

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

**APPLICATION OF MCELVAIN ENERGY, INC.
FOR A NON-STANDARD SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 15743

APPLICANT'S PRE-HEARING STATEMENT

Applicant hereby submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

McElvain Energy, Inc.
1050 17th St., Suite 2500
Denver, CO 80265
303/893-0933

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

McElvain Energy, Inc. seeks an order (1) creating a non-standard 160-acre, more or less, spacing and proration unit underlying the E/2 E/2 of Section 31, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling uncommitted interests in the Bone Spring Formation. The Unit will be the project area for the **EK 31 BS2 Federal Com No. 1H Well**, which will be drilled horizontally from the SE/4 SE/4 (Unit P) of Section 30 to a non-standard bottomhole location in the SE/4 SE/4 (Unit P) of Section 31.

This well has been placed in the E-K; Bone Spring Pool (21650). The Special Rules for

this pool, as adopted by Division Order R-4981, require 80-acre spacing units and that the completed interval for a well be located within 150 feet of the center of the quarter-quarter section. The Division issued Administrative Order NSL-7503 approving an unorthodox location for the subject well. Pursuant to Rule 3 of the Special Rules for the EK-Bone Spring Pool, McElvain requests a non-standard, 160-acre spacing unit comprised of the E/2 E/2 of Section 31, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
David Siple, Vice President of Land	Approx. 10 minutes	Approx. 6
Kyle Shefte, Geologist	Approx. 10 minutes	Approx. 3

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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