

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION DIVISION FOR THE  
PURPOSE OF CONSIDERING:

APPLICATION OF WILLIAMS PRODUCTION CO., LLC FOR  
A PROJECT AREA FOR THE FRUITLAND COAL PARTICIPATING AREA  
IN THE ROSA UNIT, SAN JUAN AND RIO ARRIBA COUNTIES,  
NEW MEXICO.

CASE NO. 14727

**AMENDED PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by T.H. McElvain Oil & Gas, LLLP ("McElvain") as required by the New Mexico Oil Conservation Division.

**APPEARANCE OF THE PARTIES**

**APPLICANT**

Williams Production Company, LLC

**PARTY MAKING APPEARANCE**

San Juan Basin Properties, Inc.

**OPPONENT**

T.H. McElvain Oil & Gas, LLLP  
1050 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80265  
Attn: Amy M. Wilson, Senior Attorney  
3093-893-0933 ext. 315

**ATTORNEY**

Ocean Munds-Dry, Associate with  
Holland & Hart, LLP

**ATTORNEY**

James Bruce, Esq.

**ATTORNEY**

Amy M. Wilson, Senior Attorney,  
McElvain Energy, Inc.

RECEIVED OGD  
2011 AUG 26 P 3:40

**STATEMENT OF THE CASE**

Williams Production Company, LLC ("Williams") is making an application to designate a Project Area pursuant to Division Rules 19.15.16.7 and 19.15.16.14 in include all of the Fruitland Coal Participating Area within the Rosa Unit located in San Juan and Rio Arriba counties. McElvain currently owns uncommitted leasehold in the Fruitland Coal Participating Area that is governed by separate Joint Operating and Communitization Agreements. If the Project Area that Williams' is applying for is approved, McElvain's leasehold could be drained without setback requirements or obligations to drill additional wells to prevent drainage. Williams' proposal as submitted fails to protect the interests of owners in uncommitted tracts.

**PROPOSED EVIDENCE**

**OPPONENT WITNESSES**

**ESTIMATED TIME**

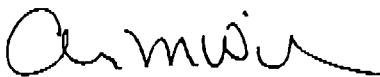
John Steuble, Vice President, Engineering

30 minutes

**PROCEDURAL MATTERS**

None at this time

T.H. McElvain Oil & Gas, LLLP  
By: McElvain Energy, Inc., General Partner



Amy M. Wilson  
Senior Attorney

2011 AUG 26 P 3:40

RECEIVED OGD

**CERTIFICATE OF SERVICE**

I certify that on **August 26, 2011**, I served a copy of the foregoing documents by Facsimile to the following:

Ocean Munds-Dry, Holland & Hart, LLP Fax # 505-983-6043  
James Bruce, Esq. Fax # 505-982-2151



Amy M. Wilson

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION DIVISION FOR THE  
PURPOSE OF CONSIDERING:

APPLICATION OF WILLIAMS PRODUCTION CO., LLC FOR  
A PROJECT AREA FOR THE FRUITLAND COAL PARTICIPATING AREA  
IN THE ROSA UNIT, SAN JUAN AND RIO ARRIBA COUNTIES,  
NEW MEXICO.

CASE NO. 14727

AMENDED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by T.H. McElvain Oil & Gas, LLLP ("McElvain") as required by the New Mexico Oil Conservation Division.

**APPEARANCE OF THE PARTIES**

APPLICANT

Williams Production Company, LLC

PARTY MAKING APPEARANCE

San Juan Basin Properties, Inc.

OPPONENT

T.H. McElvain Oil & Gas, LLLP  
1050 17<sup>th</sup> Street, Suite 2500  
Denver, CO 80265  
Attn: Amy M. Wilson, Senior Attorney  
3093-893-0933 ext. 315

ATTORNEY

Ocean Munds-Dry, Associate with  
Holland & Hart, LLP

ATTORNEY

James Bruce, Esq.

ATTORNEY

Amy M. Wilson, Senior Attorney,  
McElvain Energy, Inc.

RECEIVED OGD  
2011 AUG 26 P 3:40

**STATEMENT OF THE CASE**

Williams Production Company, LLC ("Williams") is making an application to designate a Project Area pursuant to Division Rules 19.15.16.7 and 19.15.16.14 in include all of the Fruitland Coal Participating Area within the Rosa Unit located in San Juan and Rio Arriba counties. McElvain currently owns uncommitted leasehold in the Fruitland Coal Participating Area that is governed by separate Joint Operating and Communitization Agreements. If the Project Area that Williams' is applying for is approved, McElvain's leasehold could be drained without setback requirements or obligations to drill additional wells to prevent drainage. Williams' proposal as submitted fails to protect the interests of owners in uncommitted tracts.

**PROPOSED EVIDENCE**

**OPPONENT WITNESSES**

**ESTIMATED TIME**

John Steuble, Vice President, Engineering

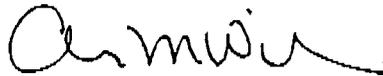
30 minutes

RECEIVED OGD  
2011 AUG 26 P 3:40

**PROCEDURAL MATTERS**

None at this time

T.H. McElvain Oil & Gas, LLLP  
By: McElvain Energy, Inc., General Partner



Amy M. Wilson  
Senior Attorney

**CERTIFICATE OF SERVICE**

I certify that on August 26, 2011, I served a copy of the foregoing documents by Facsimile to the following:

Ocean Munds-Dry, Holland & Hart, LLP Fax # 505-983-6043  
James Bruce, Esq. Fax # 505-982-2151

  
Amy M. Wilson