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May 9, 2006

Case 13726

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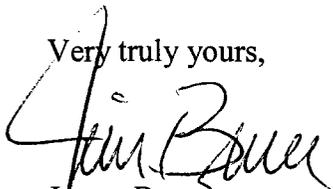
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of WJP Exploration, LLC, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the June 8, 2006 Examiner hearing. Thank you.

Also enclosed is a pre-hearing statement for this matter.

Very truly yours,


James Bruce

Attorney for WJP Exploration, LLC

PERSONS BEING POOLED

Basic Energy 1983 – A General Partnership
5646 Milton Street
Dallas, TX 75206

Cannon Exploration Co.
3608 SCR 1184
Midland, Texas 79701

Attention: Mr. Todd Wilson

ConocoPhillips Company
P.O. Box 2197
Houston, TX 77252-2197

Attention: Linda Hicks

Devon Energy Production Company, L. P.
20 North Broadway
Oklahoma City, OK 73102-8360

Attention: Meg Muhlinghouse

The Roger T. Elliott and Holly L.
Elliott Family Limited Partnership, L.P.
4105 Baybrook Drive
Midland, Texas 79707

Attention: Mr. Roger Elliott

Mr. James D. Brown, Jr.
5646 Milton Street
Dallas, TX 75206

Mr. Mark Wilson
4501 Greentree Blvd.
Midland, Texas 79707

Pathfinder Exploration Co.
500 W. Texas, Suite 1220
Midland, Texas 79701

Attention: Mr. Scott Wilson

Pitch Energy Corp.
P. O. Box 227
Artesia, NM 88211

Attention: Mr. Dean Chumbley

Rio Pecos Corp.
4501 Greentree Blvd.
Midland, Texas 79707

Attention: Mr. Mark Wilson

Mr. Roy L. Crow
P. O. Box 5527
Granbury, Texas 76049

Tara-Jon Corp.
6003 Meadow View Lane
Midland, Texas 79707

Attention: Mr. John Echols

Tex Zia Properties, Ltd.
7121 Oakbrook Dr.
Plano, Texas 75025

Yates Petroleum Corporation
Sacramento Partners Limited Partnership
John A. Yates, Individually
John A. Yates, Trustee of Trust "Q" u/w/o Peggy A. Yates
Sharbro Oil Limited Partnership
105 South Fourth Street
Artesia, NM 88210

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 13726

APPLICATION

WJP Exploration, LLC applies for an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E $\frac{1}{2}$ of Section 25, Township 18 South, Range 26 East, N.M.P.M., Eddy County, New Mexico, and in support thereof, states:

1. Applicant has the right to drill a well in the E $\frac{1}{2}$ of Section 25.
2. Applicant proposes to drill its Orleans Well No. 1, at an orthodox well location in the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 25, to a depth sufficient to test the Morrow formation, and seeks to dedicate the following acreage to the well:

- (a) the NW $\frac{1}{4}$ NE $\frac{1}{4}$ to form a standard 40 acre oil and spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Dayton-Grayburg Pool, Undesignated Dayton-San Andres Pool, Atoka Glorieta-Yeso Pool, and Undesignated Dayton-Abo Pool;
 - (b) the NE $\frac{1}{4}$ to form a standard 160 acre gas spacing and proration unit for any formations and/or pools developed on 160 acre spacing within that vertical extent; and
 - (c) the E $\frac{1}{2}$ to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Undesignated Red Lake-Pennsylvanian Gas Pool and Undesignated Four Mile Draw-Morrow Gas Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the E $\frac{1}{2}$ of Section 25 for the purposes set forth herein.

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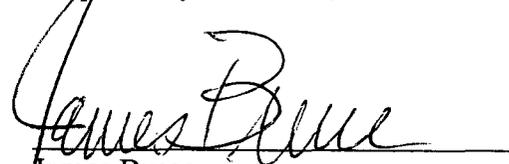
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the E½ of Section 25, pursuant to NMSA 1978 §70-2-17.

5. The pooling of all mineral interests underlying the E½ of Section 25 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the E½ of Section 25, from the surface to the base of the Morrow formation;
- B. Designating Preston Exploration, LLC as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,


James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for WJP Exploration, LLC

PROPOSED ADVERTISEMENT

Case No. 13726 : **Application of WJP Exploration, LLC for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 25, Township 18 South, Range 26 East, NMPM, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Red Lake-Pennsylvanian Gas Pool and Undesignated Four Mile Draw-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NW/4NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Dayton-Grayburg Pool, Undesignated Dayton-San Andres Pool, Atoka Glorieta-Yeso Pool, and Undesignated Dayton-Abo Pool. The unit is to be dedicated to the Orleans "25" Well No. 1, to be drilled at an orthodox location in the NW/4NE/4 of Section 25. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Preston Exploration, LLC as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 5 miles southeast of Atoka, New Mexico.

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