STATE OF NEW MEXICO RECEIVED OCD ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION 2009 DEC 10 A 11:43

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 UNIT AGREEMENT, EDDY COUNTY, NEW MEXICO. **CASE NO. 14406**

PRE- HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Divison.

APPEARANCES OF PARTIES

APPLICANT

Justin Zerkle Chesapeake Operating Inc. 6100 Western Ave. Oklahoma City, OK 73148 (405) 879-9189

ATTORNEY

Ocean Munds-Dry, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

STATEMENT OF CASE

APPLICANT

Applicant seeks approval of the Forehand Ranches Exploratory Unit from the surface to the base of the Bone Spring formation in an area comprising 640 acres of State of New Mexico lands in Section 36 in Township 25 South, Range 26 East, NMPM, which is located approximately 10 miles south of Carlsbad, New Mexico.

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PROPOSED EVIDENCE

WITNESSES

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ESTIMATED TIME

EXHIBITS

Chesapeake Operating, Inc. will present this case by Affidavit.

PROCEDURAL MATTERS

Chesapeake Operating Inc., has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

by Bv:

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ATTORNEY FOR CHESAPEAKE OPERATING INC.

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