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 YATES PETROLEUM CORPORATION FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE 13462

PRE-HEARING STATEMENT

Chesapeake Operating, Inc. submits this pre-hearing statement as required by the New Mexico Oil Conservation Division. MUST 4/165

APPEARENCES OF THE PARTIES

APPLICANT

ATTORNEY

Yates Petroleum Corporation

William F. Carr, Esq. Ocean Munds-Dry, Esq. Holland & Hart P. O. Box 2208 Santa Fe, NM 87504 505-988-4421

OPPONENTS

ATTORNEY

Chesapeake Exploration Limited Partnership 6100 N. Western Ave Oklahoma City, OK 73118 Attn: Lynda Townsend 405-879-9414

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

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STATEMENT OF THE CASE

OPPONENTS:

Yates Petroleum Corporation seeks to pool the interest formerly held by Well Fargo Bank Texas, N.A. Trustee for Willa Ruth Simmons Trust, P. O. Box 1959, Midland, Texas 79702 that is now held by Chesapeake Exploration Limited Partnership.

Chesapeake Exploration Limited Partnership will submit evidence to demonstrate that Yates Petroleum Corporation is failed to propose this well and these spacing unit to Chesapeake Exploration Limited Partnership.

PROPOSED EVIDENCE

OPPONENT

WITNESSES

EST. TIME

EST. EXHIBITS

Not yet determined

pending

PROCEDURAL MATTERS

Chesapeake's requests that this case to continued until April 21, 2005 docket in order to provide an opportunity for Yates to submit to its well proposal to Chesapeake and for these parties to attempt to reach a voluntary agreement.

Counsel for Chesapeake having made two attempt to obtain the concurrence of Yates' attorney does not know if this motion for a continuance is opposed by Yates.

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CERTIFICATE OF SERVICE

I certify that on April 1, 2005, I served a copy of the foregoing docume	ents by:
[] US Mail, postage prepaid	
[] Hand Delivcry	
[XX] Facsimile	

to the following:

William F. Carr, Esq. Fax 505-983-6043