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August 8, 2001

Via Facsimile

David Brooks, Examiner
 Oil Conservation Division
 New Mexico Department of Energy,
 Minerals and Natural Resources
 2040 South Pacheco Street
 Santa Fe, New Mexico 87505

**Re: Case No. 12693; Application of McElvain Oil & Gas
 Properties, Inc. For Compulsory Pooling, Rio Arriba County,
 N.M.: E/2 Section 5, T 25-N, R-2-W**

Dear Mr. Brooks:

At the Prehearing Conference on July 11th in this matter, the Neumann Group (Noseco Corporation, Gavalin Dome Properties, Mesa Grande Limited Partnership, and Mesa Resources) requested a continuance until September 20th to afford them time to propose a well, attempt to reach a voluntary agreement with the working interest owners, and - if necessary - file a competing pooling application. You granted their request.

No well has been proposed by the Neumann group for the subject property since that July 11th conference. As a result, there is now insufficient time for the Neumann Group to properly propose a well, attempt to reach voluntary agreement, and file a pooling application with the Division for a September 20th hearing.

McElvain therefore requests that the Division issue notice that the above referenced matter will be called before an Examiner at the September 6th Docker. There is no reason to delay this matter until September 20th.

Thank you for your attention to this matter.

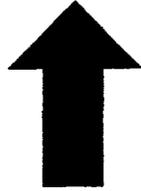
Sincerely,



Michael H. Feldewert

MHF:ras
 cc (via fax)

Mary Walta, Esq.
 Mona Binion



LTR



Job separation sheet

Unit Well No. 44. 1980 feet FNL & 1070 feet FWL, Section 3, T17S, R28E
Unit Well No. 46. 2310 feet FNL & 2267 feet FWL, Section 3, T18S, R28E
Unit Well No. 54. 1654 feet FSL & 2272 feet FWL, Section 3, T18S, R28E
Unit Well No. 57. 1570 feet FSL & 1070 feet FWL, Section 3, T18S, R28E

CASE 12721: Continued from September 6, 2001, Examiner Hearing.

Application of Marathon Oil Company to amend Division Order R-11186, Eddy County, New Mexico. Applicant seeks an amendment of Division Order R-11186 to expand its Indian Hills Unit Centralized Facility to include its Indian Hills Unit Well No. 32 in Unit M of Section 16 and any future wells producing from the Indian Basin-Upper Pennsylvanian Gas Pool and/or the Indian Basin-Upper Pennsylvanian Associated Pool within Sections 16, 17 and 19, Township 21 South, Range 24 East. This order currently permits surface commingling, off-lease measurement and storage of Indian Basin-Upper Pennsylvanian Gas Pool and Indian Basin-Upper Pennsylvanian Associated Pool production from its Indian Basin "32" State Lease in Section 32 with its Indian Hills Unit covering parts of Sections 20, 21, 28, 29 and 33, all in Township 21 South, Range 24 East which shall be stored and measured at its centralized facility located in Unit P, Section 19, Township 21 South, Range 24 East. This facility is located approximately 18 miles east of Carlsbad, New Mexico.

CASE 12731: Application of TMBR/Sharp Drilling, Inc. for an order staying Division approval of two applications for permit to drill obtained by David H. Arrington Oil & Gas, Inc., Lea County, New Mexico. Applicant seeks an order staying David H. Arrington Oil & Gas, Inc.'s applications for permit to drill the Triple Hackle Dragon 25 Well No. 1, W/2 of Section 25, Township 16 South, Range 35 East and the Blue Drake 23 Well No. 1, E/2 of Section 23, Township 16 South, Range 35 East, pending a final adjudication of ownership. These wells are located approximately 4 miles north of the center of the City of Lovington, New Mexico.

CASE 12693: Continued from July 12, 2001, Examiner Hearing.

Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the base of the Pictured Cliffs formation to the base of the Mesaverde formation in the E/2 of Section 5, Township 25 North, Range 2 West, for all formations and/or pools developed on 320-acre spacing within this vertical extent. Said unit is to be dedicated to its Cougar Com 5 Well No. 2 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 SE/4 of said Section 5. 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. Said area is located approximately 10.5 miles northwest of Lindrith, New Mexico.

CASE 12732: In the matter of the hearing of the Oil Conservation Division for an order creating and extending certain pools in Eddy and Lea Counties, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the Northeast Greenwood-Morrow Gas Pool. The discovery well is the Marbob Energy Corporation Lusk Deep Unit A Well No. 19 located in Unit N of Section 17, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 17: S/2

- (b) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the Northwest Leamex-Atoka Gas Pool. The discovery well is the Phillips Petroleum Company West Maljamar Well No. 7 located in Unit J of Section 7, Township 17 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 7: S/2

- (c) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production and designated as the Northwest Leamex-Wolfcamp Pool. The discovery well is the Phillips Petroleum Company West Maljamar 7 Well No. 1 located in Unit J of Section 7, Township 17 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 7: SE/4

- (d) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the Southwest Osudo-Atoka Gas Pool. The discovery well is the Phillips Petroleum Company State R Well No. 1 located in Unit F of Section 1, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 1: Lots 1, 2, 3, 4, 5, 6, 7 and 8

- (e) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the West Sawyer-Morrow Gas Pool. The discovery well is the Ricks Exploration Inc. Big Kahuna Well No. 1 located in Unit J of Section 21, Township 9 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 37 EAST, NMPM

Section 21: S/2

- (f) EXTEND the Anderson Ranch-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM

Section 33: W/2

- (g) EXTEND the Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM

Section 22: NE/4

- (h) EXTEND the Bootleg Ridge-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 13: SE/4