

HOLLAND & HART LLP



Ocean Munds-Dry  
Associate

omundsdry@hollandhart.com

April 13, 2010

**HAND-DELIVERED**

Mark E. Fesmire, P.E.  
Director  
Oil Conservation Division  
New Mexico Energy, Minerals and  
Natural Resources Department  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

*Case 14471*

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RECEIVED OOD

Re: Application of McElvain Oil & Gas Properties, Inc. for  
compulsory pooling, San Juan County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the application of McElvain Oil & Gas Properties, Inc. in the above-referenced case as well as a copy of a legal advertisement. McElvain requests that this matter be placed on the docket for the May 13, 2010 Examiner hearings.

Sincerely,

*Ocean Munds-Dry*  
Ocean Munds-Dry

Enclosures

cc: Mr. Rick Harris  
McElvain Oil & Gas Properties, Inc.

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C.

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

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2010 APR 13 P 3: 25

IN THE MATTER OF THE APPLICATION  
OF MCELVAIN OIL & GAS PROPERTIES, INC.  
FOR COMPULSORY POOLING,  
SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 14471

APPLICATION

MCELVAIN OIL & GAS PROPERTIES, INC. ("McElvain"), through its undersigned attorneys, hereby makes application pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Pictured Cliffs formation in the following described spacing and proration units located in the S/2 of Section 3, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Basin Fruitland Coal Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing within that vertical extent which includes but is not necessarily limited to the Fulcher Kutz-Pictured Cliffs Gas Pool. In support of this application McElvain states:

1. McElvain is a working interest owner in the S/2 of Section 3 and has a right to drill thereon.
2. Pursuant to Division Order No. R-12837, all uncommitted mineral interests from the surface to the base of the Pictured Cliffs formation were pooled, McElvain was designated operator of a 160-acre spacing unit located in the SW/4 of said Section 3 and the Ruby Well No. 1 was dedicated to said unit.
3. Pursuant to Division Order No. R-12837-A, all uncommitted mineral interests from the surface to the base of the Fruitland Coal formation were pooled, McElvain was designated operator of the 320-acre spacing unit located in the S/2 of Section 3 and the Ruby Well No. 1 was dedicated to said unit.
4. McElvain now proposes to drill the Ruby Well No. 2 at a location in the SE/4 of Section 3 to be dual completed in the Fruitland Coal formation and the Pictured Cliffs formation and dedicate the S/2 and the SE/4 respectively to the subject well.

5. McElvain has sought and been unable to locate and/or obtain a voluntary agreement for the development of these lands from the interest owners identified on Exhibit A to this application.

6. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

6. In order to permit McElvain the opportunity to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and McElvain should be designated the operator of the well.

WHEREFORE, McElvain requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 13, 2010, and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration unit;
- B. designating McElvain operator of the unit and the well to be drilled thereon;
- C. authorizing McElvain to recover its costs of drilling and/or deepening, equipping and re-completing the well;
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision to adjust the rates pursuant to the COPAS accounting procedures; and
- E. imposing the 200% risk penalty assumed by McElvain in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of this well.

Respectfully submitted,

HOLLAND & HART, LLP

By: Ocean Munds-Dry

Ocean Munds-Dry  
P.O. Box 2208  
Santa Fe, NM 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR MCELVAIN OIL &  
GAS PROPERTIES, INC.

CASE 14471

**Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Pictured Cliffs formation underlying the S/2 of Section 3, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, for all formations and/or pools developed on 320-acre spacing within this vertical extent including but not limited to the Basin Fruitland Coal Gas Pool and for all formation and/or pools developed on 160-acre spacing within this vertical extent including but not limited to the Fulcher Kutz-Pictured Cliffs Gas Pool. This unit is to be dedicated to the Ruby Well No. 2, to be dual-completed at a location in the SE/4 of said Section 3 to test the Fruitland Coal formation and the Pictured Cliffs formation. Also to be considered will be the cost of drilling and completing said 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 the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located within the city limits of Farmington and southwest of the Worley baseball complex, New Mexico.

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Exhibit A  
Application of McElvain Oil & Gas Properties, Inc.  
Compulsory Pooling, San Juan County, New Mexico  
Ruby Well No. 2

Patrick and Barbara Rascon  
2305 Nathan Ave. Apt. A  
Farmington, NM 87401

Alex and Rudy Diaz  
807 E. 25<sup>th</sup> St.  
Farmington, NM 87401-4220

Andrea Coleman  
805 22<sup>nd</sup> St.  
Farmington, NM 87401-4220

Arly and Victoria Dixon  
2404 N. Cochiti Ave.  
Farmington, NM 87401-9452

Arthur and Shirley Ulibarri  
2005 N. Mesa Verde Ave.  
Farmington, NM 87401-4243

Barry Gundlock  
2503 N. Cochiti Ave.  
Farmington, NM 87401

Bernabe C. Sandoval  
910 W. Main St.  
Farmington, NM 87401

David Jones  
2305 N. Cochiti Ave.  
Farmington, NM 87401

Billy J. Keck  
2103 N. Cochiti Ave.  
Farmington, NM 87401

Bobby Horvath  
2407 N. Cochiti Ave.  
Farmington, NM 87401

Bonnie Frazier, Trustee UTA 10/15/85  
1923 Glade Rd.  
Farmington, NM 87401

Buck and Shawna Thomas  
2505 N. Cochiti Ave.  
Farmington, NM 87401

Charles and Rachel Cheney  
1304 E. 27<sup>th</sup> St.  
Farmington, NM 87401

Christian Sebastian  
809 22<sup>nd</sup> St.  
Farmington, NM 87401-4220

Wieland E. Feierbrand  
910 22<sup>nd</sup> St.  
Farmington, NM 87401-4223

Daniel and Shirley Escobedo  
2603 Highland Place  
Farmington, NM 87401

Daniel E. and Shark K. Wilson  
5300 Thomas Dr.  
Farmington, NM 87401

David and Karen Valdez  
2304 N. Cochiti Ave.  
Farmington, NM 87401

David M. James and Jamie L. Horton  
1301 E. 27<sup>th</sup> St.  
Farmington, NM 87401

Michael and Debra Paige  
2606 N. Park Place  
Farmington, NM 87401

Edward Frances Cheromiah  
1306 E. 27<sup>th</sup> St.  
Farmington, NM 87401

Amanda D. Sutherlin  
PO Box 942  
Flora Vista, NM 87415

Eva Jean Martinez Rodriguez  
2610 Mossman Dr.  
Farmington, NM 87401

Francisco Ortiz  
1200 E. 27<sup>th</sup> St.  
Farmington, NM 87401

Lindsay Luther  
2002 N. Cochiti Ave.  
Farmington, NM 87401

Greg Allen  
2405 Nathan Ave.  
Farmington, NM 87401

Greg and Camille Cathey  
2602 N. Park Place  
Farmington, NM 87401

Helen Louise Suitor  
1008 E. 25<sup>th</sup> St.  
Farmington, NM 87401

Jake and Sylvia Padilla  
112 E. 35<sup>th</sup> ST  
Farmington, NM 87401

James and Sylvia Garcia  
2611 Highland Place  
Farmington, NM 87401

James and Velma Tate  
2508 Cochiti  
Farmington, NM 87401

James Ronald Foreman  
909 22<sup>nd</sup> St.  
Farmington, NM 87401

Jamie L. Bond, Trustee of the Jamie L.  
Bond Revocable Trust, UTAD May 18<sup>th</sup>,  
2006  
3203 N. Sullivan  
Farmington, NM 87401

Jesse and Joyce Rue  
808 E 25<sup>th</sup> St.  
Farmington, NM 87401

Joel R. and Wilma L. Schroeter  
1310 E. 27<sup>th</sup> St.  
Farmington, NM 87401

Karen L. Morrison  
805 E25th St.  
Farmington, NM 87401

Kevin and Michele Lucero  
21CR 120  
Esplanola, NM 87532

Kevin D. and Barbara L. Case  
1312 E. 27<sup>th</sup> St.  
Farmington, NM 87401

Kevin J. Dostaler  
10006 Delhi Terrace  
Farmington, NM 87401

Leonard and Betty Noggle  
2105 N. Cochiti Ave.  
Farmington, NM 87401

De Anna Rhea Metcalf  
908 E. 26<sup>th</sup> St.  
Farmington, NM 87401

Kris and Lindsey Borgeson  
804 E. 24<sup>th</sup> Street  
Farmington, NM 87401

Lizzette M. Vannest  
2402 N. Cochiti Ave.  
Farmington, NM 87401

Louise Thomason UTA dated  
10/25/1990  
2406 Nathan Ave.  
Farmington, NM 87401

Lowell and Elaine Thompson  
2006 N. Cochiti Ave.  
Farmington, NM 87401

Maria Martinez  
2616 Mossman Dr.  
Farmington, NM 87401

Marion E. London  
19276 N. Falcon Lane  
Maricopa, AZ 85239

Mark A. Enriquez  
1311 E. 27<sup>th</sup> St.  
Farmington, NM 87401

Mark and Catherine Astin  
2408 Catalina Ct.  
Farmington, NM 87401

Michael and Mariane Tackitt  
809 E. 25<sup>th</sup> St.  
Farmington, NM 87401

Richard L. and Denise Breeden  
36 Road 3632  
Aztec, NM 87410

Michael Shinsky  
2507 N. Cochiti Ave.  
Farmington, NM 87401

Mildred and Larry M. Griffith  
500 W. Broadway  
Farmington, NM 87401

Shane Lostak  
1000 E. 27<sup>th</sup> St.  
Farmington, NM 87401

Nona R. Satenga  
800 E. 24<sup>th</sup> St.  
Farmington, NM 87401

Nygren Investment Company  
816 Crestview Dr.  
Farmington, NM 87401

Patricia J. Goff  
803 E. 24<sup>th</sup> St.  
Farmington, NM 87401

Paul L. Loyd  
2009 N. Cochiti Ave.  
Farmington, NM 87401

Raymond and Nell Brodie Revocable  
Trust  
c/o Nell Brodie, Trustee,  
P.O. Box 11682  
Farmington, NM 87401

Rebecca Duran  
2504 Mossman Dr.  
Farmington, NM 87401

Renee A. Johnson  
1006 E. 26<sup>th</sup> St.  
Farmington, NM 87401

Richard Hubert  
2401 N. Cochiti Ave.  
Farmington, NM 87401

Robert and Mary Ashley  
1204 Brentwood Cir.  
Farmington, NM 87401-4236

Robert M. Hayden and Karen Lee Hayden, JT  
1010 E. 27<sup>th</sup> St.  
Farmington, NM 87401

Robert Padilla  
717 Forest Pl.  
Farmington, NM 87401-4241

Benjamin V. Tolman  
PO Box 57  
Flora Vista, NM 87415

Sam L. and Emily A. Merchant  
1305 E. 27<sup>th</sup> St.  
Farmington, NM 87401

San Juan Nurseries  
800 E. 20<sup>th</sup> St.  
Farmington, NM 87401

Sandstone Rentals, LLC  
Attn: David & Janet Albin,  
P.O. Box 816  
Flora Vista, NM 87415

Smith Food & Drug Centers, Inc.  
1550 South Redwood Road  
Salt Lake City, UT 84104

Stanley M. Zygmunt, Trustee of the Stanley M.  
Zygmunt Trust under trust agreement dated  
September 24<sup>th</sup> 1986  
c/o Irene Zygmunt,  
2610 Highland Place  
Farmington, NM 87401

Terry Sheckley  
2107 N. Cochiti Ave.  
Farmington, NM 87401-4239

Terry Velahunty  
2000 N. Mesa Verde Ave.  
Farmington, NM 87401

United Food Store No. 1, Inc.  
900 Schofield Ln.  
Farmington, NM 87401-7431

Vivien Sheets, Trustee/Dewey K. Foutz  
Vivien M. Sheets, Trustee under trust  
agreement dated January 8<sup>th</sup>, 1990  
2004 N. Mesa Verde Ave.  
Farmington, NM 87401-4244

Wade and Annabel Beavers  
Wade Beaver and Annabel Beavers  
c/o Annabel L. Beavers-Crain  
613 Rosa  
Farmington, NM 87401

William and Arletta Marchetti  
2604 N. Park Place  
Farmington, NM 87401

Yvonne M. Wray  
1102 E. 27<sup>th</sup> St.  
Farmington, NM 87401

Jimmie D. and Chatelle  
N. Bowman  
804 East 25<sup>th</sup> Street  
Farmington, NM 87401

James Quinones and Jennifer Quinones  
2605 North Park Place  
Farmington, NM 87401

David L. & Theresa E. McBee  
3103 N. Mesa Verde Avenue  
Farmington, NM 87401

Bryan L. Bekise  
2307 Cochiti Ave.  
Farmington, NM 87401

Ryan Simkins  
2306 North Cochiti Avenue  
Farmington, NM 87401

Sandra Kay Cleveland  
1009 E. 27<sup>th</sup> Street  
Farmington, NM 87401

Albert W. & Ernestine Frank  
1611 E. 31<sup>st</sup> Street  
Farmington, NM 87401

Jane and James Grant  
4772 Sundance Road  
Farmington, NM 87401

Jason Valdez  
2777 Harvard Drive  
Farmington, NM 87401

Amanda Banks  
2405 Nathan Ave.  
Farmington, NM 87401

A.R. Mortensen  
Address Unknown

Adam Wagner and Jamie Wagner  
Address Unknown

Branch and Joelle Ver Hoef  
3522 Rosburg Drive  
Columbus, OH 43228

Charles Amsden  
Address Unknown

Claribel Jackson  
Address Unknown

Creighton C. Brown and Mozelle Brown  
Address Unknown

Dean M. and Maria Dell Schultz  
Address Unknown

Deborah Fouts  
804 Santa Barbara Drive  
Farmington, NM 87401

Dennis L. and Tiffany S. Madsen  
Address Unknown

Edward Ashley  
Address Unknown

F. Gary Paisley  
Address Unknown

Red A. Mossman  
Deceased

Harold Lewis  
Address Unknown

Harold Kendrick  
Address Unknown

Helen Powell  
Address Unknown

Larry Amsden  
Address Unknown

Lee Mann Coates  
Address Unknown

Mabel Avery  
Address Unknown

Margaret Lewis  
Address Unknown

Mariposa Properties  
1813 Schofield Lane  
Farmington, NM 87401

Padilla Land & Cattle Company  
446 Road 3000  
Aztec, NM 87410-9502

Paul D. Herman  
Address Unknown

Robert and Delores Islas  
Address Unknown

Southwest Financial Services of  
Farmington, Inc.  
480 East 20<sup>th</sup> Street  
Farmington, NM 87401

Thriftway Marketing corp.  
Address Unknown

Tierra 20<sup>th</sup> and Butler FRM, LLC  
Address Unknown

W.W. Knutsen and Mabel Knutsen  
Address Unknown

Western Development Corporation  
Address Unknown

Wilfred and Mary Ham  
Address Unknown

Allred, McDaniel, and Kenworth, JT

Higgins Revocable Trust 4/14/93

James Botkin and Janet Smith, JT

James Loya

JC and Jennie Harris UTA 10/24/91

Roy and Judy Stoddard

Thomas and M. Patricia Harmon

Isaac and Angelina Padilla  
112 E. 35<sup>th</sup> Street  
Farmington, NM 87401

W.E. and Alletta Ashley  
Address Unknown

Chad Morris  
2508 Mossman Dr.  
Farmington, NM 87401

Frank Stimac and Lorraine Stimac  
Trustees under trust agreement dated  
July 25<sup>th</sup>, 1995  
2401 Dustin Ave  
Farmington, NM 87401

Lois V. Wilson Trust dated 7/5/88  
Leased to Synergy Operating  
1209 E. 23<sup>rd</sup> St.  
Farmington, NM 87401

Gregory and Patsy Plank  
2050 Rivers Edge Drive NE  
Rio Rancho, NM 87144

Jason Sledge  
2606 Highland Place  
Farmington, NM 87401

Eric Cote  
1302 East 27<sup>th</sup> Street  
Farmington, NM 87401

Roman Catholic Bishop of San Diego  
PO Box 80428  
San Diego, CA 92188

Wedgewood Methodist Church  
6041 Wonder Drive  
Ft. Worth, TX 76133

Lovelle W. Cospers Trust  
220 Montgomery Street  
San Francisco, CA 94101