

DATE IN 9/3/09	SUSPENSE	ENGINEER Brooks	LOGGED IN 9/3/09	TYPE NSL	PTGW APP NO. 0924655414
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



McElvain
(22044)

Ru by #2

ADMINISTRATIVE APPLICATION CHECKLIST

30-045-34986

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

JOHN D. STEUBLE
Print or Type Name

John D. Steuble
Signature

VP, Engineering
Title

8-29-09
Date

JOHN@MCELVAIN.COM
e-mail Address

McElvain Oil & Gas Properties, Inc.

1050 – 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.372
FAX 303-893-0914
e-mail: rickh@mcelvain.com

September 1, 2009

Mr. Mark E. Fesmire, P.E.
Division Director
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87504

VIA FEDERAL EXPRESS

Re: Application for Administrative Approval of Unorthodox Location
Ruby #2 Well Operated by McElvain Oil & Gas Properties, Inc.
334' FSL, 881' FEL, Section 3, T29N, R13W
San Juan County, New Mexico – Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs
Formations

Dear Mr. Fesmire:

McElvain Oil & Gas Properties, Inc. ("McElvain") hereby requests administrative approval for an unorthodox location for the above captioned well. Attached for your reference are the following exhibits:


- 1) Well Location Plat (NMOCD Form C-102)
- 2) Spacing Unit Aerial Map
- 3) Production Maps showing production in the area
- 4) Letter and List of Affected Parties in the E/2 and NW/4 of Sec. 10, T29N, R13W
- 5) Affidavit of Publication in the Farmington Daily Times
- 5) Administrative Application Checklist

The Ruby #2 Well is located within the City of Farmington, New Mexico. As seen on the enclosed aerial map the density of the City's population and infrastructure limits the available locations in the spacing unit. McElvain has entered into an agreement with the surface owner on the current location and feels this is the only available location. The required offset mineral and working interest owners have been notified of this application by certified mail and a copy of the letter is attached.

McElvain hereby respectfully requests your administrative approval for the unorthodox location based on the above information. Should you need any additional information, please contact me at (303) 893-0933, Extension 372.

Sincerely,

MCELVAIN OIL & GAS PROPERTIES, INC.



Rick Harris
Landman

RECEIVED OGD
2009 SEP - 14
9:14

District I

1625 N. French Dr, Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-049-34986	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code	⁵ Property Name RUBY	⁶ Well Number 2
⁷ OGRD No. 22044	⁸ Operator Name McELVAIN OIL & GAS PROPERTIES, INC.	⁹ Elevation 5433

¹⁰ Surface Location

UL or Lot No. P	Section 3	Township 29 N	Range 13 W	Lot Idn.	Feet from the 334	North/South Line South	Feet from the 881	East/West Line East	County San Juan
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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 				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or leased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____	
					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. Date of Survey _____ Signature and Seal of Professional Surveyor _____ Certificate Number 8466

Bearings are based on Valley View Center Replat "D"

Filed 11/12/2008

$881 \times 881 = 776,161$
 $334 \times 334 = 111,556$
 $887,717$

$660 \times 660 \times 2 = 871,200$



San Juan Basin Project
 Farmington Prospect
 Ruby #2 Area - South Half Sec. 3 T29N R13W
 Aerial Vintage 2005

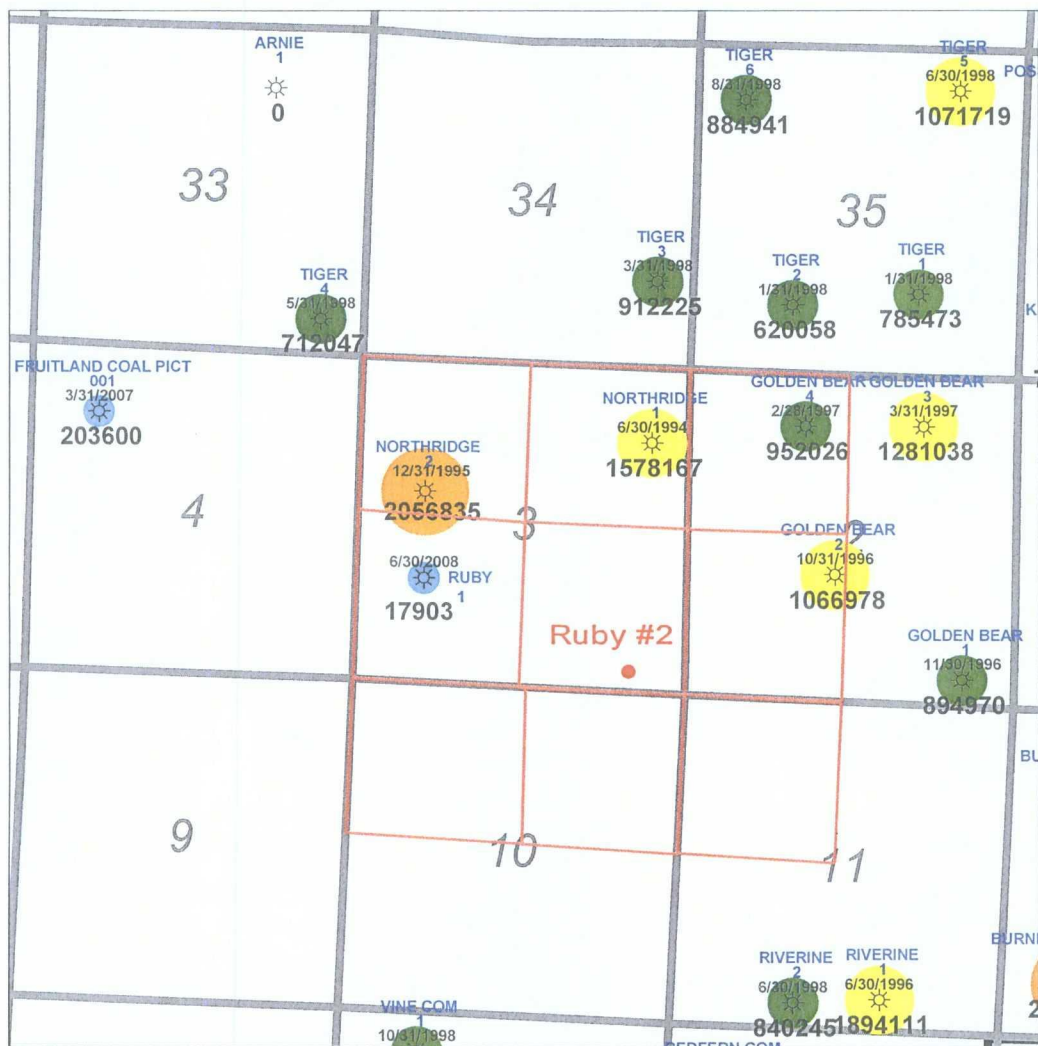
Geographic	Date
HND	10 June, 2009

● Ruby #2 Location

□ Fruitland Coal Drilling Windows

└ Section Boundary





Spacing Units
Section Lines
Pictured Cliffs
Wells Shown



McElvain Oil and Gas Properties, Inc.

San Juan Basin Project
Farmington Prospect
Ruby #2 Area
Pictured Cliffs Wells

Geologist: HKD	Date: 28 August, 2009
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McElvain Oil & Gas Properties, Inc.

1050 – 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.372
FAX 303-893-0914
e-mail: rickh@mcelvain.com

September 1, 2009

TO: Attached List of Offset Parties Owning Interest in Basin Fruitland Coal and Fulcher Kutz
Pictured Cliffs Formations

Re: Application for Administrative Approval of Unorthodox Location
Ruby #2 Well Operated by McElvain Oil & Gas Properties, Inc.
334' FSL and 881' FEL, Section 3, T29N, R13W
San Juan County, New Mexico – Basin Fruitland Coal and Fulcher Kutz
Pictured Cliffs Formations

Dear Sir or Madam:

Enclosed is a copy of the above captioned application that has been sent to the New Mexico Oil Conservation Commission for administrative approval. Should you not agree with the request, please so notify the NMOCD within 20 days of the date of this application.

If you have any questions please do not hesitate to contact me at 303-893-0933, ext. 372.
Thank you for your attention to this matter.

Yours truly,

MCELVAIN OIL & GAS PROPERTIES, INC.



Rick Harris
Landman

enclosures

cc: Mr. Mark E. Fesmire, P.E., NMOCD

APPLICATION FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX
LOCATION

Ruby #2 Well operated by McElvain Oil & Gas Properties, Inc. San Juan County, New
Mexico-Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs Formations

List of Affected Parties

BP America Production Company
Attn: George Hazlewood
501 Westlake Park Boulevard
Houston, Texas 77079

Fossil Associates
The Walter K. Arbuckle Trust, dated 3-28-1984
Roy H. Dubitsky
1580 Lincoln Street, Suite 1220
Denver, CO 80203

Elliott A. Riggs
PO Box 711
Farmington, NM 87499-0711

Allen Construction Company
c/o David Willis
3629 Mateo Prado, NW
Albuquerque, NM 87107

Charles L. Barr and Deanna M. Barr
1128 Chaco
Farmington, NM 87401

Mr. and Mrs. Bert R. Beach
Address Unknown

Mr. and Mrs. Larkin Beck
Address Unknown

Ms. Eileen Blackwell
Address Unknown

Heirs of James Cooper
Address Unknown

Mr. and Mrs. Ray A. Durall
1411 Zuni Place
Farmington, NM 87401

David and Linda Foutz
1610 E. 17th
Farmington, NM 87401

M. Greg Anesi
1206 E. 20th Street
Farmington, NM 87401

Mr. and Mrs. Betty J. Gossell
Address Unknown

Norman H. and Martha K. Faver
#7 CR 24730
Aztec, NM 87410

A.C. Hubbard
Address Unknown

Allan M. and Lorene K. Black
PO Box 2195
Farmington, NM 87499

Mr. and Mrs. William N. Kight
Address Unknown

Land Development Co.
Address Unknown

Mr. and Mrs. Delton Lewis
Address Unknown

Mr. Allen Lowe
Address Unknown

Joe P. Quintana and M. Susan Moreland Living Trust dated 2-6-2002
104 Harbor Lane
Farmington, NM 87401

Charles and Bonnie Robbins
1505 Zuni Drive
Farmington, NM 87401

Mr. and Mrs. L.C. Sandschulte
Address Unknown

Mr. and Mrs. Leonard E. Voight
Address Unknown

Wayne W. and Helen Stradling
1501 N. Fairgrounds
Farmington, NM 87401

Mary Beth Williams
5204 Foothills Drive
Farmington, NM 87402

Cheryl Gonzales
503 N. Auburn
Farmington, NM 87401

Jacqueline A. Farmer
1915 Zuni Drive
Farmington, NM 87401

Betty Musgrove
PO Box 1002
Farmington, NM 87499

Delmar D. Jerome
Address Unknown

Walter A Zahrt and Dorothy J. Zahrt
1212 N. Laguna
Farmington, NM 87401

Elizabeth Cavin Geib
19021 108th Ave NE
Bothell, WA 98011

Joseph Charles Gavin Zahrt
7211 Rising Moon Drive
Colorado Springs, CO 80919

Susan Mary Thomas
13229 County Court
Vidtorville, CA 92393

Sed and Taya Keller
560 W. Fork RD
Durango, CO 81303

H.R. McBride
Address Unknown

Mr. and Mrs. James T. McDermott
Address Unknown

Edward Seaton and Genevieve Chato
PO Box 158
Kayenta, AZ 86033

Wesley R. Stewart
1112 N. Monterey
Farmington, NM 87401

Administrator of Veterans Affairs
501 E. 17th Street
Farmington, NM 87401

Mr. and Mrs. Roland L. Voecks
405 East Boyd
Farmington, NM 87401

Mr. and Mrs. Paul Watson
Address Unknown

A.A. Wethington, Trustee UTA dated September 14, 1993
1806 N. Butler
Farmington, NM 87401

Aubrey Pruitt
3839 E. Crocus Dr.
Phoenix, AZ 85032

Mary Ann Parker
5015 E. Weldon
Phoenix, AZ 85018

John Lee Pruitt
1549 Davidson Street
San Bernadino, CA 82408

John Boyle
607 W. 300 North
Brice, UT 84501

William Boyle
207 E. Wilson
Gallup, NM 87301

Teresa Dillon
Highway 52
Box 389
Eric, CO 80516

Donald Boyle
3476 Highway 140
Hesperus, CO 85226

Mr. and Mrs. Norman Wibel
Assress Unknown

Deborah M. Abbott
1204 Chaco
Farmington, NM 87401

Mr. and Mrs. T.N. Bittick
Address Unknown

Four Corners Savings Bank
PO Box 1488
Farmington, NM 87400

Mrs. Donna H. Broudy
1128 Girard
Albuquerque, NM 87106

Heirs of James Cooper
Address Unknown

Laurence M. Cummins
745 Jenkins Court
Hernando, Florida 34442

Maureen Potochnick
3065 E. Highway 50
Canon City, CO 81212

Eleanor L. Smith
4445 Senna
Las Cruces, NM 88001

Sharon A. Loo
2110 Roca Roja Circle
Colorado Springs, CO 80926

Kevin J. Cummins
479 I Street
Salt Lake City, Utah 84103

Clifford S. and Lisa H. Blankenship
1004 Dustin Street
Farmington, NM 87401

Mr. and Mrs. Richard Fischer
1109 Acoma
Farmington, NM 87401

Rosalie Fleisher
300 ½ East 18th Street
Farmington, NM 87401

Joe and Becky Ferris, Trustees
5203 Thomas
Farmington, NM 87401

AFFIDAVIT OF PUBLICATION

Ad No. 61953

**STATE OF NEW MEXICO
County of San Juan:**

TIA AVILES, being duly sworn says: That she is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Saturday August 15, 2009

And the cost of the publication is \$74.90

Tia Aviles

ON 8/24/09 TIA AVILES appeared before me, whom I know personally to be the person who signed the above document.

Christine Sellers
My Commission Expires - 11/05/11

RECEIVED

AUG 26 2009

McELVAIN OIL & GAS
PROPERTIES INC.

NOTICE

To: Mr. and Mrs. Bert R. Beach, Mr. and Mrs. Larkin Beck, Ms. Eileen Blackwell, Heirs of James Cooper, Mr. and Mrs. Betty J. Gossell, A.C. Hubbard, Mr. and Mrs. William N. Kight, Land Development Co., Mr. and Mrs. Delton Lewis, Mr. Allen Lowe, Mr. and Mrs. L.C. Sandschulte, Mr. and Mrs. Leonard E. Voight, Delmar D. Jerome, H.R. McBride, Mr. and Mrs. James T. McDermott, Mr. and Mrs. Paul Watson, Mr. and Mrs. Norman Wibel, Mr. and Mrs. T.N. Bittick, or their heirs or devisees: McElvain Oil & Gas Properties, Inc. has filed an application with the New Mexico Oil Conservation Division seeking an order approving an unorthodox gas well location in the Fruitland Coal and Pictured Cliffs formations for its Ruby Well No. 2, located 334 feet from the South line and 881 feet from the East line of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico. You are an offset interest owner to the proposed well. If you object to the application you must notify the Division at its offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 20 days of the date this notice is published. Failure to object will preclude you from contesting this matter at a later date. The well unit is located near the intersection of Knudsen Avenue and E. 21st Street within the city limits of Farmington, New Mexico.

Legal No. 61953 published in The Daily Times in Farmington New Mexico on Saturday August 15, 2009.

COPY OF PUBLICATION