1 and 2, Township 22 South, Range 31 East; and Section 6, Township 22 South, Range 32 East, NMPM, Lea County.

OPPOSITION OR OTHER PARTY

Oxy USA, Inc. is an operator and/or interest owner in the vicinity of the lands that are the subject of the Application and is therefore an affected party.

Oxy USA, Inc. reserves the right to examine Applicant's witnesses and to call its own witnesses and present evidence.

PROPOSED EVIDENCE

APPLICANT
WITNESSES

EST. TIME

NO. OF EXHIBITS

OPPOSITION
WITNESSES

EST. TIME

NO. OF EXHIBITS

None.

PROCEDURAL MATTERS

MONTGOMERY & ANDREWS, P.A.

By: _____

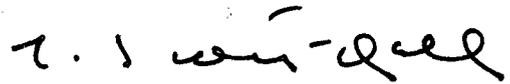


J. Scott Hall, Esq.
Post Office Box 2307
Santa Fe, New Mexico 87504
(505) 982-3873
Attorneys for Oxy USA, Inc.

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J. Scott Hall

00070228