

McELVAIN OIL & GAS PROPERTIES, INC.

1050 17TH STREET
SUITE 1800

DENVER, COLORADO 80265

E. REED FISCHER
SENIOR OPERATIONS ENGINEER
E-MAIL: REEDF@McELVAIN.COM

TELEPHONE 303/893-0933 EXT. 330
FAX 303/893-0914

March 25, 2008

RECEIVED

MAR 31 2008

HOBBS OCD

State of New Mexico – Oil Conservation Division
Attn: Mr. Chris Williams
1625 N. French Drive
Hobbs, New Mexico 88240

Re: McElvain # 7
NWSE Sec. 25, T18S-R33E
Lea County, New Mexico
Verification of No Contest to Request for Allowable Increase

30-025-38040

Dear Mr. Williams:

Thank you for reviewing our request for a single well allowable increase for the captioned well. My February 21, 2007 letter requesting this increase also provided copies of our notification to the offset operators. It has now been 33 days since we mailed these notifications and to-date, we have received no contest from these operators to our request. We have received back from the Postal Service all the certified mail return receipts, copies of which are attached.

Thank you for your help in this regard and please don't hesitate to contact me if you need additional information.

Sincerely,



E. Reed Fischer

McElvain Oil & Gas Properties, Inc.

1050 - 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.349
FAX 303-893-0914
e-mail. linneah@mcelvain.com

February 21, 2008

Chesapeake Operating, Inc.
2010 West 10th Street
Midland, Texas 79701

**SENT CERTIFIED, RETURN
RECEIPT REQUESTED**

Re: Notification of NMOCD Request for Single Allowable Increase
McElvain #7 Well Operated by McElvain Oil & Gas Properties, Inc.
NW/4SW/4 Section 25, T18S, R33E
Lea County, New Mexico

Ladies and Gentlemen:

McElvain Oil & Gas Properties, Inc. will soon be finishing our production testing on the captioned well. McElvain will request a single well allowable increase for this re-completed E-K Delaware producer. McElvain will request a permanent allowable, effective March 1, 2008, of 225 barrels of oil per day. This request will be submitted to the District 1 office of the Oil Conservation Division in Hobbs, New Mexico on Monday, February 25, 2008.

This letter is being sent to you for notification purposes as required by the State of New Mexico Oil Conservation Division.

Yours truly,

MCELVAIN OIL & GAS PROPERTIES, INC.

Linnea C. Hill


Linnea C. Hill, CPL
Senior Landman

LCH/Encs.

RECEIVED

MAR 31 2008

HOBBS OCD

2. Article Number  71054522644901428587		COMPLETE THIS SECTION ON DELIVERY	
1. Article Addressed to: Chesapeake Operating, Inc. 2010 Rankin Highway Midland, TX 79701		A. Signature <i>Xc Masema Sanchez</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
		B. Received by (Printed Name) <i>Masema Sanchez</i>	C. Date of Delivery <i>2-28-08</i>
		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input checked="" type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Certified	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

PS Form 3811

Domestic Return Receipt

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT <small>(Domestic Mail Only Insurance Coverage Provided)</small> For delivery information, visit our website at www.usps.com .	
71054522644901428587	
Postage	\$ 0.41
Certified Fee	2.65
Return Receipt Fee (Endorsement Required)	2.15
Restricted Delivery Fee (Endorsement Required)	0.00
Total Postage & Fees	\$ 5.21
Sent To Chesapeake Operating, Inc. Street, Apt. No., or PO Box No. 2010 Rankin Highway City, State, Zip+4 Midland, TX 79701	
PS Form 3800, August 2006 See Reverse for Instructions	

RECEIVED

MAR 31 2008

HOBBS OCC

McElvain Oil & Gas Properties, Inc.

1050 – 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.349
FAX 303-893-0914
e-mail: linneah@mcelvain.com

February 21, 2008

Seely Oil Company
815 West 10th Street
Fort Worth, Texas 76102

**SENT CERTIFIED, RETURN
RECEIPT REQUESTED**

Re: Notification of NMOCD Request for Single Allowable Increase
McElvain #7 Well Operated by McElvain Oil & Gas Properties, Inc.
NW/4SW/4 Section 25, T18S, R33E
Lea County, New Mexico

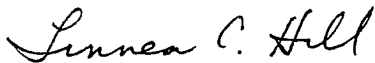
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Yours truly,

MCELVAIN OIL & GAS PROPERTIES, INC.



Linnea C. Hill, CPL
Senior Landman

LCH/Encs.

2. Article Number  71054522644901428600		COMPLETE THIS SECTION ON DELIVERY	
1. Article Addressed to: Seely Oil Company 815 West 10th Street Fort Worth, TX 76102		A. Signature X <i>[Signature]</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
		B. Received by (Printed Name)	C. Date of Delivery 2-25-08
		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input type="checkbox"/> No	
		3. Service Type	<input checked="" type="checkbox"/> Certified
		4. Restricted Delivery? (Extra Fee)	<input type="checkbox"/> Yes

PS Form 3811 Domestic Return Receipt

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT (Domestic Mail Only Insurance Coverage Provided) For delivery information visit our website at www.usps.com	
71054522644901428600	
Postage	\$ 0.41
Certified Fee	2.65
Return Receipt Fee (Endorsement Required)	2.15
Restricted Delivery Fee (Endorsement Required)	0.00
Total Postage & Fees	\$ 5.21
Postmark Here	
Sent To Street, Apt. No., or PO Box No. City, State, Zip+4	Seely Oil Company 815 West 10th Street Fort Worth, TX 76102
PS Form 3800, August 2006 See Reverse for Instructions	

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MAR 31 2008

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McElvain Oil & Gas Properties, Inc.

1050 - 17TH STREET, SUITE 1800
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.349
FAX 303-893-0914
e-mail. linneah@mcelvain.com

February 21, 2008

BTA Oil Producers
104 South Pecos
Midland, Texas 79701

**SENT CERTIFIED, RETURN
RECEIPT REQUESTED**

Re: Notification of NMOCD Request for Single Allowable Increase
McElvain #7 Well Operated by McElvain Oil & Gas Properties, Inc.
NW/4SW/4 Section 25, T18S, R33E
Lea County, New Mexico

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MCELVAIN OIL & GAS PROPERTIES, INC.




Linnea C. Hill, CPL
Senior Landman

LCH/Encs.

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MAR 31 2008

HOBBS OCD

2. Article Number  71054522644901428594	COMPLETE THIS SECTION ON DELIVERY <table style="width: 100%;"> <tr> <td style="width: 70%;"> A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i> </td> <td style="width: 30%;"> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee </td> </tr> <tr> <td> B. Received by (Printed Name) <i>LUIS SOSA</i> </td> <td> C. Date of Delivery </td> </tr> <tr> <td colspan="2"> D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input type="checkbox"/> No </td> </tr> </table>	A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee	B. Received by (Printed Name) <i>LUIS SOSA</i>	C. Date of Delivery	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input type="checkbox"/> No	
A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee						
B. Received by (Printed Name) <i>LUIS SOSA</i>	C. Date of Delivery						
D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input type="checkbox"/> No							
1. Article Addressed to: BTA Oil Producers 104 South Pecos Midland, TX 79701							
<table style="width: 100%;"> <tr> <td style="width: 60%;"> 3. Service Type </td> <td style="width: 40%;"> <input checked="" type="checkbox"/> Certified </td> </tr> <tr> <td> 4. Restricted Delivery? (Extra Fee) </td> <td> <input type="checkbox"/> Yes </td> </tr> </table>		3. Service Type	<input checked="" type="checkbox"/> Certified	4. Restricted Delivery? (Extra Fee)	<input type="checkbox"/> Yes		
3. Service Type	<input checked="" type="checkbox"/> Certified						
4. Restricted Delivery? (Extra Fee)	<input type="checkbox"/> Yes						

PS Form 3811 Domestic Return Receipt

U.S. Postal Service™ CERTIFIED MAIL™ RECEIPT <small>(Domestic Mail Only. No Insurance Coverage Provided)</small> <small>For delivery information, visit our website at www.usps.com</small>			
71054522644901428594			
Postage \$ 0.41	<i>M-C Elvaen #7</i> Postmark Here <i>2-21-08</i> <i>Seneca</i> <i>NM0026-20</i>		
Certified Fee 2.65			
Return Receipt Fee (Endorsement Required) 2.15			
Restricted Delivery Fee (Endorsement Required) 0.00			
Total Postage & Fees \$ 5.21			
<table style="width: 100%;"> <tr> <td style="width: 30%; font-size: small;"> Sent To Street, Apt. No., or PO Box No. City, State, Zip+4 </td> <td style="width: 70%;"> BTA Oil Producers 104 South Pecos Midland, TX 79701 </td> </tr> </table>		Sent To Street, Apt. No., or PO Box No. City, State, Zip+4	BTA Oil Producers 104 South Pecos Midland, TX 79701
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PS Form 3800, August 2006 See Reverse for Instructions			