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STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION COMMISSION

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IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION DIVISION FOR THE  
PURPOSE OF CONSIDERING:

APPLICATION OF WILLIAMS PRODUCTION CO., LLC FOR  
A PROJECT AREA FOR THE MANCOS PARTICIPATING AREA  
IN THE ROSA UNIT, SAN JUAN AND RIO ARriba COUNTIES,  
NEW MEXICO.

CASE NO. 14667

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by T.H. McElvain Oil & Gas, LLLP ("McElvain") as required by the New Mexico Oil Conservation Division.

**APPEARANCE OF THE PARTIES**

**APPLICANT**

Williams Production Company, LLC

**ATTORNEY**

Ocean Munds-Dry, Associate with  
Holland & Hart, LLP

**PARTY MAKING APPEARANCE**

San Juan Basin Properties, Inc.

**ATTORNEY**

James Bruce, Esq.

**OPPONENT**

T.H. McElvain Oil & Gas, LLLP  
1050 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80265  
Attn: James C. Joda, General Counsel  
3093-893-0933 ext. 304

**ATTORNEY**

James C. Joda, Esq., General Counsel,  
McElvain Oil & Gas Properties, Inc.

**STATEMENT OF THE CASE**

Williams Production Company, LLC ("Williams") is making an application to designate a Project Area pursuant to Division Rules 19.15.16.7 and 19.15.16.14 to include all of the Mancos Participating Area within the Rosa Unit located in San Juan and Rio Arriba counties. McElvain currently owns uncommitted leasehold in the Mancos Participating Area that is governed by separate Joint Operating and Communitization Agreements. If the Project Area that Williams' is applying for is approved, McElvain's leasehold could be drained without setback requirements or obligations to drill additional wells to prevent drainage. Williams' proposal as submitted fails to protect the interests of owners in uncommitted tracts.

#### PROPOSED EVIDENCE

##### OPPONENT WITNESSES

##### ESTIMATED TIME

John Steuble, Vice President, Engineering


30 minutes

#### PROCEDURAL MATTERS

None at this time

T.H. McElvain Oil & Gas, LLP

By: McElvain Oil & Gas Properties, Inc., General Partner

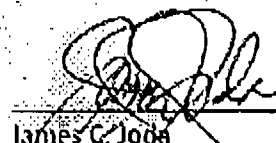


James C. Joda  
General Counsel

#### CERTIFICATE OF SERVICE

I certify that on June 30, 2011, I served a copy of the foregoing documents by Facsimile to the following:

Ocean Munds-Dry, Holland & Hart, LLP Fax # 505-983-6043  
James Bruce, Esq. Fax # 505-982-2151



James C. Joda