

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



McElvain  
(22044)

Run by #2

30-045-34986

**ADMINISTRATIVE APPLICATION CHECKLIST**

6087

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR
- [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or  Does Not Apply
- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

JOHN D. STEUBLE *John D. Steuble* VP, Engineering 8-29-09  
 Print or Type Name Signature Title Date  
 JOHN@MCELVAIN.COM  
 e-mail Address

**McElvain Oil & Gas Properties, Inc.**

1050 – 17<sup>TH</sup> STREET, SUITE 1800  
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.372  
FAX 303-893-0914  
e-mail: rickh@mcelvain.com

September 1, 2009

Mr. Mark E. Fesmire, P.E.  
Division Director  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87504

**VIA FEDERAL EXPRESS**

Re: Application for Administrative Approval of Unorthodox Location  
Ruby #2 Well Operated by McElvain Oil & Gas Properties, Inc.  
334' FSL, 881' FEL, Section 3, T29N, R13W  
San Juan County, New Mexico – Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs  
Formations

Dear Mr. Fesmire:

McElvain Oil & Gas Properties, Inc. ("McElvain") hereby requests administrative approval for an unorthodox location for the above captioned well. Attached for your reference are the following exhibits:

- 1) Well Location Plat (NMOCD Form C-102)
- 2) Spacing Unit Aerial Map
- 3) Production Maps showing production in the area
- 4) Letter and List of Affected Parties in the E/2 and NW/4 of Sec. 10, T29N, R13W
- 5) Affidavit of Publication in the Farmington Daily Times
- 5) Administrative Application Checklist

The Ruby #2 Well is located within the City of Farmington, New Mexico. As seen on the enclosed aerial map the density of the City's population and infrastructure limits the available locations in the spacing unit. McElvain has entered into an agreement with the surface owner on the current location and feels this is the only available location. The required offset mineral and working interest owners have been notified of this application by certified mail and a copy of the letter is attached.

McElvain hereby respectfully requests your administrative approval for the unorthodox location based on the above information. Should you need any additional information, please contact me at (303) 893-0933, Extension 372.

Sincerely,

MCELVAIN OIL & GAS PROPERTIES, INC.



Rick Harris  
Landman

RECEIVED OGD  
2009 SEP - 14  
9:14





3

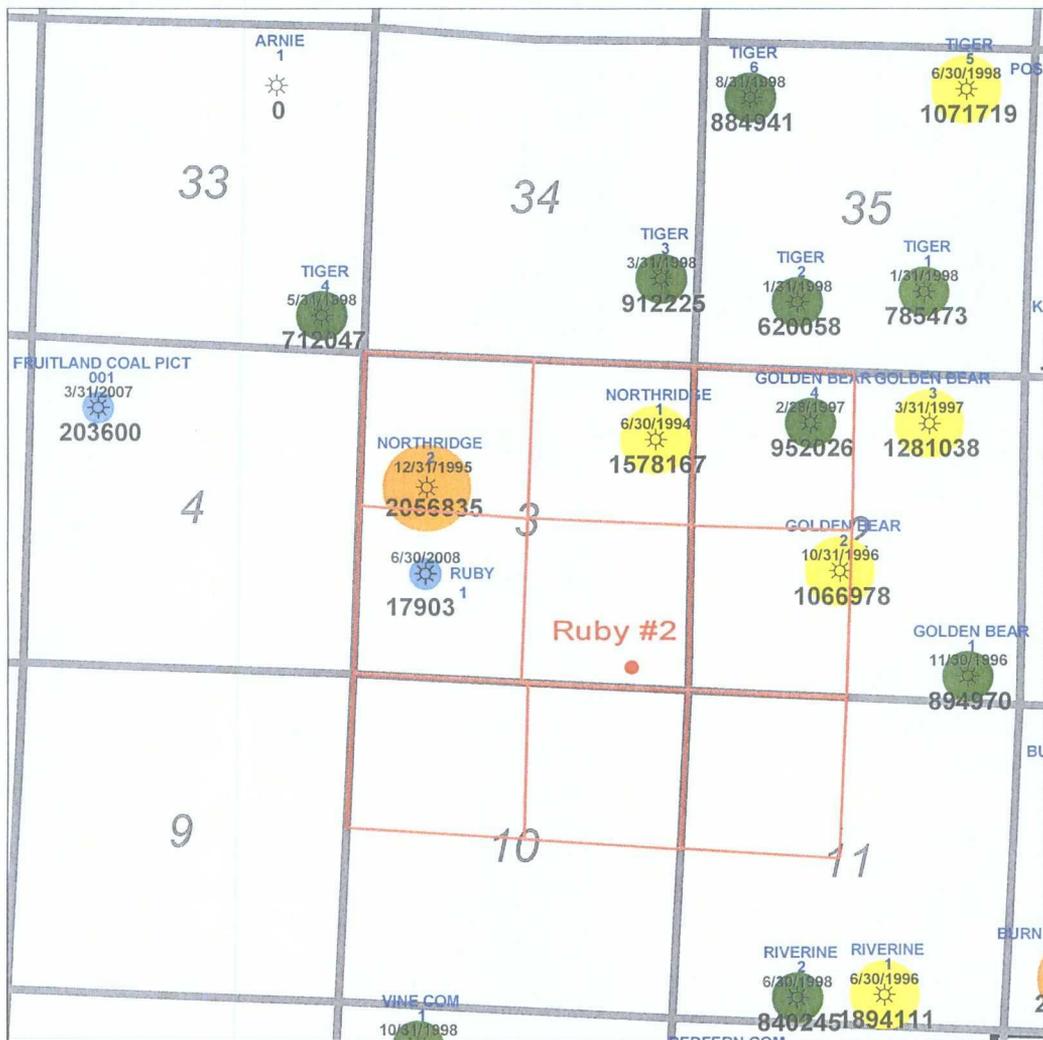
**McElvain Oil & Gas Properties, Inc.**

San Juan Basin Project  
 Farmington Prospect  
 Ruby #2 Area - South Half Sec. 3 T29N R13W  
 Aerial Vintage 2005

Scale/Unit	Date
1:500	10 June, 2009

- Ruby #2 Location
- Fruitland Coal Drilling Windows
- └ Section Boundary





-  Spacing Units
-  Section Lines

**Pictured Cliffs  
Wells Shown**

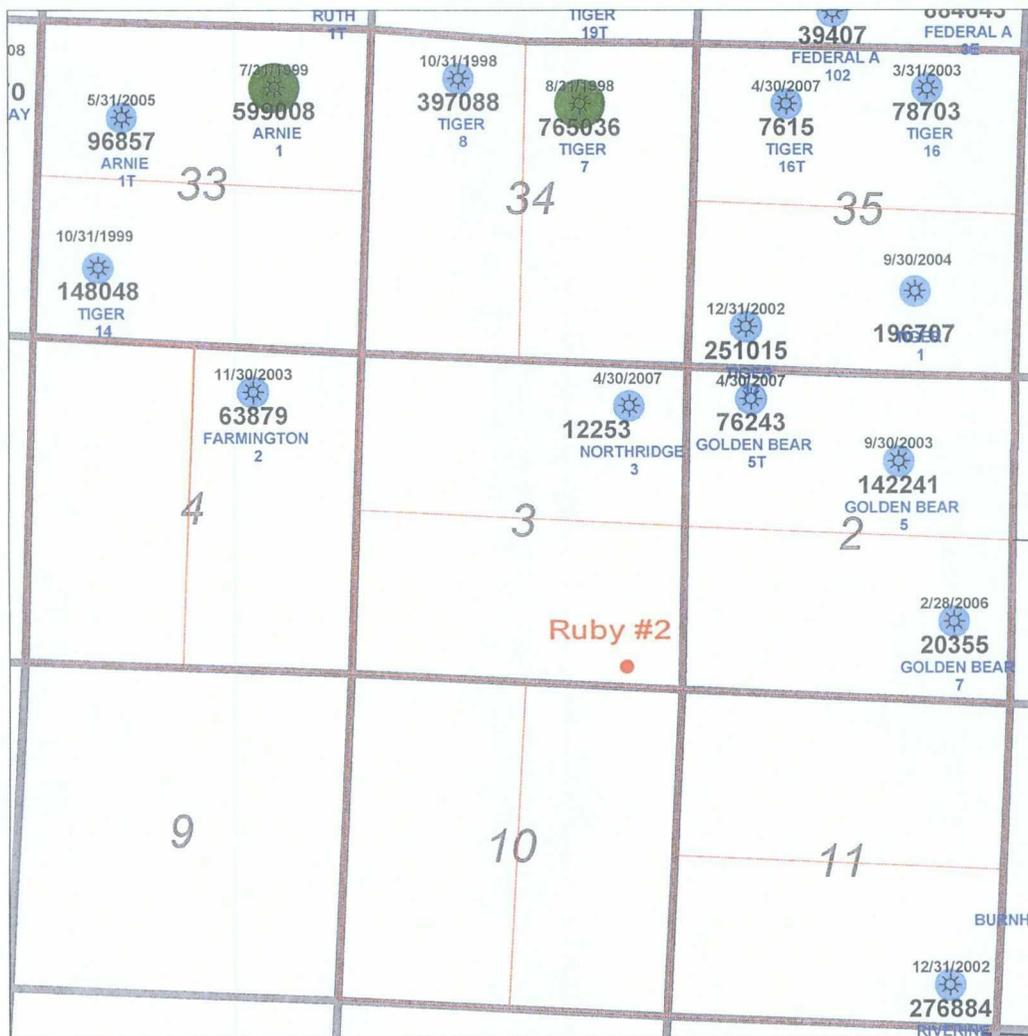




*McElvain Oil and Gas Properties, Inc.*

San Juan Basin Project  
Farmington Prospect  
Ruby #2 Area  
Pictured Cliffs Wells

Geologist: HKD	Date: 28 August, 2009
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 Spacing Units  
 Section Lines  
**Fruitland Coal Wells Shown**





*McElvain Oil and Gas Properties, Inc.*

San Juan Basin Project  
 Farmington Prospect  
 Ruby #2 Area  
 Fruitland Coal Wells

Geologist: HKD	Date: 28 August, 2009
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**McElvain Oil & Gas Properties, Inc.**

1050 – 17<sup>TH</sup> STREET, SUITE 1800  
DENVER, COLORADO 80265

TELEPHONE 303-893-0933 EXT.372  
FAX 303-893-0914  
e-mail: rickh@mcelvain.com

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September 1, 2009

TO: Attached List of Offset Parties Owning Interest in Basin Fruitland Coal and Fulcher Kutz  
Pictured Cliffs Formations

Re: Application for Administrative Approval of Unorthodox Location  
Ruby #2 Well Operated by McElvain Oil & Gas Properties, Inc.  
334' FSL and 881' FEL, Section 3, T29N, R13W  
San Juan County, New Mexico – Basin Fruitland Coal and Fulcher Kutz  
Pictured Cliffs Formations

Dear Sir or Madam:

Enclosed is a copy of the above captioned application that has been sent to the New Mexico  
Oil Conservation Commission for administrative approval. Should you not agree with the  
request, please so notify the NMOCD within 20 days of the date of this application.

If you have any questions please do not hesitate to contact me at 303-893-0933, ext. 372.  
Thank you for your attention to this matter.

Yours truly,

MCELVAIN OIL & GAS PROPERTIES, INC.



Rick Harris  
Landman

enclosures

cc: Mr. Mark E. Fesmire, P.E., NMOCD

APPLICATION FOR ADMINISTRATIVE APPROVAL OF UNORTHODOX  
LOCATION

Ruby #2 Well operated by McElvain Oil & Gas Properties, Inc. San Juan County, New  
Mexico-Basin Fruitland Coal and Fulcher Kutz Pictured Cliffs Formations

List of Affected Parties

BP America Production Company  
Attn: George Hazlewood  
501 Westlake Park Boulevard  
Houston, Texas 77079

Fossil Associates  
The Walter K. Arbuckle Trust, dated 3-28-1984  
Roy H. Dubitsky  
1580 Lincoln Street, Suite 1220  
Denver, CO 80203

Elliott A. Riggs  
PO Box 711  
Farmington, NM 87499-0711

Allen Construction Company  
c/o David Willis  
3629 Mateo Prado, NW  
Albuquerque, NM 87107

Charles L. Barr and Deanna M. Barr  
1128 Chaco  
Farmington, NM 87401

Mr. and Mrs. Bert R. Beach  
Address Unknown

Mr. and Mrs. Larkin Beck  
Address Unknown

Ms. Eileen Blackwell  
Address Unknown

Heirs of James Cooper  
Address Unknown

Mr. and Mrs. Ray A. Durall  
1411 Zuni Place  
Farmington, NM 87401

David and Linda Foutz  
1610 E. 17<sup>th</sup>  
Farmington, NM 87401

M. Greg Anesi  
1206 E. 20<sup>th</sup> Street  
Farmington, NM 87401

Mr. and Mrs. Betty J. Gossell  
Address Unknown

Norman H. and Martha K. Faver  
#7 CR 24730  
Aztec, NM 87410

A.C. Hubbard  
Address Unknown

Allan M. and Lorene K. Black  
PO Box 2195  
Farmington, NM 87499

Mr. and Mrs. William N. Kight  
Address Unknown

Land Development Co.  
Address Unknown

Mr. and Mrs. Delton Lewis  
Address Unknown

Mr. Allen Lowe  
Address Unknown

Joe P. Quintana and M. Susan Moreland Living Trust dated 2-6-2002  
104 Harbor Lane  
Farmington, NM 87401

Charles and Bonnie Robbins  
1505 Zuni Drive  
Farmington, NM 87401

Mr. and Mrs. L.C. Sandschulte  
Address Unknown

Mr. and Mrs. Leonard E. Voight  
Address Unknown

Wayne W. and Helen Stradling  
1501 N. Fairgrounds  
Farmington, NM 87401

Mary Beth Williams  
5204 Foothills Drive  
Farmington, NM 87402

Cheryl Gonzales  
503 N. Auburn  
Farmington, NM 87401

Jacqueline A. Farmer  
1915 Zuni Drive  
Farmington, NM 87401

Betty Musgrove  
PO Box 1002  
Farmington, NM 87499

Delmar D. Jerome  
Address Unknown

Walter A Zahrt and Dorothy J. Zahrt  
1212 N. Laguna  
Farmington, NM 87401

Elizabeth Cavin Geib  
19021 108<sup>th</sup> Ave NE  
Bothell, WA 98011

Joseph Charles Gavin Zahrt  
7211 Rising Moon Drive  
Colorado Springs, CO 80919

Susan Mary Thomas  
13229 County Court  
Vidtorville, CA 92393

Sed and Taya Keller  
560 W. Fork RD  
Durango, CO 81303

H.R. McBride  
Address Unknown

Mr. and Mrs. James T. McDermott  
Address Unknown

Edward Seaton and Genevieve Chato  
PO Box 158  
Kayenta, AZ 86033

Wesley R. Stewart  
1112 N. Monterey  
Farmington, NM 87401

Administrator of Veterans Affairs  
501 E. 17<sup>th</sup> Street  
Farmington, NM 87401

Mr. and Mrs. Roland L. Voecks  
405 East Boyd  
Farmington, NM 87401

Mr. and Mrs. Paul Watson  
Address Unknown

A.A. Wethington, Trustee UTA dated September 14, 1993  
1806 N. Butler  
Farmington, NM 87401

Aubrey Pruitt  
3839 E. Crocus Dr.  
Phoenix, AZ 85032

Mary Ann Parker  
5015 E. Weldon  
Phoenix, AZ 85018

John Lee Pruitt  
1549 Davidson Street  
San Bernadino, CA 82408

John Boyle  
607 W. 300 North  
Brice, UT 84501

William Boyle  
207 E. Wilson  
Gallup, NM 87301

Teresa Dillon  
Highway 52  
Box 389  
Eric, CO 80516

Donald Boyle  
3476 Highway 140  
Hesperus, CO 85226

Mr. and Mrs. Norman Wibel  
Assress Unknown

Deborah M. Abbott  
1204 Chaco  
Farmington, NM 87401

Mr. and Mrs. T.N. Bittick  
Address Unknown

Four Corners Savings Bank  
PO Box 1488  
Farmington, NM 87400

Mrs. Donna H. Broudy  
1128 Girard  
Albuquerque, NM 87106

Heirs of James Cooper  
Address Unknown

Laurence M. Cummins  
745 Jenkins Court  
Hernando, Florida 34442

Maureen Potochnick  
3065 E. Highway 50  
Canon City, CO 81212

Eleanor L. Smith  
4445 Senna  
Las Cruces, NM 88001

Sharon A. Loo  
2110 Roca Roja Circle  
Colorado Springs, CO 80926

Kevin J. Cummins  
479 I Street  
Salt Lake City, Utah 84103

Clifford S. and Lisa H. Blankenship  
1004 Dustin Street  
Farmington, NM 87401

Mr. and Mrs. Richard Fischer  
1109 Acoma  
Farmington, NM 87401

Rosalie Fleisher  
300 ½ East 18<sup>th</sup> Street  
Farmington, NM 87401

Joe and Becky Ferris, Trustees  
5203 Thomas  
Farmington, NM 87401

**AFFIDAVIT OF PUBLICATION**

**Ad No. 61953**

**STATE OF NEW MEXICO  
County of San Juan:**

TIA AVILES, being duly sworn says: That she is the CLASSIFIED MANAGER of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication and appeared in the Internet at The Daily Times web site on the following day(s):

Saturday August 15, 2009

And the cost of the publication is \$74.90

Tia Aviles

ON 8/24/09 TIA AVILES appeared before me, whom I know personally to be the person who signed the above document.

Christine Sellers  
My Commission Expires - 11/05/11

RECEIVED

AUG 26 2009

McELVAIN OIL & GAS  
PROPERTIES INC.

**NOTICE**

To: Mr. and Mrs. Bert R. Beach, Mr. and Mrs. Larkin Beck, Ms. Eileen Blackwell, Heirs of James Cooper, Mr. and Mrs. Betty J. Gossell, A.C. Hubbard, Mr. and Mrs. William N. Kight, Land Development Co., Mr. and Mrs. Delton Lewis, Mr. Allen Lowe, Mr. and Mrs. L.C. Sandschulte, Mr. and Mrs. Leonard E. Voight, Delmar D. Jerome, H.R. McBride, Mr. and Mrs. James T. McDermott, Mr. and Mrs. Paul Watson, Mr. and Mrs. Norman Wibel, Mr. and Mrs. T.N. Bittick, or their heirs or devisees: McElvain Oil & Gas Properties, Inc. has filed an application with the New Mexico Oil Conservation Division seeking an order approving an unorthodox gas well location in the Fruitland Coal and Pictured Cliffs formations for its Ruby Well No. 2, located 334 feet from the South line and 881 feet from the East line of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico. You are an offset interest owner to the proposed well. If you object to the application you must notify the Division at its offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505 within 20 days of the date this notice is published. Failure to object will preclude you from contesting this matter at a later date. The well unit is located near the intersection of Knudsen Avenue and E. 21st Street within the city limits of Farmington, New Mexico.

Legal No.61953 published in The Daily Times in Farmington New Mexico on Saturday August 15,2009.