

**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. 12595
ORDER NO. R-11557**

**APPLICATION OF CHESAPEAKE OPERATING, INC. FOR AN
UNORTHODOX OIL WELL LOCATION, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on February 22, 2001, at Santa Fe, New Mexico before Examiner David R. Catanach.

NOW, on this 23rd day of March, 2001, 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 approval to drill its Buchanan "5" Well No. 1 at an unorthodox oil well location 2365 feet from the North line and 1641 feet from the East line (Unit G) of Section 5, Township 17 South, Range 37 East, NMPM, to test the Strawn formation, Shipp-Strawn Pool, Lea County, New Mexico. The S/2 NE/4 of Section 5 is to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for the Shipp-Strawn Pool.

(3) W. B. Osborne Oil and Gas Operations and Amerind Oil Company appeared at the hearing through legal counsel.

(4) Chesapeake appeared at the hearing and presented geologic evidence and testimony to support its application in this case.

(5) Subsequent to the hearing and by letter dated March 19, 2001, Chesapeake requested that Case No. 12595 be dismissed.

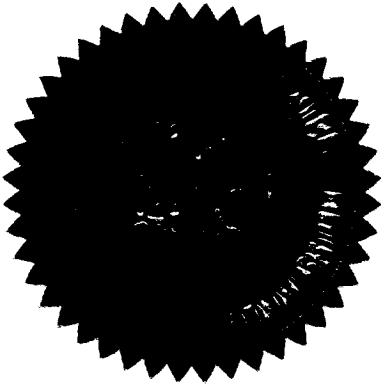
(6) Chesapeake's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the request by Chesapeake Operating, Inc., its application for approval to drill the Buchanan "5" Well No. 1 at an unorthodox oil well location 2365 feet from the North line and 1641 feet from the East line (Unit G) of Section 5, Township 17 South, Range 37 East, NMPM, to test the Strawn formation, Shipp-Strawn Pool, Lea County, New Mexico, is hereby dismissed.

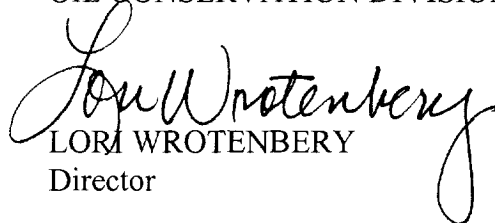
(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director