

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

**APPLICATION OF CHESAPEAKE OPERATING INC.  
FOR COMPULSORY POOLING,  
Eddy COUNTY, NEW MEXICO**

**CASE NO. 12985**

**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: William Chatham

**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 Morrow formation underlying the N/2 of Section 7, T23S, R28E, NMPM, Eddy County, New Mexico.

NMOCD Case 12669  
Chesapeake Operating, Inc.  
-Page 2

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 accordance with Division Rule 1207.A(1)(b) Chesapeake an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

The State of New Mexico, ex rel State Highway Commission  
of New Mexico for a 0.58625 unleased mineral interest.

### PROPOSED EVIDENCE

#### APPLICANT:

#### WITNESSES

By Affidavit:

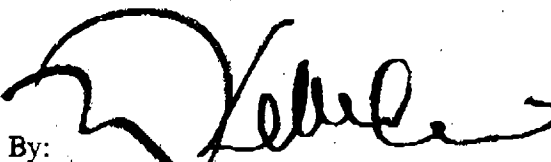
William Chatham  
Doug Bellis  
Andrew McCalmont

#### EST. TIME EXHIBITS

20 minutes 10

### PROCEDURAL MATTERS

KELLAHIN AND KELLAHIN

By:   
W. Thomas Kellahin