

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

CASE NO. 12669

**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 Mississippian formation underlying the S/2 of Section 13, T15S, R35E, NMPM, Lea County, New Mexico.

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2. Chesapeake has proposed this well and its appropriate spacing unit to the working interest and unleased mineral interest owners in the spacing unit.

3. Despite its good faith effort, Chesapeake has been unable to obtain a voluntary agreement with all of the interests owners.

4. Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying the various spacing units, 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)

20 min. @ 4 exhibits
b1

Robert Hefner (geology)

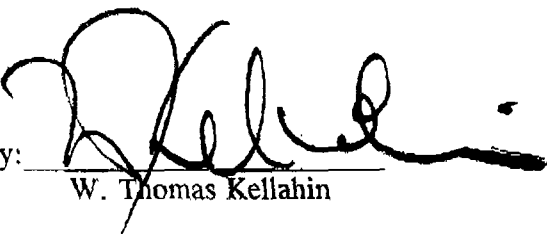
20 Min. @ 3 exhibits
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PROCEDURAL MATTERS

b1
b3
b7c

KELLAHIN AND KELLAHIN

By:


W. Thomas Kellahin