

**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 CONSIDERING:**

**APPLICATION OF CHESAPEAKE OPERATING, INC. FOR APPROVAL OF A  
WATERFLOOD PROJECT AND QUALIFICATION OF THE PROJECT AREA  
OF THE CARTER-SHIPPI STRAWN UNIT FOR THE RECOVERED OIL TAX  
RATE PURSUANT TO THE ENHANCED OIL RECOVERY ACT, LEA  
COUNTY, NEW MEXICO.**

**CASE NO. 14363**

**PRE-HEARING STATEMENT**

This Prehearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

Chesapeake Operating, Inc.  
Attn: Terry Frohnapfel  
6100 N. Western  
Post Office Box 18496  
Oklahoma City, OK 73154-0496  
(405) 810-2727

**ATTORNEY**

William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
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**STATEMENT OF CASE**

Applicant in the above-styled cause, seeks approval of its Carter-Shipp Strawn Unit Waterflood Project by injection of water into the Strawn formation through two injection wells located in the following described area:

**TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM**

Section 21:	SE/4 SE/4
Section 27:	NW/4
Section 28:	NE/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations. Applicant further seeks to qualify the project

area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

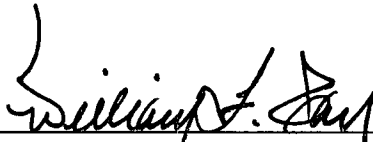
**PROPOSED EVIDENCE**

**APPLICANT**

<b><u>WITNESSES</u></b>	<b><u>EST. TIME</u></b>	<b><u>EXHIBITS</u></b>
Terry Frohnapfel (Land)	Approx. 20 Min.	Approx. 12
Robert Martin (Geology)	Approx. 15 Min.	Approx. 6
Everett Bradley (Engineer)	Approx. 20 Min.	Approx. 7

**PROCEDURAL MATTERS**

Chesapeake Operating, Inc., will request that this case be consolidated for the purposes of hearing with Case 14362.

  
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William F. Carr  
Attorney for Chesapeake Operating,  
Inc.