

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:)
APPLICATION OF McELVAIN OIL AND GAS)
PROPERTIES, INC., FOR A NONSTANDARD)
GAS SPACING AND PRORATION UNIT,)
RIO ARRIBA COUNTY, NEW MEXICO)

CASE NO. 12,688

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

July 12th, 2001
Santa Fe, New Mexico

01 JUL 26 AM 7:45
JUL 26 2001

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, July 12th, 2001, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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I N D E X

July 12th, 2001
Examiner Hearing
CASE NO. 12,688

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E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	4	6
Exhibit 2	4	6
Exhibit 3	5	6

* * *

A P P E A R A N C E S

FOR THE DIVISION:

DAVID BROOKS
Attorney at Law
Energy, Minerals and Natural Resources Department
Assistant General Counsel
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR
110 N. Guadalupe, Suite 1
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: MICHAEL H. FELDEWERT

ALSO PRESENT:

RICHARD EZEANYIM
Chief Engineer
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87501

* * *

1 WHEREUPON, the following proceedings were had at
2 4:32 p.m.:

3 EXAMINER CATANACH: At this time I'll call Case
4 12,688, which is the Application of McElvain Oil and Gas
5 Properties, Inc., for a nonstandard gas spacing and
6 proration unit, Rio Arriba County, New Mexico.

7 Call for appearances in this case.

8 MR. FELDEWERT: May it please the Examiner,
9 Michael Feldewert with the law firm of Holland and Hart and
10 Campbell and Carr here in Santa Fe, on behalf of the
11 Applicant, McElvain Oil and Gas Properties, Inc.

12 EXAMINER CATANACH: Any additional appearances?
13 Okay, Mr. Feldewert?

14 MR. FELDEWERT: Mr. Examiner, McElvain in this
15 case seeks an order approving a nonstandard 505.2-acre gas
16 spacing and proration unit in the subject area for all
17 pools developed on 320-acre spacing. It is to be dedicated
18 to McElvain's proposed Cougar Com 5 Well Number 3, which is
19 to be drilled at a standard location to test the Mesaverde
20 formation in the northwest quarter of Section 5.

21 I have provided for you a plat of the proposed
22 spacing unit in yellow, as well as Order -- That was
23 McElvain Exhibit Number 1.

24 McElvain Exhibit Number 2 is Division Order
25 Number R-8615, which was entered back in March of 1988,

1 which was a pooling order that approved this nonstandard
2 unit for a well that was drilled to the Mancos formation
3 underlying this acreage.

4 I then have included as McElvain Exhibit Number 3
5 an affidavit giving notice to all of the parties that were
6 excluded from the proration unit in this section. This was
7 a matter that would have been handled administratively
8 except for the fact that the nonstandard unit crosses
9 section lines.

10 The only point that I would make, Mr. Examiner --
11 and I'll offer testimony if need be -- there are two -- I
12 noticed as I was flipping through this notice affidavit,
13 there were two parties that did not return the certified
14 letter. One was Gavilan Dome Properties and one was Mesa
15 Grande Resources, Inc. I think you will see from prior
16 submissions by McElvain to the Division in pooling cases
17 that these addresses have been used for these two interest
18 owners before and that it has been a good address. It
19 seems to be a situation where sometimes they pick up their
20 mail and sometimes they don't.

21 And that's all I have at this point, unless you
22 feel that testimony is necessary.

23 EXAMINER CATANACH: Okay. I don't believe any
24 testimony is necessary, Mr. Feldewert. Would you like to
25 admit these as evidence?

1 MR. FELDEWERT: Yes, I would, I'm sorry. If I
2 could then admit McElvain's Exhibits 1 through 3.

3 EXAMINER CATANACH: Exhibits 1 through 3 will be
4 admitted in this case.

5 Is there anything further?

6 MR. FELDEWERT: No, Mr. Examiner.

7 EXAMINER CATANACH: There being nothing further,
8 Case 12,688 will be taken under advisement.

9 (Thereupon, these proceedings were concluded at
10 4:35 p.m.)

11 * * *

12
13
14 I do hereby certify that the foregoing is
15 a complete and correct transcript of the proceedings in
16 the Examiner hearing of Case No. 12688,
17 heard by me on July 12, 2001 at _____.
18 David A. Catnach, Examiner
19 Oil Conservation Division
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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
 COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL July 20th, 2001.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 2002