

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

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

CASE NO. 12801

09 JUN 22 AM 8:03

APPLICANT'S PRE-HEARING STATEMENT

This Pre-hearing Statement is submitted by McElvain Oil & Gas Properties, Inc.
("McElvain") as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

McElvain Oil & Gas Properties, Inc.
1050 17th Street, Suite 1800
Denver, Colorado 80265
303.893.0933

ATTORNEY

Michael H. Feldewert, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
505.988.4421

OPPONENT

D. J. Simmons, Inc.
Post Office Box 1469
Farmington, New Mexico 87401
505.326.3753

OPPONENT'S ATTORNEY

J. Scott Hall
Miller, Stratvert & Torgerson, PA
Post Office Box 1986
Santa Fe, New Mexico 87504
505.989.9614

APPLICANT’S STATEMENT OF CASE

McElvain seeks an order pooling all uncommitted mineral interests in all formations from the base of the Pictured Cliffs formation to the base of the Mesaverde formation underlying E/2 of Section 25, Township 25 North, Range 3 West, N.M.P.M. to form a standard 320-acre stand-up gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, which includes but is not necessarily limited to the Undesignated Blanco-Mesaverde Gas Pool. Said unit is to be dedicated to applicant’s proposed Naomi Well No. 3 to be drilled at a standard location in the SE/4 of said Section 25. 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. D.J. Simmons remains uncommitted to this project and has filed an entry of appearance in this matter.

APPLICANT’S PROPOSED EVIDENCE

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Mona Binion (Land)	15 Minutes	Approximately 5
John Steuble (Engineer)	10 Minutes	Approximately 3

PROCEDURAL MATTERS

D.J. Simmons has filed a motion to continue this case that is opposed by McElvain and is scheduled to be heard by the Division on January 22, 2002.

HOLLAND & HART, LLP

By: 

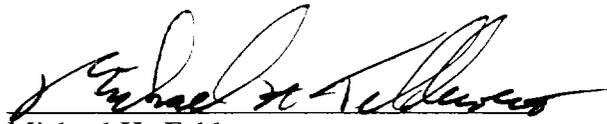
Michael H. Feldewert
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
505.988.4421

Attorney for McELVAIN OIL & GAS
PROPERTIES, INC.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on this 21st day of January, 2002, a true copy of the foregoing **Applicant's Pre-hearing Statement** was faxed to the following party:

J. Scott Hall, Esq.
Miller, Stratvert & Torgerson, PA
Post Office Box 1986
Santa Fe, New Mexico 87504
Fax No.: 505.989.9857



Michael H. Feldewert