

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

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

CASE NO. 14048

**APPLICATION OF MCELVAIN OIL & GAS
PROPERTIES, INC. FOR COMPULSORY POOLING,
RIO ARriba COUNTY, NEW MEXICO.**

PRE-HEARING STATEMENT

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

APPEARANCES OF PARTIES

APPLICANT

Ms. Sheryl Olson
McElvain Oil & Gas Properties Inc.
1050 17th Street Suite 1800
Denver, CO 80265
(303) 893-0933

ATTORNEY

Ocean Munds-Dry
Holland & Hart, LLP
P.O. Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

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STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests from in the Mesa Verde formation in certain spacing and proration units located in the E/2 of Section 14, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico. The above-referenced spacing unit will be dedicated to the following two wells: the Badger Com 14-2 well and the Badger Com 14-2A well, which will be drilled to test the Mesa Verde formation, Blanco Mesa Verde Gas Pool. The Badger Com 14-2 well will be drilled as a wildcat well from a standard location 671 feet from the North line and 1530 feet from the East line in the NW/4 NE/4 (Unit B) of Section 14 to test the Mesa Verde formation at a depth of approximately 5,898 feet. The Badger Com 14-2A well will be drilled as a wildcat well from a standard location 663 feet from the South line and 965 feet from the East line in the SE/4 SE/4 (Unit P) of Section

14 to test the Mesa Verde formation at a depth of approximately 5,850 feet. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as wells as actual operating costs and charges for supervision, designation of McElvain Oil & Gas Properties, Inc. as operator of the wells and a charge for risk involved in drilling said wells. Said area is located approximately 7 miles North of Lindrith, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

ESTIMATED TIME

EXHIBITS

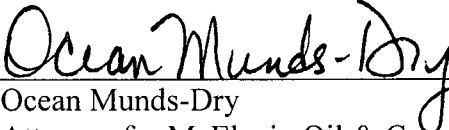
Sheryl Olson Petroleum
Landman

Approx. 30 minutes

Approx. 10

PROCEDURAL MATTERS

McElvain has none at this time.


Ocean Munds-Dry
Attorney for McElvain Oil & Gas
Properties, Inc.