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4-22-99

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 PURPOSE OF
CONSIDERING:

CASE NO. 12172

APPLICATION OF McELVAIN OIL &
GAS PROPERTIES, INC.
FOR COMPULSORY POOLING,
RIO ARRIBA COUNTY, NEW MEXICO.

OIL CONSERVATION DIV.
99 APR 27 PM 1:13

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

McElvain Oil & Gas Properties, Inc.
c/o Steve Jordan
Post Office Box 2148
Santa Fe, NM 87504-2148
(505) 982-1935
name, address, phone and
contact person

William F. Carr, Esq.
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

OPPOSITION OR OTHER PARTY

ATTORNEY

NM&O Operating Company _____

name, address, phone and
contact person

James Bruce, Esq.
612 Old Santa Fe Trail, Suite B
Santa Fe, New Mexico 87501

(505) 982-2043

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

McElvain Oil & Gas Properties, Inc., applicant in the above-captioned case seeks an order pooling all mineral interests in all formations developed on 320-acre spacing from the base of the Pictured Cliffs formation to the base of the Mesaverde formation in Lots 1, 2, S/2 NE/4, SE/4 (E/2 equivalent) of Section 4, Township 25 North, Range 2 West. The units are to be dedicated to its Elk Com Well No. 4-7 to be drilled to a depth sufficient to test all formations to the base of the Mesaverde formation, Blanco-Mesaverde Gas Pool, at a standard location in the NE/4 of Section 4. Also to be considered will be the cost of drilling and completing this well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling this well.

OPPOSITION OR OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

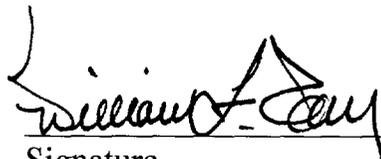
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Steve Jordan, Land	15 Min.	Approximately 6
Larry Van Ryan, Petroleum Engineer	15 Min.	Approximately 3

OPPOSITION

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)

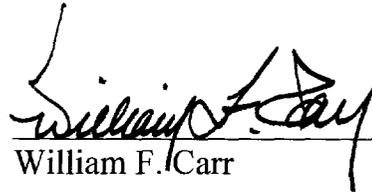


Signature

CERTIFICATE OF MAILING

I hereby certify that on this 27th day of April, 1999, I have caused to be hand-delivered a copy of our Pre-Hearing Statement in the above-captioned cases to the following counsel of record:

James Bruce, Esq.
612 Old Santa Fe Trail, Suite B
Santa Fe, New Mexico 87501



William F. Carr