

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

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**IN THE MATTER OF THE APPLICATION
OF McELVAIN OIL & GAS PROPERTIES, INC.
FOR COMPULSORY POOLING,
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO.: 14009

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

McElvain Oil & Gas Properties, Inc.
1050 17th Street, Suite 1800
Denver, Colorado 80265
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ATTORNEY

Michael H. Feldewert
Holland & Hart LLP
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STATEMENT OF CASE

Applicant seeks a pooling order for uncommitted mineral interests in all formations from the surface to the base of the Pictured Cliffs formation in the SW/4 of Section 3, Township 29 North, Range 13 West, N.M.P.M. to form a standard 160-acre gas spacing and proration unit. This unit includes a subdivision within the City of Farmington and is be dedicated to applicant's proposed Ruby Well No. 1, to be drilled as a vertical well at a standard gas well location in Unit L at a point 1755 feet from the South line and 860 feet from the West line. This location is within the City of Farmington and southwest of the Worley baseball complex. The target for the proposed well is the Fulcher Kutz – Pictured Cliffs Gas Pool.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and Expertise)
David Siple, Landman

ESTIMATED TIME
Approximately 20 minutes

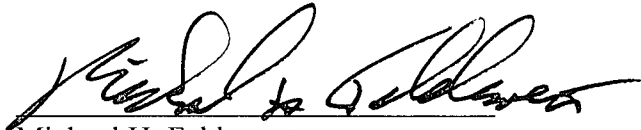
EXHIBITS
Approximately 6

PROCEDURAL MATTERS

McElvain is not aware of any objections to the proposed well or any procedural matters.

Respectfully submitted,

HOLLAND & HART, L.L.P.

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", is written over a horizontal line.

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Attorneys for
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