

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.

APPEARANCES OF THE PARTIES

APPLICANT

ATTORNEY

WJP EXPLORATION, LLC

James Bruce, Esq.

OPPONENTS

ATTORNEY

Chesapeake Operating, Inc.
Chesapeake Permian, L.P.
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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:

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W. Thomas Kellahin