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:

APPLICATION OF CORKRAN ENRGY, LP FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

2006 DEC 5 PM 4 54

Case No. 13,835

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT
Corkran Energy, LP
c/o James R. Stone
7302 Emerald Glen Drive
Sugar Land, Texas 77479
(281) 343-8213

APPLICANT'S ATTORNEY
James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 25, Township 18 South, Range 26 East, NMPM 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 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 applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS

This application will be submitted by affidavit.

OPPONENT

WITNESSES	EST. TIME	EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,

James Bruce
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(505) 982-2043

Attorney for Corkran Energy, LP