



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 25, 1999

McElvain Oil & Gas Properties, Inc.
1050 17th Street - Suite 710
Denver, Colorado 80265
Attention: R. E. Fielder

RECEIVED
OCT 27 1999

OIL CON. DIV.
DIST. 3

Administrative Order NSL-4370

Dear Mr. Fielder:

Reference is made to your application dated September 28, 1999 for an exception to the well location requirements provided within the "*Special Rules and Regulations for the Basin-Dakota Pool*," as promulgated by New Mexico Oil Conservation Division ("Division") Order No. R-10987. The S/2 of Section 33, Township 26 North, Range 2 West, NMPM, Rio Arriba County, New Mexico is to be dedicated to the subject well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Basin-Dakota Pool.

The application has been duly filed under the provisions of Division Rules 104.F and 605.B.

By the authority granted me under the provisions of Division Rule 104.F(2), the following described well to be drilled at an unorthodox gas well location in Section 33 is hereby approved:

**Cougar Com. "33" Well No. 1
1970' FSL & 2125' FEL (Unit J)**

Further, the aforementioned well and spacing unit will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Albuquerque

McElvain Oil & Gas Properties, Inc.

1050 17th Street Suite 710

Denver, Co. 80265

(303) 893-0933

September 28, 1999

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

Re: Application for Administrative Approval
Unorthodox Well Location
McElvain Oil & Gas Properties Inc.
Cougar Com 33 No. 1
Basin Dakota
SE / 4, Section 33, T26N, R2W
Rio Arriba Co., New Mexico

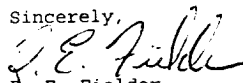
Gentlemen:

McElvain Oil & Gas Properties Inc. requests administrative approval of this non standard footage location pursuant to Rule 104.F(2). This request is for a topographic / archeologic exception. The location was set in the bottom of a draw to avoid excessive cuts into the southern ridge line which could accelerate destruction through erosion of the archeological site LA127878. The proposed location will encroach on the 790 foot set back from the proration unit boundary by 120 feet. As required by Rule 104.F(3), attached is:

1. A C - 102 showing the well location and the proposed spacing unit;
2. There are no existing Dakota spacing units adjoining this proposed unit;
3. A cut & fill section for the proposed location showing the existing topography and archeology; and
4. A list of the lessee of record for the sections North (N/2 - Sec.33), East (Sec.34), and West (Sec.32) of the proposed spacing unit and their addresses.

In accordance with Rule 104.F(4) and Rule 1207(A)(5), a complete copy of this application was sent by certified mail - return receipt, on the same date as this application, to the operators on the attached list. A copy of the cover letter to the operators is attached.

Sincerely,



R. E. Fielder
Agent for
McElvain Oil & Gas Properties

xc: New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

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OIL CON. DIV.
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District II
PC Drawer 00, Artesia, NM 88211-0719

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

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

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

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30 - 039 - 26226		*Pool Code 71599	*Pool Name Basin Dakota	
*Property Code 23816	*Property Name COUGAR COM 33			*Well Number 1
*OGRID No. 22044	*Operator Name McELVAIN OIL & GAS PROPERTIES			*Elevation 7506'


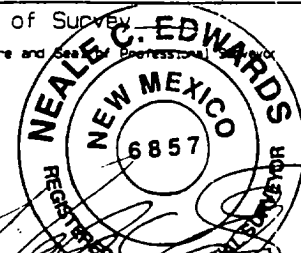
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	33	26N	2W		1970	SOUTH	2125	EAST	RIO ARRIBA

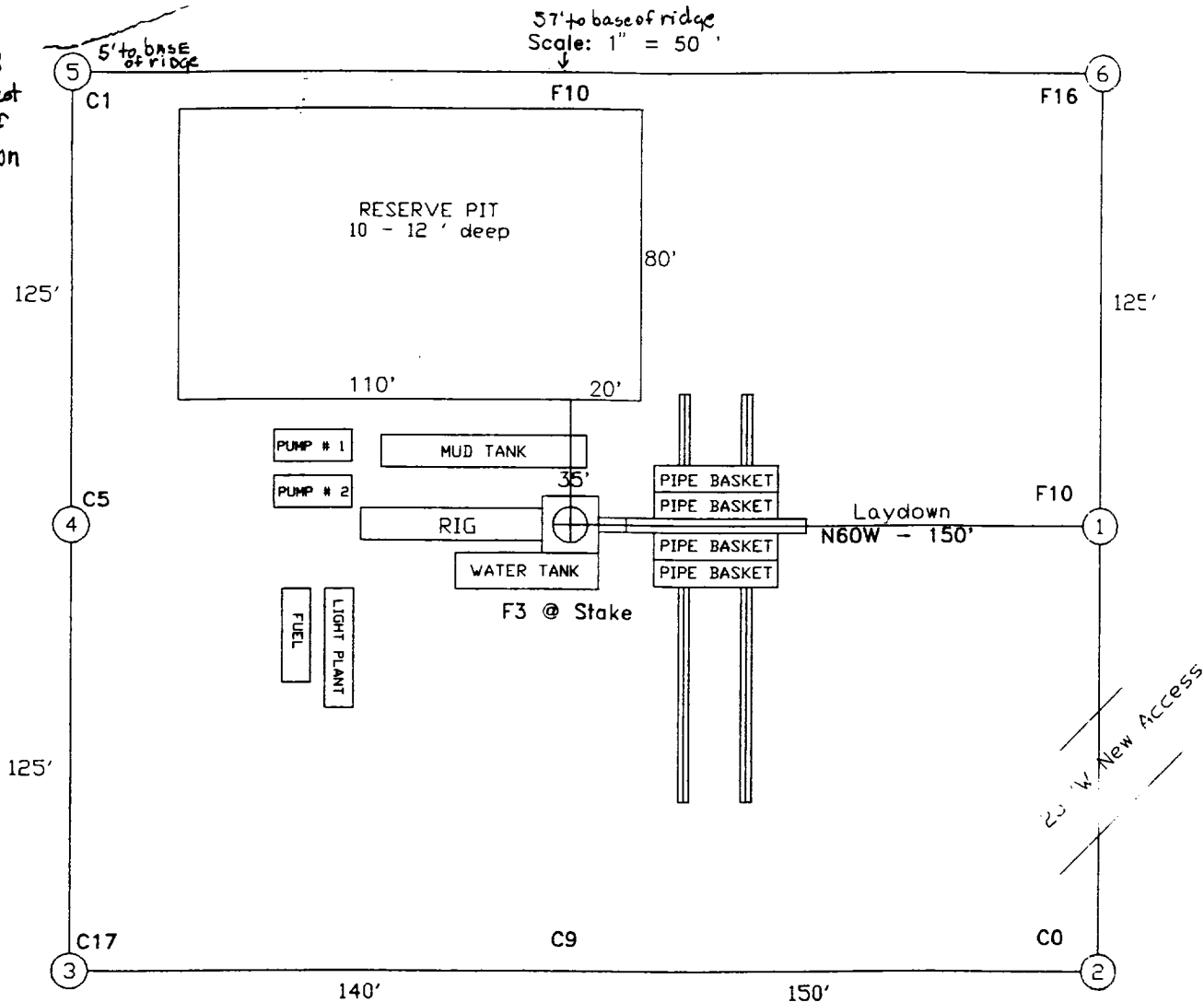
¹¹Bottom Hole Location If Different From Surface

U. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320.00		¹³ Joint or Infill N	¹⁴ Consolidation Code C		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

<div>15</div>	<div>5281.32'</div>	<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</div> <div></div>
	<div>RECEIVED</div> <div>OCT - 1 1999</div> <div>CHL CON. DIV.</div> <div>DIST. 8</div>	<div>Signature</div> <div>R. E. Fielder</div> <div>Printed Name</div> <div>Agent</div> <div>Title</div> <div>September 27, 1999</div> <div>Date</div>
<div>5280.00'</div> <div>NM97827</div>	<div>33</div> <div>Fee</div> <div>NM01397</div> <div>2125'</div> <div>1970'</div> <div>Fee</div> <div>5280.00'</div>	<div>18 SURVEYOR CERTIFICATION</div> <div>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.</div> <div>SEPTEMBER 22, 1999</div> <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor</div> <div></div>
	<div>5280.00'</div>	<div>Certificate Number</div> <div>6857</div>

Site LA127878
Approx. 80' west
of Corner 5 of
current location



50' Construction Buffer on all
corners except 2, 3, & 5. Side
2-3 will be 1:1 cutslope outside
stakes. Corner 5 will be rounded
inside the stake. Drainage berm
will be started at corner 5 stake.

McElvain Oil & Gas Properties, Inc.

Wellsite Layout

Cougar Com 33 No. 1
1970' FSL - 2125' FEL
Section 33, T26N, R2W, NMPM
Rio Arriba Co., New Mexico

T26N, R2W, Sections 32, 33 & 34: W.I. Owners & Operators

Mountain States Natural Gas Corporation
P.O. Box 35426
Tulsa, OK 74153

Samson Resources Company
Samson Plaza
2 West 2nd Street
Tulsa, OK 74103

Ramona Sweet Revocable Trust
P.O. Box 1132
Tulsa, OK 74101

Christopher L. Phillips
23 West 4th Street, Ste. 900
Tulsa, OK 74103

Duer Wagner, III
301 Commerce Street, Ste. 2930
Ft. Worth, TX 76102

NM&O Operating Company
6 E. 5th Street, Ste. 200
Tulsa, OK 74103

Mesa Grande Resources, Inc.
1200 Philtower Bldg.
Tulsa, OK 74103

Albert Hill Trust,
5000 Thanksgiving Tower
Dallas, TX 75201

Texaco Exploration & Production, Inc.
P.O. Box 841144
Dallas, TX 75284-1144

Hooper, Kimball & Williams
P.O. Box 52147
Tulsa, OK 74152-0147

Clark & Oatman
P.O. Box 310
Bastrop, TX 78602

PC, Ltd.
P.O. Box 911
Breckenridge, TX 76424

IBEX Partnership
P.O. Box 911
Breckenridge, TX 76424

Noseco Corporation, a Nevada corporation
7400 Lakeside Drive
Reno, NV 89511

Neumann Family Trust
c/o Peter C. Neumann
P.O. Box 1170
Reno, Nevada 89504

Gavilan Dome Properties
1180 Cedarwood Drive
Moraga, CA 94556

Energen Resources Corporation
605 21st Street North
Birmingham, Alabama 35203-2707

Mesa Grande Resources, Inc.
1200 Philtower Bldg.
Tulsa, Oklahoma 74103

NM & O Operating Company
6 E. 5th Street, Suite 200
Tulsa, OK 74103

Johansen Energy Partnership
P.O. Box 1773
Whitefish, MT 59937

Williams Production Company
Attn: Mr. M. Vern Hansen
P.O. Box 3102
Tulsa, Oklahoma 74101

Dugan Production Corporation
P.O. Box 420
Farmington, NM 87499-0420

THE MARGARET HILL MARITAL TRUST,
THE MARGARET HUNT HILL - ALBERT G. HILL III TRUST,
THE MARGARET HUNT HILL - ELISA MARGARET HILL TRUST,
THE MARGARET HUNT HILL - HEATHER VICTORIA HILL TRUST,
THE MARGARET HUNT HILL - MICHAEL BUSH WISENBAKER, JR. TRUST,
THE MARGARET HUNT HILL - WESLEY HILL WISENBAKER TRUST,
THE MARGARET HUNT HILL - MARGRETTA HILL WIKERT TRUST, and
THE MARGARET HUNT HILL - CODY McARTHUR WIKERT TRUST
5000 Thanksgiving Tower
Dallas, Texas 75201

Albert Hill Trust
2500 First National Bank Tower
Dallas, Texas 75202