



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

30-045-28173

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

Attention: Charles Neeley



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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