

**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. 12634

**APPLICATION OF McELVAIN OIL & GAS
PROPERTIES, INC. FOR AMENDMENT OF DIVISION
ORDER R-11392 FOR COMPULSORY POOLING OF
ADDITIONAL FORMATIONS FOR AN INFILL WELL,
RIO ARRIBA COUNTY, NEW MEXICO.**

OIL CONSERVATION DIV.
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PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP and Campbell & Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

McElvain Oil & Gas Properties, Inc.
Attention: Mona Binion
1050 17th Street, Suite 1800
Denver, Colorado 80265
(303) 893.0933

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP and Campbell & Carr
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Santa Fe, New Mexico 87504-2208
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STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order amending Division Order No. R-11392 to compulsory pool all mineral interests and all royalty interests in all formations from the base of the Pictured Cliffs formation to the base of the Dakota formation in the S/2 of Section 10, Township 25 North, Range 2 West, N.M.P.M. for all formations and or pools developed on 320-acre spacing. The pooled units are to be dedicated to the Badger Com 10 Well No. 1A to be drilled at a standard location in the SE/4 of said Section 10 to a depth sufficient to test all formations in the pooled intervals including, but not necessarily limited to the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool. 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 a charge for risk involved in drilling said well. Said area is located approximately 7 miles north-northeast of Lindrith, New Mexico.

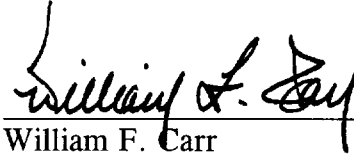
PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mona Binion (Land)	10 Minutes	Approximately 6
John Steuble (Engineer)	10 Minutes	Approximately 2

PROCEDURAL MATTERS

McElvain Oil & Gas Properties, Inc. has none at this time.

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

William F. Carr
ATTORNEY for McELVAIN OIL & GAS
PROPERTIES, INC.