

**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 HEARING:**

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

**CASE 13287**

**PRE-HEARING STATEMENT**

**Chesapeake Operating, Inc. submits this pre-hearing statement as required by the  
New Mexico Oil Conservation Division.**

**APPEARANCES OF THE PARTIES**

**APPLICANT**

**Chesapeake Operating, Inc.  
6100 N. Western Ave  
Oklahoma City, OK 73118  
Attn: Lynda Townsend  
405-879-9414**

**ATTORNEY**

**Thomas Kellahin, Esq.  
P. O. Box 2265  
Santa Fe, New Mexico 87504  
505-982-4285**

**OPPONENT**

**none**

**ATTORNEY**

**STATEMENT OF THE CASE****APPLICANT:**

Chesapeake Operating, Inc., in accordance with Section 70-1-17.C seeks a compulsory pooling order pooling all mineral interest from the surface to the base of the Wolfcamp formation underlying a standard 40-acre spacing unit consisting of the NE/4NW/4 of Section 22, T12S, R38E, Lea County, New Mexico for its State "22" Well No. 2 to be drilled as an unorthodox oil well location in Unit C of this section and the designation of Chesapeake Operating Inc. as the operator plus the standard provisions of the Division's compulsory pooling order including a 200% risk factor penalty in accordance with Commission Order R-11992, effective August 15, 2003.

The proposed unorthodox location is 217 feet FNL and 2417 feet FWL of this section and based upon 3-D seismic interpretation demonstrates that this location is necessary to produce oil that cannot be accessed at the closest standard location.

**PROPOSED EVIDENCE****APPLICANT**

<b>WITNESSES</b>	<b>EST. TIME</b>	<b>EST. EXHIBITS</b>
Mike Braun, consulting landman (by affidavit or in person)	15-20 min	about 10
David Godsey, geologist	15 min	about 3

**PROCEDURAL MATTERS**

None

**KELLAHIN & KELLAHIN**



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