

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

**IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**CASE NO. 14238**

**PURSUANT TO THE PROVISIONS OF OIL CONSERVATION DIVISION RULE  
19.15.14.1218(B) NMAC, THE DIVISION DIRECTOR SETS FOR HEARING BEFORE  
THE OIL CONSERVATION COMMISSION THE REQUESTS FOR APPROVAL OF  
TWO APPLICATIONS FOR PERMIT TO DRILL (APDS) IN THE BLANCO-  
MESAVERDE POOL FILED BY MCELVAIN OIL & GAS PROPERTIES, INC. IN RIO  
ARRIBA COUNTY, NEW MEXICO.**

**RESPONDENT'S PRE-HEARING STATEMENT**

This Pre-hearing Statement is submitted by Holland & Hart LLP as required by Oil Conservation Division Rule 19.15.14.1211.

**APPEARANCES OF PARTIES**

**APPLICANT**

Oil Conservation Division  
1220 S. St. Francis Drive  
Oil Conservation Division  
Santa Fe, NM 87505

**ATTORNEY**

**RESPONDENT**

McElvain Oil & Gas Properties, Inc.  
1050 17th St. Suite 1800  
Denver, CO 80265  
(303)893-0933

**ATTORNEY**

Ocean Munds-Dry, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, NM 87504  
(505) 988-4421

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RESPONDENT'S STATEMENT OF CASE

McElvain seeks approval of two applications for permits drill for its proposed Badger 11 Well No. 1A and Badger 11 Well No. 1B located in Section 11 (Unit G), Township 25 North, Range 2 West, NMPM, Rio Arriba County, New Mexico. In addition to following all Division rules and regulations, McElvain intends to comply with all Rio Arriba County requirements and obtain any and all necessary approvals once the county moratorium is lifted or expires.

PROPOSED EVIDENCE

RESPONDENT

<b>WITNESSES</b>	<b>EST. TIME</b>	<b>EXHIBITS</b>
Larry Van Ryan Senior Vice President & Petroleum Engineer	Approx. 30 min.	5

Mr. Van Ryan will testify concerning the Applications for Permits to Drill for the subject wells, McElvain's proposed procedures to drill these wells and the ownership of the surface and minerals in the subject lands.

PROCEDURAL MATTERS

McElvain has none at this time.

  
Ocean Munds-Dry  
Attorney for McElvain Oil & Gas Properties, Inc.

**OIL CONSERVATION COMMISSION**  
**CASE NO. 14238**

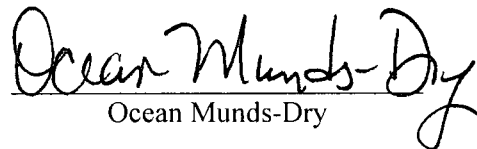
**EXHIBIT LIST**

- Exhibit No. 1:        APD for the Badger 11 Well No. 1A
- Exhibit No. 2:        APD for the Badger 11 Well No. 1B
- Exhibit No. 3:        Aerial Map of Surface Ownership
- Exhibit No. 4:        Regional Map of McElvain wells
- Exhibit No. 5:        9-section plat of Mesaverde wells

**CERTIFICATE OF SERVICE**

I certify that on October 30, 2008, I served a copy of the foregoing document to the following by Hand Delivery.

Mark Fesmire, Division Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

  
Ocean Munds-Dry