

**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:**

**CASE NO. 12482
ORDER NO. R-11460**

**APPLICATION OF CHESAPEAKE OPERATING, INC. FOR POOL CREATION
AND POOL CONTRACTION, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on September 7, 2000, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of September, 2000, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Chesapeake Operating, Inc. ("Chesapeake"), seeks an order contracting the lower vertical limits of the North Shoe Bar-Atoka Gas Pool to exclude the "Brunson" interval and to re-designate this pool as the North Shoe Bar-Upper Atoka Gas Pool. The applicant further seeks the creation of a new pool for the production of gas from the "Brunson" interval to be designated the North Shoe Bar-Lower Atoka Gas Pool.

(3) Yates Petroleum Corporation, an operator within the North Shoe Bar-Atoka Gas Pool, appeared at the hearing through legal counsel.

(4) Division records indicate that the North Shoe Bar-Atoka Gas Pool currently comprises the following described acreage in Lea County, New Mexico:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

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|-------------|-----------------------------|
| Section 2: | Lots 9, 10, 15 and 16, SE/4 |
| Section 10: | E/2 |
| Section 11: | All |