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July 24, 2007

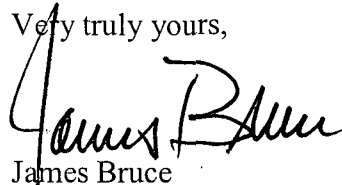
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 13974*

Dear Florene:

Enclosed for filing, on behalf of Corkran Energy, LP, are an original and one copy of an application to amend an order for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the August 23, 2007 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Corkran Energy, LP

PERSONS BEING POOLED

OXY USA WTP Limited Partnership  
P.O. Box 50250  
Midland, Texas 79710

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**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

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**APPLICATION OF CORKRAN ENERGY,  
LP TO AMEND DIVISION ORDER NO.  
R-12,702 FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

Case No. 13974

**APPLICATION**

Corkran Energy, LP applies for an order amending Order No. R-12,702, which pooled all mineral interests from the surface to the base of the Morrow formation underlying the E½ of Section 16, Township 23 South, Range 24 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 E½ of Section 16.
2. In Case No. 13,836, applicant proposed to drill its Renata "16" State Well No. 1, **at an orthodox location in the NE¼NE¼ of Section 16**, to a depth sufficient to test the Morrow formation, and to dedicate the E½ of Section 16 to the well to form a standard 320 acre gas and spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated South Bandana Point-Strawn Gas Pool, Undesignated Robina Draw-Atoka Gas Pool, and Undesignated Bandana Point-Strawn Morrow Pool.
3. Order No. R-12,702 granted the application, but specifically listed the well's location as 660 feet from the north and east lines of Section 16.
4. Due topography, the well was subsequently moved to a location 660 feet from the north line and 910 feet from the east line. The location, while still orthodox, varies from the location stated in the order.
5. As a result, applicant requests that Order No. R-12,702 be amended to reflect the actual location of the well.

6. Applicant, in good faith, sought to obtain the voluntary joinder of all other mineral interest owners in the E½ of Section 16 for the purposes set forth herein.

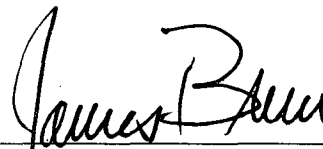
7. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the E½ of Section 16, pursuant to NMSA 1978 §70-2-17.

8. The amendment of Order No. R-12,702, as requested above, and the pooling of all mineral interests underlying the E½ of Section 16, 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. Amending Order No. R-12,702 to reflect the actual location of the Renata "16" State Well No. 1; and
- B. Retaining all other provisions of Order No. R-12,702.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "James Bruce", written over a horizontal line.

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

Attorney for Corkran Energy, LP

PROPOSED ADVERTISEMENT

Case No. 13974 : **Application of Corkran Energy, LP to amend Division Order No. R-12702 for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order amending order No. R-12702, which pooled all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 16, Township 23 South, Range 24 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated South Bandana Point-Strawn Gas Pool, Undesignated Robina Draw-Atoka Gas Pool, and Undesignated Bandana Point-Strawn Morrow Pool. The unit is dedicated to the Renata "16" State Well No. 1, to be drilled at an orthodox location in the NE/4NE/4 of Section 16. Order No. R-12702 stated the well's location as 660 feet from the north and east lines of Section 16, but due to topography the well's location has been moved to 660 feet from the north line and 910 feet from the east line. Applicant requests that Order No. R-12702 be amended to reflect the correct location, and that all other provisions of the order remain the same. The unit is located approximately 11-1/2 miles northwest of Whites City, New Mexico.

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