

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

**CASE NO. 12660**

**APPLICATION OF CHESAPEAKE OPERATING INC.  
FOR COMPULSORY POOLING,  
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

**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 N/2SE/4 of Section 21, T16S, R37E, NMPM, Lea County, New Mexico.

NMOCD Case 12660  
Chesapeake Operating, Inc.  
-Page 3-

2. This well is subject to the special rules for the Northeast Lovington Pennsylvanian 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. Chesapeake has proposed this well and its appropriate spacing unit to the working interest and unleased mineral interest owners in the spacing unit.

4. Because the current addresses of some of these parties cannot be determined after a good faith search, it will not be possible for Chesapeake to obtain written voluntary agreement from all the parties.

5. For those parties which Chesapeake was able to locate, some of whom have elected not to participate on a voluntary basis.

6. 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

Lynda Townsend (landman)

Robert Hefner (geology)

#### EST. TIME EXHIBITS

20 min. @ 5 exhibits

20 Min. @ 3 exhibits

#### PROCEDURAL MATTERS

None

KELLAHIN AND KELLAHIN

By:

  
W. Thomas Kellahin