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 T.H. MCELVAIN OIL & GAS LIMITED PARTNERSHIP FOR COMPULSORY POOLING, SAN JUAN COUNTY, NEW MEXICO.

Case No. 14,115

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

T.H. McElvain Oil & Gas Limited Partnership

Suite 1800

1050 17th Street

Denver, Colorado 80265

APPLICANT'S ATTORNEY James Bruce

P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attention:

Rick Harris

(303) 893-0933

RickH@McElvain.com

OPPONENT

ConocoPhillips Company

OPPONENT'S ATTORNEY

W. Thomas Kellahin

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying Lots 1-4 and the S/2N/2 (the N/2) of Section 1, Township 29 North, Range 13 West, NMPM, to form a 318.40-acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool. The unit is to be dedicated to the Hutchinson Well No. 2, to be located at an orthodox location in the SE/4NW/4 of Section 1. 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

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operating costs and charges for supervision, designation of McElvain Oil & Gas Properties, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u> <u>EST. TIME</u>

EXHIBITS

Rick Harris (landman)

20 minutes

Approx. 6

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

-None-

Respectfully submitted,

James Bruce

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Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for T.H. McElvain Oil & Gas Limited Partnership

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 27 day of April, 2008 by facsimile transmission:

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James Bruce