

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF HEARING:**

**APPLICATION OF WJP EXPLORATION, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE 13725

PRE-HEARING STATEMENT

**Chesapeake Operating, Inc. and Chesapeake Permian, L.P. (collectively
"Chesapeake") submit this pre-hearing statement as required by the New Mexico Oil
Conservation Division.**

APPEARENCES OF THE PARTIES

APPLICANT

WJP EXPLORATION, LLC

ATTORNEY

James Bruce, Esq.

OPPONENTS

**Chesapeake Operating, Inc.
Chesapeake Permian, L.P.
600 Western Ave.
Oklahoma City, OK 73118
Attn: Katy Blick
405-767-4432**

ATTORNEY

**Thomas Kellahin, Esq.
P.O. Box 2265
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505-982-4285
William F. Carr, Esq.
Ocean Munds-Dry, Esq.
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P. O. Box 2208
Santa Fe, NM 87501
505-988-4421**

WJP 5/31/06

STATEMENT OF THE CASE**OPPONENT:**

Chesapeake will submit evidence to demonstrate that WJP Exploration, LLC ("WJP") has prematurely included it in this compulsory pooling case. On February 24, 2006 Chesapeake advised Capstone Oil & Gas Company, the original proposing party, that Chesapeake would participate in the drilling of this well. On May 15, 2006, Mr. Bruce on behalf of WJP sent notice of the June 8, 2006 hearing date to Chesapeake. However, the proposed joint operating agreement was not provided to Chesapeake until the end of the last week. Contrary to WJP's allegation in its application, Chesapeake has not failed or refused to joint in this well. The fault is WJP and not Chesapeake's.

PROPOSED EVIDENCE**APPLICANT**

WITNESSES	EST. TIME	EST. EXHIBITS
Kathy Blick (landman)	20-30 min	about 8

PROCEDURAL MATTERS

None as this time.

KELLAHIN & KELLAHIN

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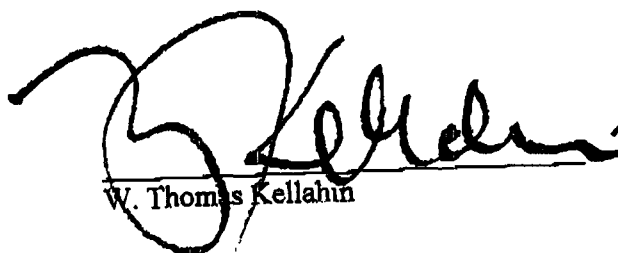
CERTIFICATE OF SERVICE

I certify that on May 31, 2006, I served a copy of the foregoing documents by:

☐ US Mail, postage prepaid
☐ Hand Delivery
☒ Facsimile

to the following:

William F. Carr, Esq.
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Ocean Munds-Dry, Esq.
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W. Thomas Kellahin