

**BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO ENERGY, MINERALS AND  
NATURAL RESOURCES DEPARTMENT**

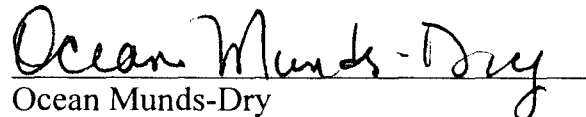
**IN THE MATTER OF THE APPLICATION  
OF MCELVAIN OIL & GAS PROPERTIES,  
INC. FOR COMPULSORY POOLING, RIO  
ARRIBA COUNTY, NEW MEXICO.**

**CASE NO. 14048**

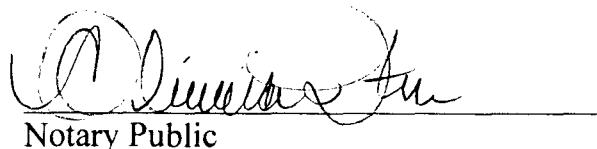
**AFFIDAVIT**

STATE OF NEW MEXICO       )  
  ) ss.  
COUNTY OF SANTA FE       )

Ocean Munds-Dry, attorney in fact and authorized representative of McElvain Oil & Gas Properties, Inc., the Applicant herein, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

  
Ocean Munds-Dry

SUBSCRIBED AND SWORN to before me this 12<sup>th</sup> day of December 2007 by Ocean Munds-Dry.

  
Notary Public

My Commission Expires: 5-10-08

**EXHIBIT A**

**APPLICATION OF  
MCELVAIN OIL & GAS PROPERTIES, INC.  
FOR COMPULSORY POOLING  
E/2 OF SECTION 14, TOWNSHIP 25 NORTH, RANGE 2 WEST, N.M.P.M.  
RIO ARriba COUNTY, NEW MEXICO.**

PXP Gulf Coast, Inc.  
Attn: Scott K. Cowand, Land Manager  
700 Milam Street, Suite 3100  
Houston, TX 77002

Williams Production Company, LLC  
Attn: Barbara Burnett, Senior Landman  
One Williams Center  
Tulsa, OK 74172



November 13, 2007

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED****TO AFFECTED INTEREST OWNERS****Re: Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling  
Rio Arriba County, New Mexico.**

Ladies and Gentlemen:

This letter is to advise you that McElvain Oil & Gas Properties, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking an order compulsory pooling all mineral interests in the Mesa Verde formation in certain spacing and proration units located in the E/2 of Section 14, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico. Said pooled units are to be dedicated to the following two wells: the Badger Com 14-2 well and the Badger Com 14-2A well, which will be drilled to test the Mesa Verde formation, Blanco Mesa Verde Gas Pool. The Badger Com 14-2 well will be drilled as a wildcat well from a standard location 671 feet from the North line and 1530 feet from the East line in the NW/4 NE/4 (Unit B) of Section 14 to test the Mesa Verde formation at a depth of approximately 5,898 feet. The Badger Com 14-2A well will be drilled as a wildcat well from a standard location 663 feet from the South line and 965 feet from the East line in the SE/4 SE/4 (Unit P) of Section 14 to test the Mesa Verde formation at a depth of approximately 5,850 feet. McElvain has committed funds for both wells and plans to drill both wells using the same rig. Therefore, McElvain seeks to pool for both wells at the same time.

This application has been set for hearing before a Division Examiner at 8:15 AM on December 13, 2007. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office, four days in advance of a scheduled hearing, but at least on the Thursday preceding the hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

Kristina Martinez, Attorney for McElvain Oil &amp; Gas Properties, Inc.

# Affidavit of Publication

State of New Mexico

County of Rio Arriba

I, Robert Trapp, being first duly sworn, declare and say I am the publisher of the Rio Grande SUN, a weekly newspaper published in the English language and having a general circulation in the County of Rio Arriba, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937. The publication, a copy of which is hereto attached, was published in said paper once each week for

## Publisher's Bill

110 lines one time at 77.00

       lines        times at       

Affidavit 5.00

Subtotal 82.00

Tax 6.15

Total 88.15

1 consecutive weeks and on the same day of each week in the regular issue of the paper during the time of publication and the notice was published in the newspaper proper, and not in any supplement. The first publication being on the

22<sup>nd</sup> day of November, 2007

and the last publication on the 22<sup>nd</sup> day of

November, 2007 payment for said advertisement has been duly made, or assessed as court costs. The undersigned has personal knowledge of the matters and things set forth in this affidavit.

Payment received at Rio Grande SUN

Date 12/6/07

By Isufelud

Robert Trapp Publisher

Subscribed and sworn to before me this 22 day of Nov A.D. 2007

Maria V Lopez Garcia

Maria V. Lopez-Garcia/Notary Public  
My commission expires 13 July 2009

**NOTICE OF  
PUBLICATION  
STATE OF  
NEW MEXICO  
ENERGY****MINERALS AND  
NATURAL RESOURCES  
DEPARTMENT OIL  
CONSERVATION DIVISION  
SANTA FE, NEW MEXICO**

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on December 13, 2007, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability or service to attend or participate in the hearing, please contact Florene Davidson at 505-476-3455 or through the New Mexico Relay Network, 1-800-659-1779, by December 3, 2007. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

**STATE OF NEW MEXICO  
TO:**

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian, whether or not so stated.)

**CASE 14048:**

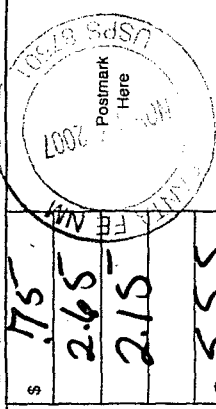
Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling. Rio Arriba County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from in the Mesa Verde formation in certain spacing and proration units located in the E/2 of Section 14, Township 25 North, Range 2, West, N.M.P.M., Rio Arriba County, New Mexico; the above-referenced spacing unit will be dedicated to the following two wells: the Badger Com 14-2 well and the Badger Com 14-2A well, which will be drilled to test the Mesa Verde formation, Blanco Mesa Verde Gas Pool. The Badger Com 14-2 well will be drilled as a wildcat well from a standard location 671 feet from the North line and 1530 feet from the East line in the NW/4 NE/4 (Unit B) of Section 14 to test the Mesa Verde formation at a depth of approximately 5,898 feet. The Badger Com 14-2A well will be drilled as a wildcat well from a standard location 663 feet from the South line and 965 feet from the East line in the SE/4 (Unit P) of Section 14 to test the Mesa Verde formation at a depth of approximately 5,898 feet. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as wells as actual operating costs and charges for supervision, designation of McElvain Oil & Gas Properties, Inc. as operator of the wells and a charge for risk in

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Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 5.55</b>



PXP Gulf Coast, Inc.  
Attn: Scott K. Cowand, Land Manager  
700 Milam Street, Suite 3100  
Houston, TX 77002

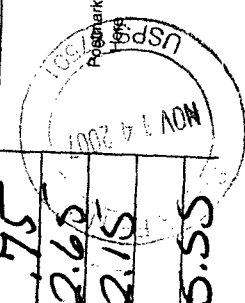
For instructions

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Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 5.55</b>



William Production Company, LLC  
Attn: Barbara Burnett, Senior Landman  
One Williams Center  
Tulsa, OK 74172

For instructions

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF ADDRESSED LABEL

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

William Production Company, LLC  
Attn: Barbara Burnett, Senior Landman  
One Williams Center  
Tulsa, OK 74172

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature Tracy Bregan ☐ Agent ☐ Addressee

B. Received by (Printed Name) TULSA C. Date of Delivery NOV 19 2007

D. Is delivery address different from item 1? ☐ Yes ☐ No  
If YES, enter delivery address below

3. Service Type ☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

2. Article Number 7006 2760 0001 6391 9449  
(Transfer from service label)  
PS Form 3811, February 2004 Domestic Return Receipt

102595-02-M-1540