

**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:**

CASE NO. 14300

**APPLICATION OF CHESAPEAKE OPERATING, INC.
FOR SPECIAL RULES AND REGULATIONS FOR THE
SOUTHWEST WILLOW LAKE-DELAWARE POOL
EDDY 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

Chesapeake Operating, Inc.
6100 N. Western Ave
Oklahoma City, OK 73118
Attn: Ed Birdshead
405-935-8409

ATTORNEY

Thomas Kellahin, Esq.
706 Gonzales Road
Santa Fe, New Mexico 87501
phone: 505-982-4285
email: tkellahin@comcast.net

OPPONENT

ATTORNEY

NONE

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STATEMENT OF THE CASE

APPLICANT:

(1) Chesapeake is an operator in the Pool.

(2) The Southwest Willow Lake Delaware Pool was created by Division Order R-11120, dated February 1, 1999. The horizontal limits of the pool, as amended, are described as follows:

Township 25 South. Range 28 East

Section 3: All

Section 4: E/2

Section 9: NE/4 Section 10: All Section 15: NE14

(3) The Southwest Willow Lake Delaware Pool is governed by the Division's statewide spacing and setback rules which provide for oil wells to be dedicated to 40- acre spacing units and to be located no closer than 330 feet to a quarter-quarter section line. NMAC 19.15.15.9.

(4) Pursuant to Division Rule 19.15.20.12 NMAC, the Pool has a depth bracket allowable of 80 barrels of oil per day.

(5) Chesapeake requests that the Division promulgate special rules and regulations for the Southwest Willow Lake Delaware Pool, providing for a depth bracket allowable of 800 barrels of oil per day, with a limiting gas-oil ratio of 2000 cubic feet of gas for each barrel of oil produced.

(6) Chesapeake requests that the special rules and regulations be made effective January 1, 2009.

(7) The assignment of a greater than regular depth bracket allowable will not cause damage to the reservoir or cause surface or underground waste.

(8) Approval of this application will be in the best interest of conservation and the protection of correlative rights.

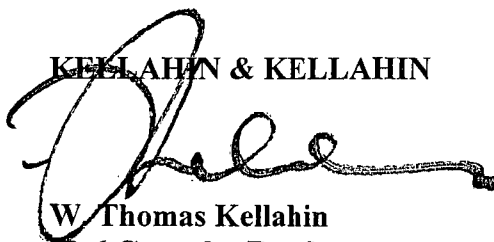
APPLICANT

WITNESSES	EST. TIME	EST. EXHIBIT
Ray Taylor (Petroleum Engineer)	30 min.	8
Lee Wescott (Geologist)	30 min.	4
Ed Birdshead (Landman)	15 min	6

PROCEDURAL MATTERS

None

KELLAHIN & KELLAHIN



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