

STATE OF NEW MEXICO **RECEIVED**
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION **DEC 31 PM 1 41**

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

**APPLICATION OF MCELVAIN OIL & GAS
PROPERTIES, INC FOR COMPULSORY,
POOLING, SAN JUAN COUNTY, NEW MEXICO**

CASE NO. 14262

PRE- HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Rick Harris
McElvain Oil & Gas Properties, Inc.
1050 17th Street, Suite 1800
Denver, Colorado 80265
(303) 893-0933

ATTORNEY

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

STATEMENT OF CASE

APPLICANT

To A.R. Mortensen, Adam Wagner and Jamie Wagner; Alvin W. Ashley; Charles Amsden, Claribel Jackson, Creighton C. Brown and Mozelle Brown, Dean M and Maria Dell Schultz, Deborah Fouts, Dennis L. and Tiffany S. Madsen, Edward Ashley, F. Gary Paisley, Fred A. Mossman, Harold Lewis, Harold Kendrick, Helen Powell, Larry Amsden, Lee Mann Coates, Mabel Avery, Margaret Lewis, Paul D. Hermann, Robert and Delores Islas, Thriftway Marketing Corp., Tierra 20th and Butler FRM, LLC, W.W. Knutsen and Mabel Knutsen, Western Development Corporation, Wilfred and Mary Ham, Allred, McDaniel, and Kenworthy, JT, Higgins Revocable Trust, James Botkin and Janet Smith, JT, James Loya, JC and Jennie Harris UTA, Roy and Judy Stoddard, Thomas and M. Patricia Harmon, W.E. and Alletta Ashley and unknown heirs and successors, the applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Fruitland Coal formation underlying the S/2 of Section 3, Township 29 North, Range

13 West, N.M.P.M., San Juan County, New Mexico, for all formations and/or pools developed on 320-acre spacing within this vertical extent including but not limited to the Basin Fruitland Coal Gas Pool. This unit is to be dedicated to the Ruby Well No. 1, to be re-completed at a location 1755 feet from the South line and 860 feet from the West line in the S/2 of said Section 3 to test the Fruitland Coal formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located within the city limits of Farmington and southwest of the Worley baseball complex, New Mexico.

PROPOSED EVIDENCE

WITNESSES

Rick Harris
Landman

ESTIMATED TIME

20 Minutes

EXHIBITS

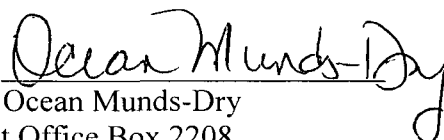
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PROCEDURAL MATTERS

McElvain Oil & Gas Properties, Inc., has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

By: 
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**ATTORNEY FOR
MCELVAIN OIL & GAS PROPERTIES, INC., L.L.C**