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May 21, 2015

Via Certified Mail - Return Receipt Requested

To: Persons on Exhibit A

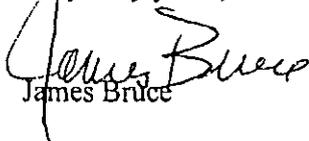
Ladies and gentlemen:

Enclosed is an application for a non-standard unit and compulsory pooling, filed with the New Mexico Oil Conservation Division by Anschutz Oil Company, LLC, regarding a well in Section 1, Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico. This matter is scheduled for hearing at 8:15 a.m. on Thursday, June 11, 2015, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by the application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting this matter at a later date.

The purpose of the non-standard unit in the Dakota formation (normally spaced on 320 acres) is to allow the interest owners in the well to share equally in production from both the Mancos and Dakota formations, which will be downhole commingled. If you have agreed to participate in the well, you may ignore the pooling portion of the application.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Thursday, June 4, 2015. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,

  
James Bruce

Attorney for Anschutz Oil Company, LLC

**BEFORE THE OIL CONSERVATION  
DIVISION**  
Santa Fe, New Mexico  
Exhibit No. 7

Submitted by: T.H. McElvain Oil & Gas, LLLP  
Hearing Date: June 11, 2015

EXHIBIT A

Arriba Company, LLC  
P.O. Box 35304  
Tulsa, OK 74153

NM&O Operating Company  
Suite 2000  
320 South Boston  
Tulsa, OK 74103

T.H. McElvain Oil & Gas, LLP  
Suite 2500  
1050 17th Street  
Denver, CO 80265

J&M Raymond, Ltd.  
P.O. Box 291445  
Kerrville, TX 87029

McElvain Oil Company  
P.O. Box 801888  
Dallas, TX 75380

Estate of Thomas F. McKenna, Sr.  
and Laurie Hedrich, Trustee of the  
Thomas F. McKenna, Sr. Credit  
Shelter Trust  
Building D  
3500 Comanche Road N.E.  
Albuquerque, NM 87056

JAS Oil & Gas Co., LLC  
Suite 129  
200 West Marcy St.  
Santa Fe, NM 87501

Darlene Schmitz, Trustee of the Tony  
& Darlene Schmitz Living Trust,  
and Schmitz Land, LLC  
70 CR 405  
Lindrith, NM 87029

Roger Julius Palmer Abbot, Jr.  
792 Maryland Ave. East  
St. Paul, MN 55106

Daniel Elwin Cody Britt, individually  
and as Personal Representative of the  
Estate of H.J. Guthman  
P.O. Box 71  
Sandpoint, ID 83864

Classical Gas & Oil, LLC  
Suite 10C  
1499 Blake Street  
Denver 80202

cc: Bureau of Land Management  
Suite A  
6251 College Blvd.  
Farmington, NM 87402

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF ANSCHUTZ OIL COMPANY,  
LLC FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
RIO ARRIBA COUNTY, NEW MEXICO.**

Case No. \_\_\_\_\_

**APPLICATION**

Anschutz Oil Company, LLC applies for an order (i) approving a 650.32 acre non-standard oil spacing and proration unit in the Mancos formation (Gavilan-Mancos Pool) and Dakota formation (Gavilan Greenhorn-Graneros-Dakota Pool) comprised of Lots 1-4, S½N½, and S½ (All) of Section 1, Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and (ii) pooling all interests in the Mancos formation and Dakota formation underlying Section 1, and in support thereof, states:

1. Applicant is an interest owner in Section 1, and has the right to drill a well thereon.
2. Applicant proposes to drill its Schmitz Well No. 1, at an orthodox location 1708 feet from the south line and 949 feet from the east line of Section 1, to a depth sufficient to test the Dakota formation. Applicant seeks to dedicate all of Section 1 to the well to form a non-standard 650.32 acre spacing and proration unit in the Gavilan-Mancos Pool and Gavilan Greenhorn-Graneros-Dakota Pool. Applicant further seeks to pool all uncommitted mineral interest owners in the well.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in Section 1 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.

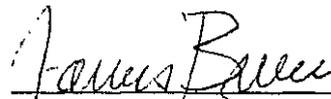
Therefore, applicant seeks an order pooling all mineral interest owners in Section 1, pursuant to NMSA 1978 §§70-2-17, 18.

5. Approval of the non-standard unit, and the pooling of all mineral interests in the Gavilan-Mancos Pool and Gavilan Greenhorn-Graneros-Dakota Pool underlying Section 1, will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit in the Gavilan-Mancos Pool and Gavilan Greenhorn-Graneros-Dakota Pool comprised of Section 1;
- B. Pooling all mineral interests in the Gavilan-Mancos Pool and Gavilan Greenhorn-Graneros-Dakota Pool underlying Section 1;
- C. Designating Anschutz Exploration Corporation as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost thereof among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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