

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. 13,836

APPLICATION OF CORKRAN ENERGY, LP,)
FOR COMPULSORY POOLING, EDDY COUNTY,)
NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILLIAM V. JONES, JR., Hearing Examiner

December 13th, 2006

Santa Fe, New Mexico

2006 DEC 27 PM 2:54

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Wednesday, December 13th, 2006, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

LWJ 12/27/07

I N D E X

December 13th, 2006
Examiner Hearing
CASE NO. 13,836

PAGE

REPORTER'S CERTIFICATE

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E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	3	4
Attachment A	3	4
Attachment B	3	4
Attachment C	4	4
Exhibit 2	4	4
Exhibit 2 (Corrected)	-	-

* * *

A P P E A R A N C E S

FOR THE DIVISION:

DAVID K. BROOKS, JR.
Assistant General Counsel
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

JAMES G. BRUCE
Attorney at Law
P.O. Box 1056
Santa Fe, New Mexico 87504

* * *

1 WHEREUPON, the following proceedings were had at
2 8:51 a.m.:

3 EXAMINER JONES: Okay, let's call Case 13,836,
4 Application of Corkran Energy, LP, for compulsory pooling,
5 Eddy County, New Mexico.

6 Call for appearances.

7 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe
8 representing the Applicant. I'm submitting this case by
9 affidavit.

10 EXAMINER JONES: Okay, any other appearances?

11 MR. BRUCE: Mr. Examiner, I've submitted to you
12 as Exhibit 1 the affidavit of the landman for Corkran
13 Energy regarding this matter. The Applicant seeks to force
14 pool the east half of Section 16, 23 South, 24 East.

15 Attached to that affidavit as Exhibit A is a
16 listing of interest owners. The only company being pooled
17 in this matter is OXY USA at this time. The other parties
18 have come to terms with Corkran.

19 Under the southeast quarter you'll see on Exhibit
20 A it says WJP Exploration, LLC, and its partners. Those
21 interest owners are all in the Corkran group, so they have
22 reached agreement.

23 Attached as Exhibit B is a letter to OXY dated
24 October 25, 2006, making the well proposal. This same land
25 was the subject of Division Order R-12,577, in which

1 pooling was granted. In that case WJP Exploration was the
2 Applicant, and that order expired and the operator changed,
3 so we re-filed the pooling. And if you go back to that
4 case file you will see that there have been contacts for
5 about, oh, a year on this matter. So this October 25th
6 letter was simply meant to re-propose the well to OXY under
7 the name of Corkran Energy. It's on a Capstone Oil and Gas
8 Company, LP, letterhead, because that is the company that
9 originally put the prospect together.

10 And then the AFE is also attached. I apologize
11 for the poor copy. This was just faxed to me late
12 yesterday. I will submit an original of everything to you
13 when I receive it in the mail, so that is -- if you could
14 hold the record open for a few days.

15 And the same thing with the notice affidavit.
16 Notice was given to OXY, and I just noticed that I omitted
17 the notice letter that I sent out. I did have the green
18 card, but I will submit the original of that later today.

19 EXAMINER JONES: Okay.

20 MR. BRUCE: And with that, I'd ask that Exhibits
21 1 and 2 be admitted and this matter be taken under
22 advisement.

23 EXAMINER JONES: Exhibits 1 and 2 will be
24 admitted, and pending the receipt of the certified receipt
25 and the well AFE -- and that's it, right?

1 MR. BRUCE: Yeah.

2 MR. BROOKS: Are you drilling this well to the
3 Morrow?

4 MR. BRUCE: It is going to the Morrow.

5 MR. BROOKS: Okay, that's one of the blanks you
6 haven't filled in.

7 MR. BRUCE: Okay.

8 EXAMINER JONES: Pending the receipt of those
9 items, this case will be taken under advisement. This is
10 Case Number 13,836. It looks like you're going to the
11 upper Penn, Strawn, Atoka and Morrow --

12 MR. BRUCE: Uh-huh.

13 EXAMINER JONES: -- all four. Okay.

14 (Thereupon, these proceedings were concluded at
15 8:55 a.m.)

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____

22

_____, Examiner
Oil Conservation Division

23

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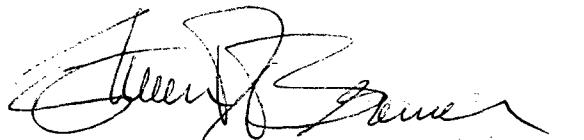
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL December 16th, 2006.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010