

**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 CONSIDERING:**

**CASE NO. 13726**

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

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

<u>APPLICANT</u>	<u>ATTORNEY</u>	
WJP Exploration, LLC	James Bruce, Esq. Post Office Box 1056 Santa Fe, NM 87504-1056 (505) 982-2043	2006 JUN 15 PM 3 43
<u>OPPOSITION</u>	<u>ATTORNEY</u>	
Pitch Energy Corporation Attention: Raye Miller 2208 W. Main Street Artesia, NM 88211 (505) 748-3303	William F. Carr, Esq. Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421	

**STATEMENT OF CASE**

**APPLICANT**

Applicant seeks an order pooling all mineral interests from the surface to the bas 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/4 NE/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 units are to be dedicated to the Orleans "25" Well No. 1, to be drilled at an orthodox location in the NW/4 NE/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.

OPPOSITION

Pitch Energy Corporation owns working interest in the E/2 of Section 25, Township 18 South, Range 26 East, NMPM, that WJP Exploration seeks to pool. Pitch opposes this application because WJP Exploration has failed to undertake good faith efforts to reach a voluntary agreement with Pitch for the development of the subject spacing units.

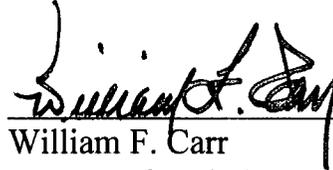
**PROPOSED EVIDENCE**

OPPOSITION

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Raye Miller (Practical Oilman) Or Ross Duncan (Landman)	Approx. 10 min.	Approx. 5

**PROCEDURAL MATTERS**

Pitch Energy Corp. has none at this time.



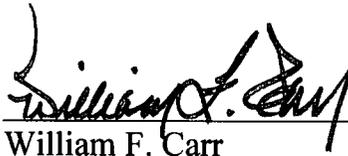
William F. Carr  
Attorney for Pitch Energy Corp.

**CERTIFICATE OF SERVICE**

I certify that on June 15, 2006 I served a copy of the foregoing document to the following by

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax
- Electronic Service by LexisNexis File & Serve

James Bruce, Esq.  
Post Office Box 1056  
Santa Fe, NM 87504-1056  
(505) 982-2043  
(505) 982-2151 facsimile



William F. Carr

**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 CONSIDERING:**

2008 JUN 15  
4 39 PM  
CASE NO. 13726

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

**PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT**

WJP Exploration, LLC

**ATTORNEY**

James Bruce, Esq.  
Post Office Box 1056  
Santa Fe, NM 87504-1056  
(505) 982-2043

**OPPOSITION**

Yates Petroleum Corporation, John A.  
Yates, John A. Yates Trustee of Trust "Q"  
u/w/o Peggy A. Yates, deceased;  
Sacramento Partners Limited Partnership;  
Sharbro Oil Ltd., Co. (hereinafter referred  
to as "Yates Petroleum Corporation et al.")  
Attention: Charles Moran

**ATTORNEY**

William F. Carr, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
(505) 988-4421

## **STATEMENT OF CASE**

### APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the bas 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/4 NE/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 units are to be dedicated to the Orleans "25" Well No. 1, to be drilled at an orthodox location in the NW/4 NE/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.

### OPPOSITION

Yates Petroleum Corporation et al. owns working interest in the E/2 of Section 25, Township 18 South, Range 26 East, NMPM, that WJP Exploration seeks to pool. Yates opposes this application because WJP Exploration has failed to undertake good faith efforts to reach a voluntary agreement with Yates Petroleum Corporation et al. for the development of the subject spacing units.

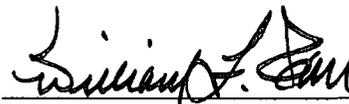
**PROPOSED EVIDENCE**

OPPOSITION

WITNESSES (Name and Expertise)	ESTIMATED TIME	EXHIBITS
Charles Moran (Landman)	Approx. 10 min.	Approx. 3

**PROCEDURAL MATTERS**

Yates has none at this time.



William F. Carr

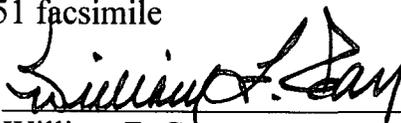
Attorney for Yates Petroleum Corporation, et al..

**CERTIFICATE OF SERVICE**

I certify that on June 15, 2006 I served a copy of the foregoing document to the following by

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax
- Electronic Service by LexisNexis File & Serve

James Bruce, Esq.  
Post Office Box 1056  
Santa Fe, NM 87504-1056  
(505) 982-2043  
(505) 982-2151 facsimile



William F. Carr

**BEFORE THE  
NEW MEXICO ENERGY, MINERALS AND  
NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF WJP EXPLORATION, LLC  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.**

2006 MAY 22 PM 3 06

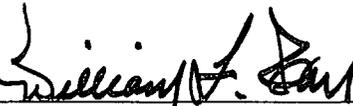
**CASE NO. 13726**

**ENTRY OF APPEARANCE**

HOLLAND & HART, LLP hereby enters its appearance in the above referenced case on behalf of Marbob Energy Corporation.

Respectfully submitted,

HOLLAND & HART, LLP

By:   
\_\_\_\_\_  
William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87504

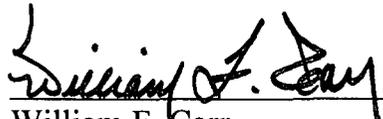
Telephone: (505) 988-4421

ATTORNEYS FOR MARBOB ENERGY  
CORPORATION

**CERTIFICATE OF SERVICE**

I hereby certify that on this 22nd day of May 2006, I have caused to be fax-delivered a copy of our Entry of Appearance in the above-captioned case to the following:

James Bruce, Esq.  
P. O. Box 1056  
Santa Fe, New Mexico 87504-1056  
(505) 982-2151 facsimile

  
\_\_\_\_\_  
William F. Carr

**BEFORE THE  
NEW MEXICO ENERGY, MINERALS AND  
NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

2006 JUN 5 PM 4 12

**IN THE MATTER OF WJP EXPLORATION, LLC  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.**

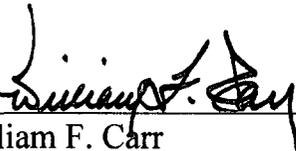
**CASE NO. 13726**

**ENTRY OF APPEARANCE**

HOLLAND & HART, LLP hereby enters its appearance in the above referenced case on behalf of Devon Energy Production Co. L.P.

Respectfully submitted,

HOLLAND & HART, LLP

By:  \_\_\_\_\_

William F. Carr

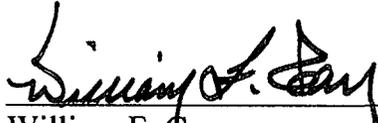
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR DEVON ENERGY  
PRODUCTION CO. L.P.

**CERTIFICATE OF SERVICE**

I hereby certify that on this 5th day of June 2006, I have caused to be fax-delivered a copy of our Entry of Appearance in the above-captioned case to the following:

James Bruce, Esq.  
P. O. Box 1056  
Santa Fe, New Mexico 87504-1056  
(505) 982-2151 facsimile

  
\_\_\_\_\_  
William F. Carr

**BEFORE THE  
NEW MEXICO ENERGY, MINERALS AND  
NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

2006 MAY 22 PM 4 02

**IN THE MATTER OF WJP EXPLORATION, LLC  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.**

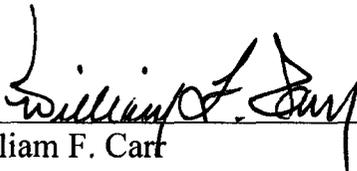
**CASE NO. 13726**

**ENTRY OF APPEARANCE**

HOLLAND & HART, LLP hereby enters its appearance in the above referenced case on behalf of Yates Petroleum Corporation; John A. Yates; Trust Q under the Will of Peggy A. Yates, John A. Yates, Trustee; Sacramento Partners, Limited Partnership; and Sharbro Oil Limited.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

William F. Cart

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

**ATTORNEYS FOR YATES PETROLEUM  
CORPORATION; JOHN A YATES; TRUST Q  
UNDER THE WILL OF PEGGY A. YATES, JOHN  
A. YATES, TRUSTEE; SACRAMENTO  
PARTNERS, LIMITED PARTNERSHIP; AND  
SHARBRO OIL LIMITED.**

**CERTIFICATE OF SERVICE**

I hereby certify that on this 22nd day of May 2006, I have caused to be fax-delivered a copy of our Entry of Appearance in the above-captioned case to the following:

James Bruce, Esq.  
P. O. Box 1056  
Santa Fe, New Mexico 87504-1056  
(505) 982-2151 facsimile

  
\_\_\_\_\_  
William F. Carr

**BEFORE THE  
NEW MEXICO ENERGY, MINERALS AND  
NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF WJP EXPLORATION, LLC  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.**

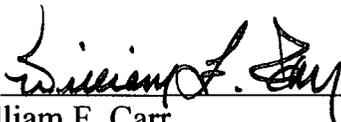
2006 JUN 15 PM 4 39  
CASE NO. 13726

**ENTRY OF APPEARANCE**

HOLLAND & HART, LLP hereby enters its appearance in the above referenced case on behalf of John A. Yates, John A. Yates Trustee of Trust "Q" u/w/o Peggy A. Yates, deceased, Sacramento Partners Limited Partnership, Yates Petroleum Corporation, and Sharbro Oil Ltd., Co.

Respectfully submitted,

HOLLAND & HART, LLP

By:   
\_\_\_\_\_

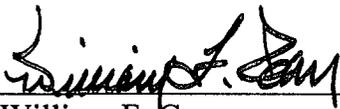
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR JOHN A. YATES, JOHN  
A. YATES TRUSTEE OF TRUST "Q" U/W/O  
PEGGY A. YATES, DECEASED,  
SACRAMENTO PARTNERS LIMITED  
PARTNERSHIP, YATES PETROLEUM  
CORPORATION, AND SHARBRO OIL LTD.,  
CO.

**CERTIFICATE OF SERVICE**

I hereby certify that on this 15th day of June 2006, I have caused to be fax-delivered a copy of our Entry of Appearance in the above-captioned case to the following:

James Bruce, Esq.  
P. O. Box 1056  
Santa Fe, New Mexico 87504-1056  
(505) 982-2151 facsimile

  
\_\_\_\_\_  
William F. Carr