

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

**CASE NO. 12595**

**APPLICATION OF CHESAPEAKE OPERATING INC.  
AN UNORTHODOX WELL 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  
(405) 848-8000  
attn: Lynda Townsend

**ATTORNEY**

W. Thomas Kellahin  
KELLAHIN & KELLAHIN  
P.O. Box 2265  
Santa Fe, NM 87504  
(505) 982-4285

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**STATEMENT OF THE CASE**

1. Chesapeake has the right to drill and develop the oil and gas minerals from the surface to the base of the Strawn formation underlying the S/2NE/4 of Section 5, T17S, R37E, NMPM, Lea County, New Mexico.

2. This well is subject to the special rules for the Shipp-Strawn Pool which provide for standard 80-acre spacing unit with well to be located within 150 feet of the center of a governmental quarter-quarter section.

3. This unorthodox well location is necessary due to geologic reasons in order to provide the optimum location within this spacing unit to locate this well.

**PROPOSED EVIDENCE**

**APPLICANT:**

**WITNESSES**

**EST. TIME EXHIBITS**

Lynda Townsend (landman)

10 min.

@ 2 exhibits

Robert Hefner (geology)

20 Min.

@ 3 exhibits

**PROCEDURAL MATTERS**

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin