

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

CASE NO. 12114

**APPLICATION OF CHESAPEAKE OPERATING, INC.
FOR COMPULSORY POOLING AND AN UNORTHODOX LOCATION
LEA COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Chesapeake Operating Inc., as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Chesapeake Operating Inc.
P. O. Box 18496
Oklahoma City, OK 73154-0496
(405) 848-8000
attn: Lynda Townsend

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

STATEMENT OF CASE

Chesapeake has a working interest ownership in the oil and gas minerals from the surface to the base of the Strawn formation underlying the SE/4SW/4 of Section 21, T15S, R36E, NMPM, Lea County, New Mexico.

The subject tract is located more than one-mile from the current boundaries of the Dean Permo-Penn Pool.

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Based upon geologic reasons, Chesapeake proposes to drill its I.M. Allen "21" Well No. 1 at an unorthodox oil well location in to test any and all formations in the pooled interval from the surface to the base of the Strawn formation and to be dedicated to the appropriate sized spacing unit for the appropriate pool.

Despite its good faith efforts, Chesapeake has been unable to obtain a written voluntary agreement from all of the parties.

Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, the applicant needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

EST. TIME EXHIBITS

Lynda Townsend (landman)

15 Min. @ 6 exhibits

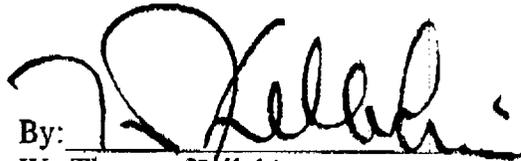
Robert Hefner (geologist)

15 Min. @ 2 exhibits

PROCEDURAL MATTERS

None anticipated at this time

KELLAHIN AND KELLAHIN

By: 

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