



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**  
Cabinet Secretary

November 11, 2003

**Lori Wrotenberg**  
Director  
Oil Conservation Division

**McElvain Oil and Gas Properties, Inc.**  
c/o **Properties Management & Consulting, Inc.**  
P. O. Box 2596  
Farmington, New Mexico 87499-2596

Attention: **R. E. (Bob) Fielder**

*Re: Administrative application on behalf McElvain Oil & Gas Properties, Inc. ("McElvain") dated October 10, 2003 for an unorthodox gas well location in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools for its proposed Brown Well No. 2 to be drilled 2285 feet from the South line and 855 feet from the West line (Lot 8/Unit L) of Irregular Section 9, Township 32 North, Range 10 West, NMPM, San Juan County, New Mexico.*

Dear Mr. Fielder:

This letter acknowledges receipt of the above-described administrative application on October 20, 2003. It has been assigned NMOCD administrative application reference No. *pMES0-330035302*. Please refer to this number in future correspondence with the Division.

Pursuant to the well density requirements of the special rules governing the Blanco-Mesaverde Pool, no more than two wells are permitted within a quarter section that forms a standard 320-acre, more or less, gas spacing and proration unit [see subpart I.B (1) (e), attached]. My records indicate the McElvain's Brown Federal Well No. 1-R (API No. **30-045-29641**), located at a standard gas well location 790 feet from the South line and 1550 feet from the West line (Lot 10/Unit N) of Irregular Section 9, is currently producing from the Mesaverde interval. My records further show that McElvain's Brown Federal Well No. 1 (API No. **30-045-11489**), located 990 feet from the South and West lines (Lot 9/Unit M) of Irregular Section 9, is still an active well in the Blanco-Mesaverde Pool, but however has not produced since August, 1999. What is the status of the Brown Federal Well No. 1 and what are McElvain's plans for this well?

Since the submitted information is insufficient to review, the application was ruled as incomplete on November 11, 2003. Please submit the above stated information by Thursday, November 20, 2003.

In accordance with the Division's Engineering Bureau's policy the Division cannot proceed with your application until the required information is submitted. Upon receipt, the Division will continue to process your application. The additional information can be faxed to (505) 476-3462, mailed to the Division in Santa Fe, or e-mailed to me at "[mstogner@state.nm.us](mailto:mstogner@state.nm.us)." If the necessary information is not submitted, your application will be returned to you. Thank you for your assistance in this matter.

Sincerely,

**Michael E. Stogner**  
Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Aztec

Land Surveys.

**B. Well density:**

- (1) Up to four (4) wells may be drilled on a standard GPU, as follows:
  - (a) the FIRST OPTIONAL INFILL WELL drilled on a GPU shall be located in the quarter section not containing the INITIAL Mesaverde well;
  - (b) the SECOND OPTIONAL INFILL WELL drilled on a GPU shall be located in a quarter-quarter section not containing a Mesaverde well and within a quarter section not containing more than one (1) Mesaverde well;
  - (c) the THIRD OPTIONAL INFILL WELL drilled on a GPU shall be located in a quarter-quarter section not containing a Mesaverde well and within a quarter section not containing more than one (1) Mesaverde well;
  - (d) at the discretion of the operator, the second or third optional infill well may be drilled prior to the drilling of the first optional infill well;
  - (e) no more than two wells shall be located within either quarter section in a GPU; and
  - (f) any deviation from the above-described well density requirements shall be authorized only after hearing.