

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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IN THE MATTER OF THE HEARINGS CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

APPLICATION OF CHESAPEAKE EXPLORATION,
L.L.C. FOR STATUTORY UNITIZATION OF THE
QUAIL-QUEEN UNIT AREA, LEA COUNTY, NEW
MEXICO.

Case No. 14,001

APPLICATION OF CHEASAPEAKE EXPLORATION,
L.L.C. FOR APPROVAL OF A WATERFLOOD
PROJECT AND QUALIFICATION OF THE PROJECT
AREA OF THE QUAIL-QUEEN UNIT AREA FOR THE
RECOVERED OIL TAX RATE PURSUANT TO THE
ENHANCED OIL RECOVERY ACT, LEA COUNTY,
NEW MEXICO.

Case No. 14,002

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Pintail Production Company, Inc. as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Chesapeake Exploration, L.L.C.

APPLICANT'S ATTORNEY

William F. Carr

OPPONENT

Pintail Production Company, Inc.
6467 Southwest Boulevard
Forth Worth, Texas 76132

OPPONENT'S ATTORNEY

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Harvey Mueller
hhmpintail@yahoo.com

STATEMENT OF THE CASE

APPLICANT

OPPONENT

Pintail Production Company, Inc. does not object to unitization. However, it objects to the participation formula devised by the Division, in particular the increase of the pore volume factor in the formula from 10% to 40%. Pintail's well in the unit will have approximately 20% of EUR, but shows only 2.5% of pore volume under the formula. That is statistically invalid.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Harvey H. Mueller
(engineer)

25 min.

Four

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Pintail Production Company,
Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 4th day of September, 2008:

Via facsimile transmission

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Via hand delivery

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Oil Conservation Division
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James Bruce