

223856729 NSL

9/18/02
16

PROPERTY MANAGEMENT & CONSULTING, INC.

P. O. BOX 2596
FARMINGTON, NEW MEXICO 87499 - 2596
(505) 325 - 5220

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

August 22, 2002

AUG 26 2002

Attention: Mr. Mike Stogner, Engineering Bureau

Re: Unorthodox Location, Administrative Approval Application
McElvain Oil and Gas Properties, Inc
Hutchinson 1R: Fulcher Kutz Pictured Cliffs Pool
2060' FNL and 1190' FEL, Sec 1, T29N, R13W, NMPM
San Juan County, New Mexico

Dear Mr. Stogner:

McElvain Oil and Gas Properties, Inc respectfully requests that an unorthodox location be administratively approved for the Hutchinson 1R. This Fulcher Kutz Pictured Cliffs location, within the city limits of Farmington, is standard in acreage, but is unorthodox in that it has been staked 2060' FNL (580' north of the south NE section line). This is primarily due to the proximity to the north of an east/west traversing ROW containing two main pipelines owned by El Paso Field Service (20" and 16" Blanco Fruitland Loop). See attached San Juan County Assessor Plat.

The minimum 200' setback from buildings and residential housing safety statute issued by the City of Farmington, Sec. 19-3 (a) prevents putting the location north of the EPFS pipeline ROW in the southeast or southwest quarters of the orthodox window. In addition, the City of Farmington has a sound limit requirement, on compressors and pump jacks, of not more than 1 dBA above ambient, measured at the property boundary of the receiving residential property.

The proposed unorthodox surface and downhole location is necessary in order for the applicant to economically recover Fulcher Kutz Pictured Cliffs Pool gas reserves that are believed to remain present in the south ½ of the NE, Section 1, T29N, R13W.

McElvain Oil and Gas Properties, Inc plans to plug and abandon the existing Hutchinson 1, Fulcher Kutz Pictured Cliffs well located in the NE/NE, Sec 1, T29N, R13W, once the Hutchinson 1R is drilled, completed and tested as a commercial producer. Year to date, the Hutchinson 1 has averaged 16 mcfpd and 2 bwpd.

McElvain Oil and Gas Properties, Inc does not believe that directionally drilling the proposed well to a standard bottom-hole location is economically feasible, based on the extra expense of drilling a directional hole compared to the anticipated production.

Unorthodox Location, Administrative Approval Request (Continued)
McElvain Oil and Gas Properties, Inc
Hutchinson 1R

In addition, our experience has shown that eventually a rod pump may need to be installed to remove excess water from the well bore in order for the proposed well to produce; a directionally drilled hole would greatly hinder or prohibit this necessity and thus limit the amount of otherwise recoverable gas reserves.

The parties affected by this unorthodox location, those encroached on in the SE/4, Sec. 1, T29N, R13W, San Juan County, New Mexico, are listed below:

Burlington Resources Oil & Gas Company LP (SE/4 WI Owner)
P.O. Box 4289
Farmington, NM 87499-4289

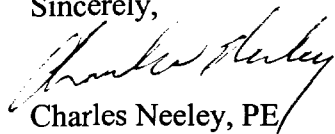
Christine T. Buvens (SE/4 WI Owner)
301 La Chamisal Lane NW
Albuquerque, NM 87107-6256

McElvain Oil and Gas Properties, Inc, on or before the date that this application was submitted to the Division, has sent notification to the affected persons by submitting a copy of the application, including a copy of the plat described in 104.F (3) by certified mail, return receipt requested, advising them that if they have an objection it must be filed in writing within 20 days from the date the Division receives this application.

Also, attached is a plat showing the spacing unit, the proposed unorthodox well location and the adjoining spacing units and wells.

Your consideration of this exception and approval of this application is appreciated.

Sincerely,

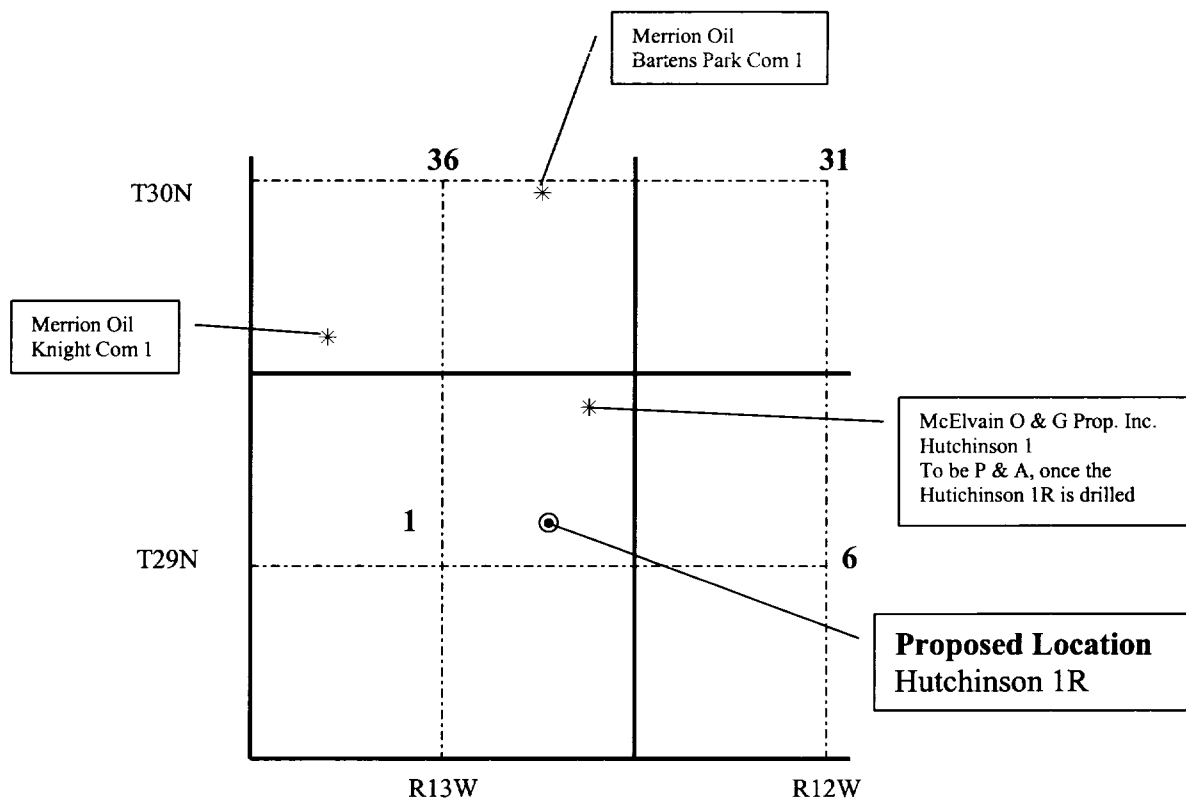


Charles Neeley, PE
Agent for McElvain Oil and Gas Properties, Inc.

McElvain Oil and Gas Properties, Inc.
Hutchinson 1R
2060' FNL & 1190' FEL
Sec 1, T29N, R13W, NMPM
San Juan County, New Mexico

Unorthodox Location Application

SPACING UNITS & WELLS PLAT



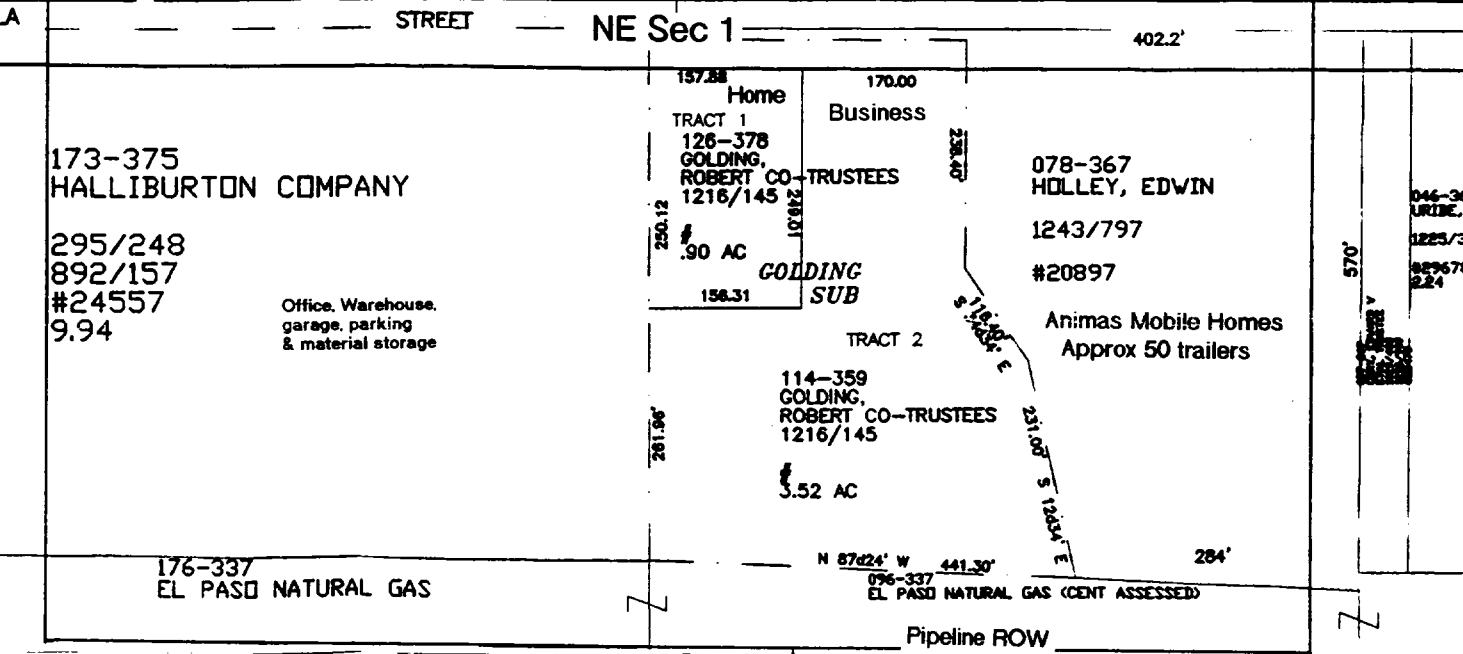
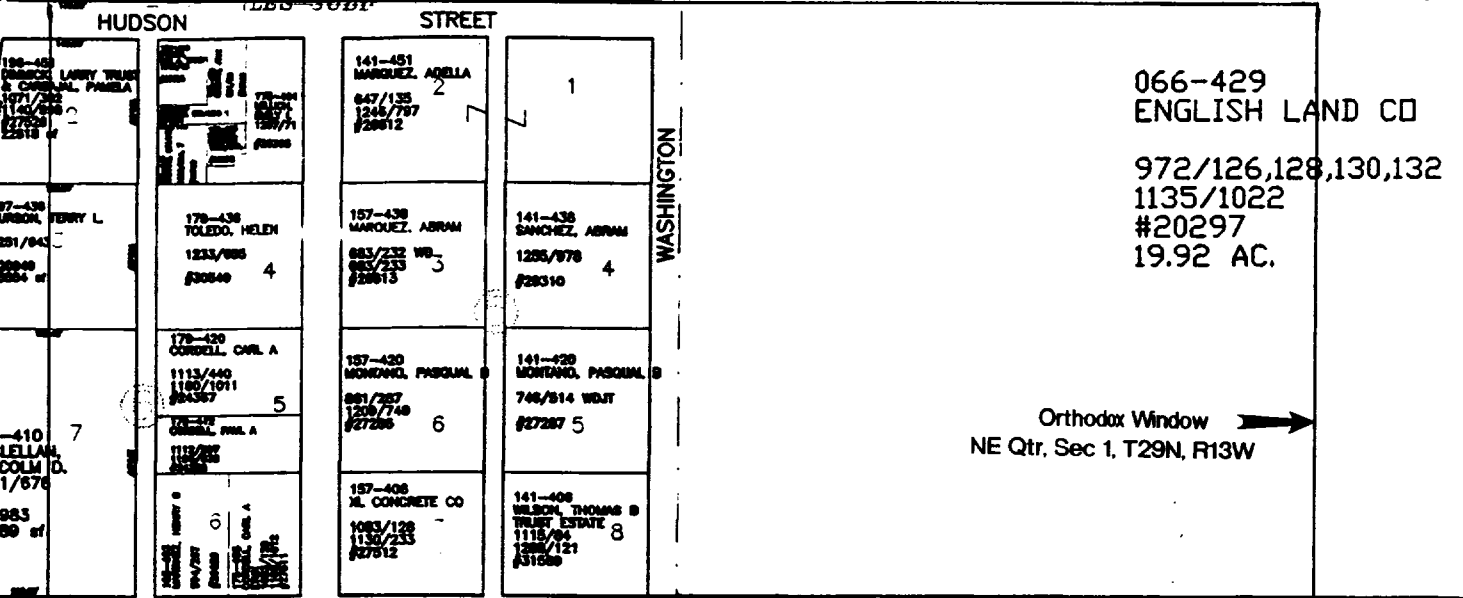
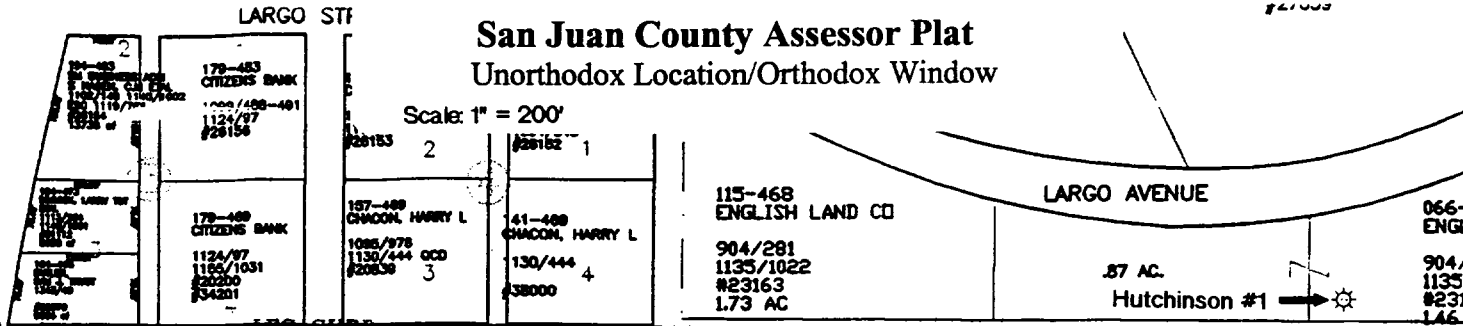
Scale 1" = 2640 ft

McElvain Oil and Gas Properties, Inc
Hutchinson 1 R
2060' FNL & 1190' FEL
Sec 1, T29N, R13W, NMPM
San Juan County, New Mexico

066-503
PRICE DEVELOPMENT
1317/662
#21000

San Juan County Assessor Plat
Unorthodox Location/Orthodox Window

Scale: 1" = 200'



176-314
PENNINGTON PARTNERSHIP
LTD
1005/360
#33352

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease -

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number	*Pool Code 77200	*Pool Name Fulcher Kutz Pictured Cliffs
*Property Code	*Property Name HUTCHINSON	*Well Number 1R
*OGRID No. 22044	*Operator Name McELVAIN OIL & GAS PROPERTIES	*Elevation 5432'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	1	29N	13W		1825	NORTH	1205	EAST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	5280.00'	17 OPERATOR CERTIFICATION
1310.10'	LOT 4 LOT 3 LOT 2 LOT 1	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
1320.00'	1825'	Signature <i>Charles Neeky</i>
	1205'	Printed Name <i>Agent</i>
		Title <i>8/20/02</i>
		Date
2640.00'	5280.00'	18 SURVEYOR CERTIFICATION
		I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
		JULY 20, 2000
		Date of Survey
		Signature and Seal of Registered Professional Surveyor
		NEALE C. EDWARDS NEW MEXICO 6857
		Certificate Number 6857

PROPERTY MANAGEMENT & CONSULTING, INC.

3001 NORTHRIDGE DRIVE

P.O. BOX 2596

FARMINGTON, NEW MEXICO 87401-2596

(505) 325-5220 FAX (505) 325-0070

FAXDATE: 9/3/02TO: NMOCOATTN: Michael StogdenFROM: Charles NealeyRE: Reference No. PKRVO-223856729

ADDITIONAL COMMENTS:

Mr. StogdenAttached is the information you requestedRe. Mr. Elvaine's Hutchinson IR with UnorthodoxLocation ApplicationThank,Charles NealeyNUMBER OF PAGES (Including Cover Sheet): 12

PROPERTY MANAGEMENT & CONSULTING, INC.

P. O. BOX 2596
FARMINGTON, NEW MEXICO 87499 - 2596
(505) 325 - 5220

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

September 3, 2002

Attention: Mr. Mike Stogner, Engineering Bureau

Re: Unorthodox Location, Administrative Approval Application
McElvain Oil and Gas Properties, Inc
Hutchinson 1R: Fulcher Kutz Pictured Cliffs Pool
2060' FNL and 1190' FEL, Sec 1, T29N, R13W, NMPM
San Juan County, New Mexico

Application reference No. pKRV0-223856729

Dear Mr. Stogner:

This letter is in answer to the questions asked in your letter of August 29, 2002 in reference to McElvain Oil & Gas Properties, Inc's unorthodox location application for their Hutchinson 1 R location.

As per the attached C-102, the dedicated acreage for the Hutchinson 1R will be 159.85 acres. In addition I have attached copies of what history I could find about the Hutchinson Well No. 1 well's acreage dedication, as per your request. From this information, I can respond to your questions as follows:

- 1) The actual location shown on the Notice Of Intent to Drill, filed 6/20/47 is: 630' FNL & 635' FEL, Sec 1, T29N, R13 West, NMPM, San Juan County, New Mexico.
- 2) The well was spudded: 7/10/47, completed: 10/8/47.
- 3) The attached C-104, submitted 12/2/1954, indicates the first gas to transmission system: 1948.
- 4) The current dedicated acreage is 39.96 or 40 acres, as per the well plat submitted 3/18/55. An 80 acre well plat was submitted 12/2/1954 however, 40 acres were assigned the well - NMOCD letter dated 3/7/1955.

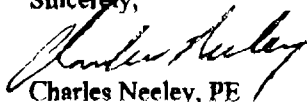
I trust that these answers will meet with your approval.

The C-102 I attached to the Unorthodox Location Application evidenced the original orthodox staking for the Hutchinson 1R which was restaked to its current location -- due to City of Farmington site restrictions, discussed in the Unorthodox Location Application.

Your consideration of the exception and Unorthodox Location Application is appreciated.

Should you have any questions, please do not hesitate to call or write.

Sincerely,



Charles Neeley, PE
PMCI agent for McElvain Oil and Gas Properties, Inc.

District I
 PO Box 1980, Hobbs, NM 88241-1980

District II
 PO Drawer 00, Artesia, NM 88211-0719

District III
 3000 Rio Brazos Rd., Aztec, NM 87410

District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Revised February
 Instructions
 Submit to Appropriate District
 State Lease -
 Fee Lease -

AMENDED

ILLEGIBLE

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 77200	Well Name Fulcher Kutz Pictured Cliffs
Property Code	Property Name HUTCHINSON	Well No. 1A
OBRIID No. 22044	Operator Name McELVAIN OIL & GAS PROPERTIES	Elevation 5425

10 Surface Location

UL or SW No.	Section	Township	Range	Lot 10	Feet from the	North/South Line	Feet from the	East/West Line	Section
H	1	29N	13W	2060		NORTH	1190	EAST	SAN

11 Bottom Hole Location If Different From Surface

UL or SW No.	Section	Township	Range	Lot 10	Feet from the	North/South Line	Feet from the	East/West Line	Section

Drillable Area 159.85	Joint or Infill N	Consolidation F	Drill No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

1310.10'	LOT 4	LOT 3	LOT 2 39.89 ac	LOT 1 39.89 ac	2060'	1190'	5280.00'	17 OPERATOR CERTIFICATE
								I hereby certify that the information contained herein is true and complete to the best of my knowledge. Signature: <i>Charles Neelby</i> Printed Name: Charles Neelby Title: Agent Date: 8/23/02
1320.00'								18 SURVEYOR CERTIFICATE
								I hereby certify that the well location shown on this plat is true and correct to the best of my knowledge. Date of Survey: MARCH 13, 2001 Signature and Seal: NEALE C. EDWARDS NEW MEXICO 8867 Certificate:
2640.00'								

FORM C-101

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

ILLEGIBLE NOTICE OF INTENTION TO DRILL

JUL 3 1947

Notice must be given to the Oil Conservation Commission or its proper agent and approval given. If changes in the proposed plan are considered advisable, a copy of this notice showing such changes will be returned to the sender. Submit this notice in triplicate. One copy will be returned following approval. See additional instructions in Rules and Regulations of the Commission.

Asteo, New Mexico

June 20th, 1947OIL CONSERVATION COMMISSION,
Santa Fe, New Mexico,

Gentlemen:

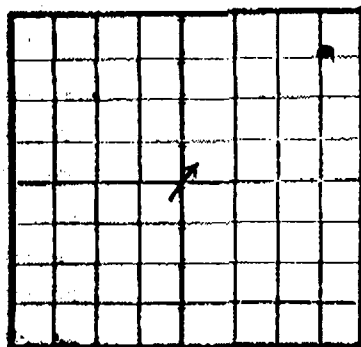
You are hereby notified that it is our intention to commence the drilling of a well to be known as **Hutchinson No. 1**
Dempsey Assoc.

Company or Operator

Hutchinson.

Well No. 1 in NE NE NE

of Sec. One, T. 29 N., R. 13 W., N. M. P. M., Field, San Juan County.

AREA 400 ACRES
LOCATE WELL CORRECTLY

The well is 630 feet (N.) (S.) of the north line and 630 feet

(E.) (W.) of the east line of Section one (1), T29N. R 13 W.

(Give location from section or other legal subdivision lines. Cross out wrong directions.)

If state land the oil and gas lease is No. Assignment No.

If patented land the owner is George E. Hutchinson.

Address Farmington, New Mexico

If government land the permittee is

Address

The lessee is

Address

We propose to drill well with drilling equipment as follows:

Start North Super D. Spudder.

The status of a bond for this well in conformance with Rule 39 of the General Rules and Regulations of the Commission is as follows: One well- Emp. Lia. Assurance Corp Ltd.

We propose to use the following strings of casing and to land or cement them as indicated:

Size of Hole	Size of Casing	Weight Per Foot	New or Second Hand	Depth	Landed or Cemented	Feet Cement
13"	13 3/8"	50#	used	60'	landed.	
12"	10"	40#	"	550'	"	
10"	8"	32#	"	1400'	"	
8"	5 1/2"	14#	New	1700'	Cemented	50 sacks.

If changes in the above plan become advisable we will notify you before cementing or landing casing. We estimate that the first productive oil or gas sand should occur at a depth of about 1700 feet.

Additional information: Will land and cement 5 1/2" production string on top of the picture cliff sand, withdraw the outside casing and set 20 feet of 10" surface casing and cement same. Will also fill hole with mud from cement in bottom around the 5 1/2" production string.

Approved _____, 19 _____
Except as follows:

Sincerely yours,

By

Position Field Rep.

Send communications regarding well to

Name Robert E. Madox.

Address Box 222, Asteo, New Mexico.

OIL CONSERVATION COMMISSION.

By

Title

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

ILLEGIBLE

April 4, 1955

Dempsey Realty Company

P. O. Box 893

Santa Fe, New Mexico

Attention: Mr. David McNeill

Administrative Order NWU-16

Gentlemen:

Reference is made to your application for approval of a 40-acre non-standard gas proration unit in the Fulcher Kuts-Pictured Cliffs Gas Pool consisting of the following acreage:

Township 29 North, Range 13 West, NMPM
NE/4 NE/4 of Section 1

It is understood that this unit is to be ascribed to your Hutchison Well No. 1, located in the NE/4 NE/4 of Section 1, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

Inasmuch as you are the only operator in said section, and there is no other operating interests within the prescribed distance, it is possible for immediate approval to be granted. Therefore, by authority granted me under provisions of Rule 6, Section (b) of the Special Rules and Regulations of the Fulcher Kuts-Pictured Cliffs Gas Pool, as set forth in Order R-565, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with pool rules, based upon the unit size of 40 acres.

Very truly yours,

W. B. MACKEY,
Secretary-Director



PETROLEUM ENGINEERING
RESERVOIR STUDIES
EVALUATIONS
GEOLOGICAL STUDIES

E. W. WALSH, P.E.
President

**WALSH
ENGINEERING & PRODUCTION
CORPORATION**

EXECUTIVE BLDG. - 413 W. MAIN
P. O. BOX 294
FARMINGTON, NEW MEXICO
87401

LEASE MANAGEMENT
CONTRACT MANAGEMENT
DRILLING SUPERVISOR
WORKOVER SUPERVISOR

TELEPHONE 525-1111

November 1, 1971

Well File
ILLEGIBLE

Mr. G. Broome
T. H. McElvain Oil & Gas Properties
P. O. Box 2148
Santa Fe, New Mexico 87501

Ref: Deliverability Test
Dempsey Associates
Hutchinson No. 1
Sec. 1-T29N-R13W, Unit A

Dear Mr. Broome:

I have contacted Mr. Emery Arnold, New Mexico Oil Conservation Commission, about the necessity of the above-referred-to deliverability test. Mr. Arnold stated that it was not necessary to conduct the deliverability test due to having an acreage assignment of only 40 acres.

As in the past the well will be assigned an allocation of 1,500 MCF per month.

Very truly yours,

Ewell N. Walsh
Ewell N. Walsh, P. E.
President

ENW:lt

cc: Mr. Emery Arnold
New Mexico Oil Conservation Comm.
Axtec, N. M. 87401

Mr. J. R. Large
Dispatch Manager
Southern Union Gas Company
P. O. Box 398
Bloomfield, New Mexico 87413



(Form C-104)
(Revised 7/1/54)

ILLEGIBLE

NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

REQUEST FOR (OIL) - (GAS) ALLOWABLE

New Well
Recompletion

This form shall be submitted by the operator before an initial allowable will be assigned to any completed Oil or Gas well. Form C-104 is to be submitted in QUADRUPPLICATE to the same District Office to which Form C-101 was sent. The allowable will be assigned effective 7:00 A.M. on date of completion or recompletion, provided this form is filed during calendar month of completion or recompletion. The completion date shall be that date in the case of an oil well when oil is delivered into the stock tanks. Gas must be reported on 15,025 psia at 60° Fahrenheit.

(Place)

December 22, 1954
(Date)

WE ARE HEREBY REQUESTING AN ALLOWABLE FOR A WELL KNOWN AS:

Dempsey Associates, Van H. Hutchinson, Well No. 1 in NE 1/4 NE 1/4

(Company or Operator)

(Lessee)

Sec. 1, T. 29N, R. 13W, NMPM, Folsom-Ruts.

(Unit)

San Juan.

County. Date Spudded 7/10/47, Date Completed 10/8/47

Please indicate location:

660 IN 660' 1K.

630 N 635 E

Casing and Cementing Record

Size

Feet

Sax

8 5/8"	23	8
5 1/2"	1450'	75
1"	1556'	none.

Elevation 5455 Total Depth 1558, P.B. none.

Top oil/gas pay 1450 Top of Prod. Form 1450

Casing Perforations: none

Depth to Casing shoe of Prod. String 1450

Natural Prod. Test none BOP

based on none bbls. Oil in none Hrs. Min.

Test after acid or shot none BOP

Based on none bbls. Oil in none Hrs. Min.

Gas Well Potential 460,000 cu. ft.

Size choke in inches none

Date first oil run to tanks or gas to Transmission system: 1948

Transporter taking Oil or Gas: Southern Union Gas Co.

Remarks: 23 feet 8 5/8" O.D. casing cemented at surface for wall protection.
1450 feet 5 1/2" casing production string. Cemented with 75 sacks of
1556 feet 1" syphon line suspended in well.

I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved DEC 22 1954, 19.

Dempsey Associates

(Company or Operator)

By:

(Signature)

Title: PARTNER

Send Communications regarding well to:

Name: JOHN J. DEMPSEY

Address: BOX 893, SANTA FE, NEW MEXICO

OIL CONSERVATION COMMISSION

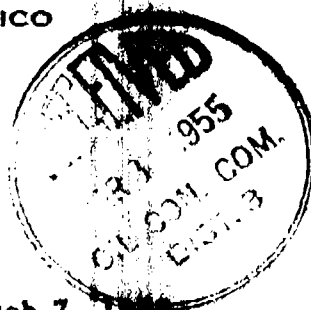
By: Original Signed Emery C. Arnold

Title: Oil and Gas Inspector Dist. #3.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO



March 7, 1955

Mr. John J. Dempsey, MC
Congress of the United States
House of Representatives
Washington, D. C.

Dear Mr. Dempsey:

Reference is made to your letter of February 9, 1955, in which you requested this office to furnish you with information concerning the necessary steps for the formation of a non-standard gas proration unit for your Hutchison Well No. 1 in San Juan, New Mexico.

One of the basic requirements for the formation of a non-standard gas proration unit is that all of the acreage to be dedicated to such a unit must be contiguous. It has been, and is, the policy of the Commission not to consider acreage which meets at only one point as being contiguous. This therefore would apply to the acreage which you propose to dedicate to your Hutchison Well No. 1. This Commission will be able to grant only a 40-acre non-standard gas proration unit to your Hutchison Well No. 1. The reduction in unit size from 40 acres to 80 acres will in no way effect your allowable, inasmuch as the marginal nature of this well gives to it the breaking point allowable as computed from our deliverability curves. This in all cases would give an allowable to your well in excess of its ability to produce.

For your information I am enclosing a copy of the applicable order and a copy of memorandum which outlines the filing requirements for a non-standard gas proration unit which will generally apply to the Northwest.

By copy of this letter we are contacting your Santa Fe office with whom we will carry on all future correspondence.

If we can be of any further assistance to you regarding this matter do not hesitate to call upon us.

Very truly yours,

Charles E. Hodge

NEW MEXICO

Gas Well Plat

OIL CONSERVATION COMMISSION

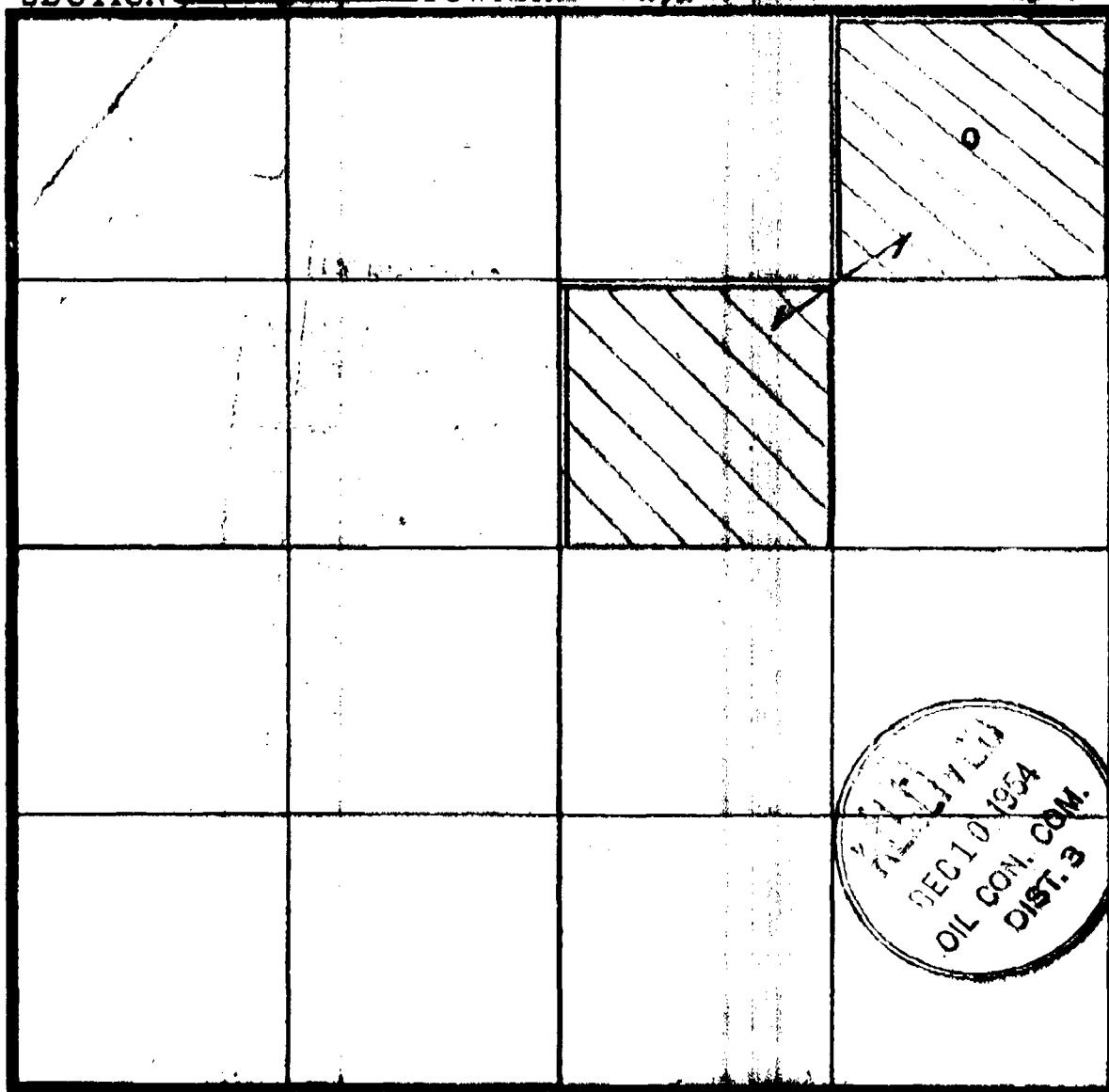
ILLEGIBLE

Date December 2nd, 1954Dempsey AssociatesGeorge E. Hutchinson1

Operator

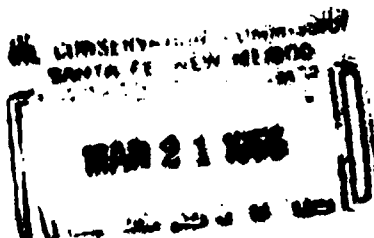
Lease

Well No.

Name of Producing Formation Picture Cliff. Pool Fulcher-Uts.No. Acres Dedicated to the Well 80 79.96Indicate land status and show ownership Patented Geo E. Hutchinson.SECTION 1 TOWNSHIP 29N RANGE 13W.

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name [Signature]Position MANAGERRepresenting Dempsey AssociatesAddress BOX 100, SANTA FE, NEW MEXICO



ILLEGIBLE

March 18, 1955

Mr. W. B. Macey
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Macey:

Under order by the Oil Conservation Commission we herewith submit our application for your consideration of immediate administrative approval. This request is made in accordance with the following commission rules and regulations, to-wit: Rule 1 of Order R-128-C and Rule 6 of Order R-565 and R-566 of the Special Rules and Regulations for the various North-west Gas Pools.

Following is a legal description of the acreage involved:

Company associated A
Northeast quarter of the Northeast quarter Section 1,
Township 29 N., Range 13 W. (New Mexico Petroleum Map).

The name and location of the well involved is Hutchinson Well Number One, which lies in the Northeast portion of the above described location.

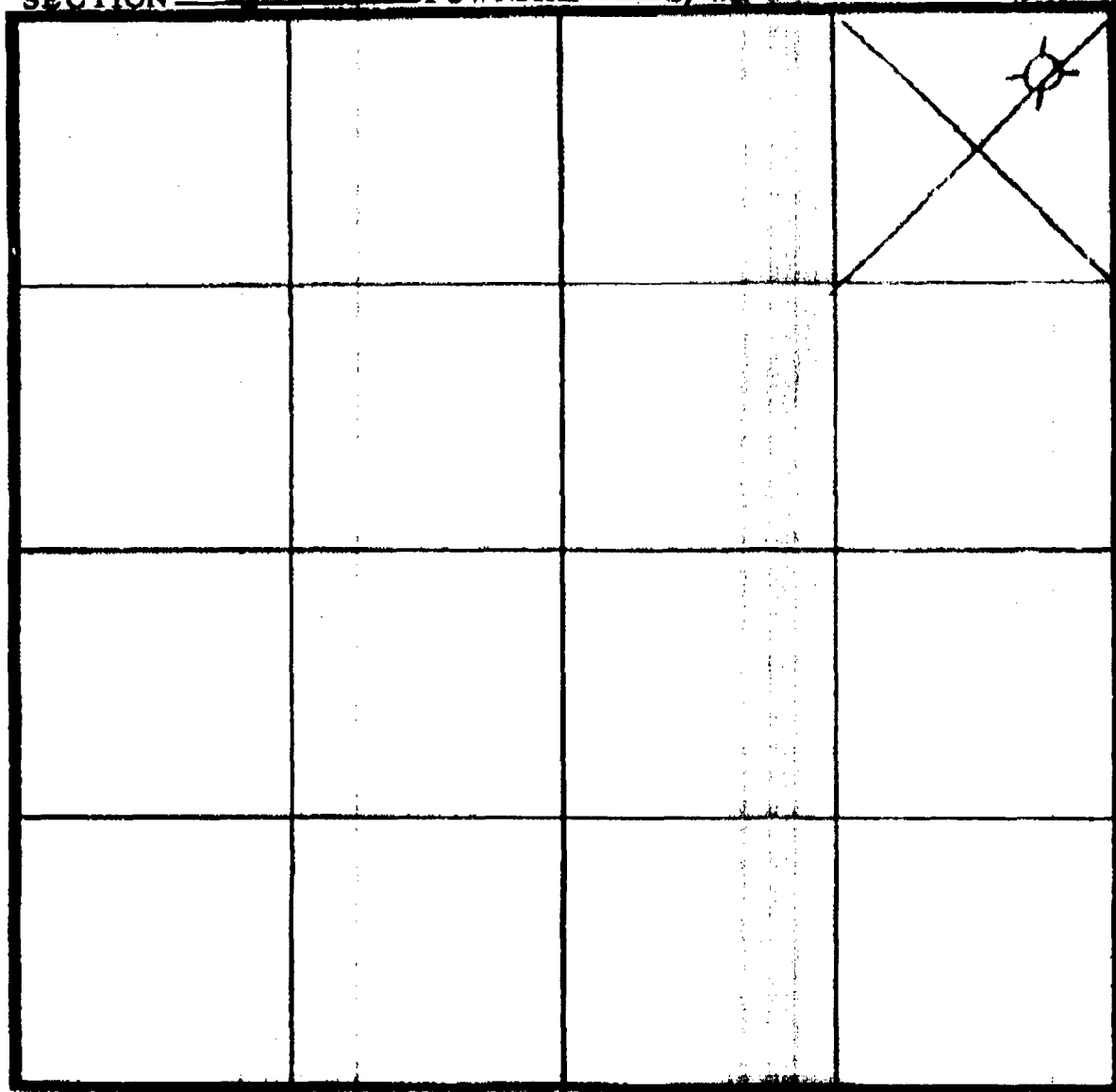
We are herewith enclosing plate showing the acreage to be dedicated and the location of the well, in which there is no offset ownership.

Since there are no other wells within the prescribed number of feet as set forth in your regulations, no mailing list of operators in the nearby area can be included.

Sincerely yours,


David McNeill

DMcN/lms

ILLEGIBLE**NEW MEXICO
OIL CONSERVATION COMMISSION****Gas Well Plat**Date March 10, 1955Dempsey, Reilly & Mahon
OperatorHutchinson
LeaseNo. 1
Well No.Name of Producing Formation Fulcher KutzPool Pictured CliffsNo. Acres Dedicated to the Well 10SECTION 1 TOWNSHIP 29 N. RANGE 13 W. N.M.P.

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name [Signature]Position AgentRepresenting Dempsey, Reilly & MahonAddress Box 100, Santa Fe, New Mexico

ILLEGIBLE

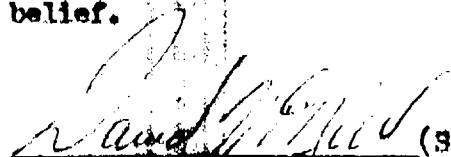
March 18, 1955

STATE OF NEW MEXICO)

SS.

COUNTY OF SANTA FE)

I, DAVID McNEILL, being first duly sworn, do hereby depose
and state that the foregoing information is true and accurate
to the best of my knowledge and belief.


DAVID McNEILL (SEAL)
Agent

Subscribed and sworn to before me this 18 day of March, 1955.


Notary Public

My commission expires:

MY COMMISSION EXPIRES AUGUST 14, 1967

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

(John J. Hester)
Secretary

April 4, 1955

Dempsey Realty Company
P. O. Box 893
Santa Fe, New Mexico

Attention: Mr. David McNeill

Administrative Order NWU-16

Gentlemen:

Reference is made to your application for approval of a 40-acre non-standard gas proration unit in the Fulcher Kuts-Pictured Cliffs Gas Pool consisting of the following acreage:

Township 29 North, Range 13 West, NMPM
NE/4 NE/4 of Section 1

It is understood that this unit is to be ascribed to your Hutchison Well No. 1, located in the NE/4 NE/4 of Section 1, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

Inasmuch as you are the only operator in said section, and there is no other operating interests within the prescribed distance, it is possible for immediate approval to be granted. Therefore, by authority granted me under provisions of Rule 6, Section (b) of the Special Rules and Regulations of the Fulcher Kuts-Pictured Cliffs Gas Pool, as set forth in Order R-545, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with pool rules, based upon the unit size of 40 acres.

Very truly yours,

W. B. MACEY,
Secretary-Director

C
O
P
Y

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

08/29/02 08:51:43
OGOMES -TPV1

API Well No : 30 45 8866 Eff Date : 01-01-1900 WC Status : A
Pool Idn : 77200 FULCHER KUTZ PICTURED CLIFFS (GAS)
OGRID Idn : 22044 MCELVAIN OIL AND GAS PROPERTIES INC
Prop Idn : 6663 HUTCHINSON

Well No : 001
GL Elevation: 5455

U/L Sec Township Range North/South East/West Prop/Act (P/A)

B.H. Locn : 1 1 29N 13W FTG 630 F N FTG 635 F E P
Lot Identifier:
Dedicated Acre: 160.00
Lease Type : P
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD :
OG6ACRE

ONGARD
C102-DEDICATE ACREAGE

08/29/02 08:51:48
OGOMES -TPV1
Page No : 1

API Well No : 30 45 8866 Eff Date : 04-30-1991
Pool Idn : 77200 FULCHER KUTZ PICTURED CLIFFS (GAS)
Prop Idn : 6663 HUTCHINSON
Spacing Unit : 6519 OCD Order :
Sect/Twp/Rng : 1 29N 13W Acreage : 160.00 Revised C102? (Y/N) :
Dedicated Land:

S Base U/L Sec Twp Rng Acreage L/W Ownership Lot Idn

A 1 1 29N 13W 38.96 N FE

E0005: Enter data to modify or PF keys to scroll
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 08/29/02 08:52:02
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPV1
 Page No: 1

OGRID Identifier : 22044 MCELVAIN OIL AND GAS PROPERTIES INC
 Pool Identifier : 77200 FULCHER KUTZ PICTURED CLIFFS (GAS)
 API Well No : 30 45 8866 Report Period - From : 01 2000 To : 07 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 45	8866 HUTCHINSON	01 00 31	1232	60 F
30 45	8866 HUTCHINSON	02 00 29	901	60 F
30 45	8866 HUTCHINSON	03 00 31	860	60 F
30 45	8866 HUTCHINSON	04 00 30	1024	60 F
30 45	8866 HUTCHINSON	05 00 31	1111	60 F
30 45	8866 HUTCHINSON	06 00 30	1078	60 F
30 45	8866 HUTCHINSON	07 00 31	952	60 F

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll
 PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPool PF11 NXTOGD PF12

CMD :
OG6IPRD INQUIRE PRODUCTION BY POOL/Well

08/29/02 08:52:05
OGOMES -TPV1
Page No: 2

OGRID Identifier : 22044 MCELVAIN OIL AND GAS PROPERTIES INC
Pool Identifier : 77200 FULCHER KUTZ PICTURED CLIFFS (GAS)

API Well No : 30 45 8866 Report Period - From : 01 2000 To : 07 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 45	8866 HUTCHINSON	08 00 30	858	60 F
30 45	8866 HUTCHINSON	09 00 30	1176	60 F
30 45	8866 HUTCHINSON	10 00 31	964	60 F
30 45	8866 HUTCHINSON	11 00 28	754	60 F
30 45	8866 HUTCHINSON	12 00 31	966	60 F
30 45	8866 HUTCHINSON	01 01 29	700	60 F
30 45	8866 HUTCHINSON	02 01 25	568	60 F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPool PF11 NXTOGD PF12

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/Well

08/29/02 08:52:06

OGOMES -TPV1

Page No: 3

OGRID Identifier : 22044 MCELVAIN OIL AND GAS PROPERTIES INC
Pool Identifier : 77200 FULCHER KUTZ PICTURED CLIFFS (GAS)

API Well No : 30 45 8866 Report Period - From : 01 2000 To : 07 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 45	8866 HUTCHINSON	03 01 27	611	60 F
30 45	8866 HUTCHINSON	04 01 25	512	60 F
30 45	8866 HUTCHINSON	05 01 13	254	60 F
30 45	8866 HUTCHINSON	06 01 6	160	5 F
30 45	8866 HUTCHINSON	07 01 31	655	60 F
30 45	8866 HUTCHINSON	08 01 31	693	60 F
30 45	8866 HUTCHINSON	09 01 30	840	60 F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPool PF11 NXTOGD PF12

CMD : ONGARD 08/29/02 08:52:07
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPV1
 Page No: 4

OGRID Identifier : 22044 MCELVAIN OIL AND GAS PROPERTIES INC
 Pool Identifier : 77200 FULCHER KUTZ PICTURED CLIFFS (GAS)
 API Well No : 30 45 8866 Report Period - From : 01 2000 To : 07 2002

API Well No	Property Name	Prodn. Days MM/Y	Prod	Gas	Oil	Water	Well Stat
30 45	8866 HUTCHINSON	10 01	31	724		60	F
30 45	8866 HUTCHINSON	11 01	30	586		60	F
30 45	8866 HUTCHINSON	12 01	28	455		60	F
30 45	8866 HUTCHINSON	01 02	28	309		60	F
30 45	8866 HUTCHINSON	02 02	28	225		60	F
30 45	8866 HUTCHINSON	03 02	17	45		20	F
30 45	8866 HUTCHINSON	04 02					S

Reporting Period Total (Gas, Oil) : 19213 1525

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPPOOL PF11 NXTOGD PF12

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

08/29/02 08:52:08
OGOMES -TPV1
Page No: 5

OGRID Identifier : 22044 MCELVAIN OIL AND GAS PROPERTIES INC
Pool Identifier : 77200 FULCHER KUTZ PICTURED CLIFFS (GAS)
API Well No : 30 45 8866 Report Period - From : 01 2000 To : 07 2002

API Well No		Property Name	Prodn. Days MM/YY Prod	Production Volumes		Well
				Gas	Oil	Water Stat
30	45	8866 HUTCHINSON	05 02			S

Reporting Period Total (Gas, Oil) : 19213 1525

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPool PF11 NXTOGD PF12

CMD : ONGARD
 OG5SECT INQUIRE LAND BY SECTION

08/29/02 08:51:24
 OGOMES -TPV1
 PAGE NO: 1

Sec : 01 Twp : 29N Rng : 13W Section Type : NORMAL

4	3	2	1
39.74	39.81	39.89	38.96
Federal owned	Federal owned	Fee owned	Fee owned
			A A
E	F	G	H
40.00	40.00	40.00	40.00
Fee owned	Fee owned	Fee owned	Fee owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
 PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD : ONGARD
 OG5SECT INQUIRE LAND BY SECTION

08/29/02 08:51:29
 OGOMES -TPV1
 PAGE NO: 2

Sec : 01 Twp : 29N Rng : 13W Section Type : NORMAL

L	K	J	I
40.00	40.00	40.00	40.00
Fee owned	Fee owned	Fee owned	Fee owned
M	N	O	P
40.00	40.00	40.00	40.00
Fee owned	Fee owned	Fee owned	Fee owned
		A	A A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
 PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Betty Rivera
Cabinet Secretary

August 29, 2002

Lori Wrotenbery
Director
Oil Conservation Division

McElvain Oil and Gas Properties, Inc.
c/o Properties Management & Consulting, Inc.
P. O. Box 2596
Farmington, New Mexico 87499-2596

Attention: Charles Neeley

Re: *Administrative application on behalf McElvain Oil & Gas Properties, Inc. dated August 22, 2002 (application reference No. pKRV0-223856729) for an exception to Division Rule 104.C (3) for McElvain's proposed Hutchinson Well No. 1-R to be drilled 2060 feet from the North line and 1190 feet from the East line (Unit H) of Section 1, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.*

Dear Mr. Neeley:

This letter acknowledges receipt of the above-described administrative application on August 26, 2002. It has been assigned NMOCD application reference No. pKRV0-223856729. Please refer to this number in future correspondence with the Division.

In the second sentence of the first paragraph of your application, you stated that the proposed well "is standard in acreage"; however, there is no reference within the application of what the dedicated acreage will be, even on the attached C-102. Also, please provide me with additional information on the old Hutchinson Well No. 1 (API No. 30-045-08866), located in Lot 1 (NE/4 NE/4 equivalent) of Section 1. What is its actual location, when it was drilled, when it started producing from the Pictured Cliffs interval, and what is its current acreage dedication? Please provide me with any historical information about this well's acreage dedication.

Since the submitted information is insufficient to review, the application was ruled as incomplete on August 29, 2002. Please submit the above stated information by Monday, September 9, 2002.

In accordance with recently enacted policy the Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3471, or mailed to the Division in Santa Fe. If the necessary information is not submitted, your application will be returned to you. Thank you for your assistance in this matter.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec
Larry van Ryan, Sr. Vice-President - McElvain Oil and Gas Properties, Inc. Denver