

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

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OIL CONSERVATION DIVISION

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

CASE NO. 12636

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

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Holland & Hart LLP and Campbell & Carr, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

McElvain Oil & Gas Properties, Inc.
Attention: Mona Binion
1050 17th Street, Suite 1800
Denver, Colorado 80265
(303) 893.0933

ATTORNEY

William F. Carr, Esq.
Holland & Hart LLP and Campbell & Carr
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
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STATEMENT OF CASE

APPLICANT

Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the base of the Pictured Cliffs formation to the base of the Dakota formation in S/2 of Section 33, Township 26 North, Range 2 West, N.M.P.M. for all formations and or pools developed on 320-acre spacing which includes but is not necessarily limited to the Basin-Dakota Gas Pool. Said units are to be dedicated to its Cougar Com 33M Well No. 1 to be drilled at a standard location in the SW/4 of said Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

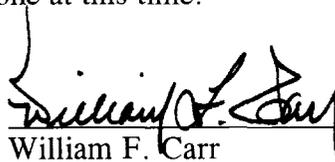
PROPOSED EVIDENCE

APPLICANT

| WITNESSES (Name and expertise) | EST. TIME | EXHIBITS |
|-----------------------------------|------------|-----------------|
| Mona Binion (Land) | 10 Minutes | Approximately 6 |
| John Steuble (Enginner) | 10 Minutes | Approximately 2 |

PROCEDURAL MATTERS

McElvain Oil & Gas Properties, Inc. has none at this time.



William F. Carr
ATTORNEY for McELVAIN OIL & GAS
PROPERTIES, INC.