

**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 PURVIS OPERATING CO. CASE NO. 13833
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

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

Purvis Operating Co.

ATTORNEY

James Bruce, Esq.

OPPONENT

**Chesapeake Operating, Inc.
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ATTORNEY

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WTT 12/17/06

STATEMENT OF THE CASE

OPPONENT:

The applicant, Purvis Operating Co. ("Purvis") seeks a compulsory pooling order pooling the interest of Chesapeake Energy Corporation ("Chesapeake") in the NW/4 of Section 8, T15S, R35E, NMPM, Lea County, NM in order to for a 320-acre spacing unit consisting of the N/2 of Sec 8 for Purvis' Coyote State Well No. 1 to drilled in the NW/4 of Sec. 8 to the base of the Mississippi formation.

By letter dated October 27, 2006, Purvis' proposed this well to Chesapeake. Sixteen days later and before Chesapeake could respond to the proposal, on November 12, 2006 Purvis filed its compulsory pooling application. By doing so, Purvis prematurely filed this case and failed to comply with the custom and practice of the Division concerning Section 70-2-17.C NMSA 1978 by instituting an application for compulsory pooling prior to conducting good faith efforts to reach a voluntary agreement with Chesapeake.

On November 17 and again on November 29, 2006, Chesapeake informed Purvis that Chesapeake would participate voluntary in this wellbore.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EST. EXHIBITS

Lynda Townsend (land)

@ 20-30 minutes

@ 6

PROCEDURAL MATTERS

Chesapeake's motion to dismiss Purvis' application is pending a decision by the Division.

KELLAHIN & KELLAHIN


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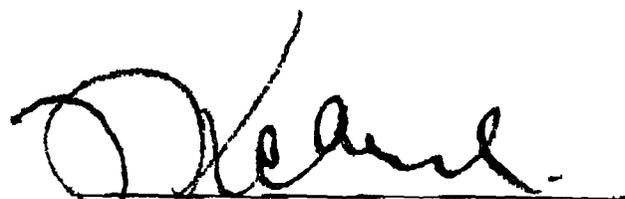
CERTIFICATE OF SERVICE

I certify that on December 6, 2006, I served a copy of the foregoing documents by:

- US Mail, postage prepaid
- Hand Delivery
- Facsimile

to the following:

David K. Brooks, Esq. OCD
James Bruce, Esq.



W. Thomas Kellabin