

December 9, 2008

**HAND-DELIVERED**

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

*Case 14262*

RECEIVED  
DEC 9 PM 3:12

Re: Application of McElvain Oil & Gas Properties, Inc. for  
compulsory pooling, San Juan County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the application of McElvain Oil & Gas Properties, Inc. in the  
above-referenced case as well as a copy of a legal advertisement. McElvain  
requests that this matter be placed on the docket for the January 8, 2009  
Examiner hearings.

Sincerely,

  
Ocean Munds-Dry

Enclosures

cc: Mr. Rick Harris  
McElvain Oil & Gas Properties, Inc.

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

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

CASE NO. 14262

**APPLICATION**

MCELVAIN OIL & GAS PROPERTIES, INC. ("McElvain"), through its undersigned attorneys, hereby makes application pursuant to the provisions of NMSA 1978, Section 70-2-17, for 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 that vertical extent which includes but is not necessarily limited to the Basin Fruitland Coal Gas Pool. In support of this application McElvain states:

1. McElvain is a working interest owner in the S/2 of Section 3 and has a right to drill thereon.

2. Pursuant to Division Order No. R-12837, all uncommitted mineral interests from the surface to the base of the Pictured Cliffs formation were pooled, McElvain was designated operator of a 160-acre spacing unit located in the SW/4 of said Section 3 and the Ruby Well No. 1 was dedicated to said unit.

3. McElvain now proposes to re-complete the Ruby Well No. 1 in the Fruitland Coal formation and dedicate the S/2 to the subject well, at a location 1755 feet from the South line and 860 from the West line of Section 3.

4. McElvain has sought and been unable to obtain a voluntary agreement for the development of these lands from the interest owners identified on Exhibit A to this application.

5. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

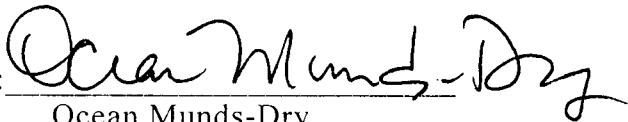
6. In order to permit McElvain the opportunity to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and McElvain should be designated the operator of the well.

WHEREFORE, McElvain requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 8, 2009, and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration unit;
- B. designating McElvain operator of the unit and the well to be drilled thereon;
- C. authorizing McElvain to recover its costs of drilling and/or deepening, equipping and re-completing the well;
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision to adjust the rates pursuant to the COPAS accounting procedures; and
- E. imposing the 200% risk penalty provided by Division Rule 19.15.1.35 against any working interest owner who does not voluntarily participate in the drilling of this well.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

Ocean Munds-Dry  
P.O. Box 2208  
Santa Fe, NM 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR MCELVAIN OIL &  
GAS PROPERTIES, INC.

CASE 14262:

**Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, San Juan County, New Mexico.** 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.

**Ruby #1 Well**  
**AFE and Broker Lists Combined**

#	NAME	Address	City, State, Zip
1	Aaron P. James	2200 N. Tucker #1	Farmington, NM 87401
2	Alan J. Ross	332 East 10th Street	Durango, CO 81301
3	Alex and Rudy Diaz	807 E. 25th St.	Farmington, NM 87401
4	Andrea Coleman	805 22nd St.	Farmington, NM 87401-4220
5	Arly and Victoria Dixon	2404 N. Cochiti Ave.	Farmington, NM 87401-9452
6	Arthur and Shirley Ulibarri	2005 N. Mesa Verde Ave.	Farmington, NM 87401-4243
7	Barry Gundlock	2503 N. Cochiti Ave.	Farmington, NM 87401
8	Bernabe C. Sandoval	910 W. Main St.	Farmington, NM 87401
9	Bethany and David Jones	2305 N. Cochiti Ave.	Farmington, NM 87401
10	Billy J. Keck	2103 N. Cochiti Ave.	Farmington, NM 87401
11	Bobby Horvath	2407 N. Cochiti Ave.	Farmington, NM 87401
12	Bonnie Frazier, Trustee UTA 10/15/85	1923 Glade Rd.	Farmington, NM 87401
13	Buck and Shawna Thomas	2505 N. Cochiti Ave.	Farmington, NM 87401
14	Carmen Padilla Living Trust	804 E. 25th St.	Farmington, NM 87401
15	Charles and Rachel Cheney	1304 E. 27th St.	Farmington, NM 87401
16	Christian Sebastian	809 22nd St.	Farmington, NM 87401-4220
17	Dale and Julia Gladstone	910 22nd St.	Farmington, NM 87401-4223
18	Daniel and Shirley Escobedo	2603 Highland Place	Farmington, NM 87401
19	Daniel E. and Sharon K. Wilson	5300 Thomas Dr.	Farmington, NM 87401
20	David and Karen Valdez	2304 N. Cochiti Ave.	Farmington, NM 87401
21	David M. James and Jamie L. Horton	1303 E. 27th St.	Farmington, NM 87401
22	Debra Twilley	2606 N. Park Place	Farmington, NM 87401
23	Edward Frances Cheromiah	1306 E. 27th St.	Farmington, NM 87401
24	Eric Williams and Kristin Whitson	1004 E. 27th St.	Farmington, NM 87401
25	Eva Jean Martinez Rodriguez	2610 Mossman Dr.	Farmington, NM 87401
26	Francisco Ortiz	1200 E. 27th St.	Farmington, NM 87401
27	Freedra J. Dudley	1915 N. Wagner Ave.	Farmington, NM 87401
28	Gail B. Jones	2002 N. Cochiti Ave.	Farmington, NM 87401
29	Greg and Andrea Allen and/or Amanda Banks	2405 Nathan Ave.	Farmington, NM 87401
30	Greg and Camille Cathey	2602 N. Park Place	Farmington, NM 87401
31	Helen Louise Suitor	1008 E. 25th St.	Farmington, NM 87401
32	Jack and LuAnn Lawson	1300 Pear Grove Ln.	Farmington, NM 87401
33	Jake and Sylvia Padilla	112 E. 35th St.	Farmington, NM 87401
34	James and Sylvia Garcia	2611 Highland Place	Farmington, NM 87401

**EXHIBIT**

**A**

Compulsory Pool Address List2.xls

**Ruby #1 Well**  
**AFE and Broker Lists Combined**

#	NAME	Address	City, State, Zip
35	James and Velma Tate	2508 Cochiti	Farmington, NM 87401
36	James Foreman	909 22nd St.	Farmington, NM 87401
37	Jamie L. Bond	3203 N. Sullivan	Farmington, NM 87401
38	Janet and Kenneth Bart Dodson	2307 N. Cochiti Ave.	Farmington, NM 87401
39	Jesse and Joyce Rue	808 E. 25th St.	Farmington, NM 87401
40	Joel R. and Wilma L. Schroeter	1310 E. 27th St.	Farmington, NM 87401
41	Karen L. Morrison	805 E. 25th St.	Farmington, NM 87401
42	Kevin and Michele Lucero	21 CR 120	Espanola, NM 87532
43	Kevin D. and Barbara L. Case	1312 E. 27th St.	Farmington, NM 87401
44	Kevin J. Dostaler	1006 Delhi Terrace	Farmington, NM 87401
45	Leonard and Betty Noggle	2105 N. Cochiti Ave.	Farmington, NM 87401
46	Letha N. Branum Trust	908 E. 26th St.	Farmington, NM 87401
47	Lindsey Williams	2101 Ranch Dr.	Farmington, NM 87401
48	Lizzette M. Vannest	2402 N. Cochiti Ave.	Farmington, NM 87401
49	Louise Thomason UTA dated 10/25/1990	2406 Nathan Ave.	Farmington, NM 87401
50	Lowell and Elaine Thompson	2006 N. Cochiti Ave.	Farmington, NM 87401
51	Maria Martinez	2616 Mossman Dr.	Farmington, NM 87401
52	Marian London	19276 N. Falcon Lane	Maricopa, AZ 85239
53	Mark A. Enriquez	1311 E. 27th St.	Farmington, NM 87401
54	Mark and Catherine Austin	2408 Catalina Ct.	Farmington, NM 87401
55	Michael and Mariane Tackitt	809 E. 25th St.	Farmington, NM 87401
56	Michael and Michelle Blair	900 E. 22nd St.	Farmington, NM 87401
57	Michael and Shanna Manning	2306 N. Cochiti Ave.	Farmington, NM 87401
58	Michael Shinsky	2507 N. Cochiti Ave.	Farmington, NM 87401
59	Mildred and Larry M. Griffith	500 W. Broadway	Farmington, NM 87401
60	Mona Echols	100 E. 27th St.	Farmington, NM 87401
61	Nona R. Satenga	800 E. 24th St.	Farmington, NM 87401
62	Nygren Investment Company	816 Crestview Dr.	Farmington, NM 87401
63	Patricia J. Goff	803 E. 24th St.	Farmington, NM 87401
64	Paul Loyd	2009 N. Cochiti Ave.	Farmington, NM 87401
65	Raymond and Nell Brodie Revocabel Trust	c/o Nell Brodie, Trustee, P.O. Box 11682	Farmington, NM 87401
66	Rebecca Duran	2504 Mossman Dr.	Farmington, NM 87401
67	Renee A. Johnson	1006 E. 26th St.	Farmington, NM 87401
68	Richard Hubert	2401 N. Cochiti Ave.	Farmington, NM 87401
69	Robert and Mary Ashley	1204 Brentwood Cir.	Farmington, NM 87401-4236
70	Robert M. Hayden and Karen Lee Hayden, JT	1010 E. 27th St.	Farmington, NM 87401

**Ruby #1 Well**  
**AFE and Broker Lists Combined**

#	NAME	Address	City, State, Zip
71	Robert Padilla	717 Forest Pl.	Farmington, NM 87401-4241
72	Sam and Jennifer Todd	2420 N. Santiago	Farmington, NM 87401
73	Sam L. and Emily A. Merchant	1305 E. 27th St.	Farmington, NM 87401
74	San Juan Nurseries	800 E. 20th St.	Farmington, NM 87401
75	Sandstone Rentals, LLC	Attn: David & Janet Albin, P.O. Box 816	Flora Vista, NM 87415
76	Smith Food and Drug Centers, Inc.	1550 South Redwood Road	Salt Lake City, UT 84104
77	Stanley M. Zygmunt Trust	c/o Irene Zygmunt, 2610 Highland Place	Farmington, NM 87401
78	Terry Sheckley	2107 N. Cochiti Ave.	Farmington, NM 87401-4239
79	Terry Velahunty	2000 N. Mesa Verde Ave.	Farmington, NM 87401
80	United Food Store #1	900 Schofield Ln.	Farmington, NM 87401-7431
81	Vivien Sheets, Trustee/Dewey K. Foutz	2004 N. Mesa Verde Ave.	Farmington, NM 87401-4244
82	Wade and Annabel Beavers	c/o Annabel L. Beavers-Crain, 613 Rosa	Farmington, NM 87401
83	William and Arletta Marchetti	2604 N. Park Place	Farmington, NM 87401
84	Yvonne M. Wray	1102 E. 27th St.	Farmington, NM 87401
85	Synergy Operating, LLC	PO Box 5513	Farmington, NM 87499
<b>INTERESTS</b>			
1	A.R. Mortensen	ADDRESS UNKNOWN	
2	Adam Wagner and Jamie Wagner	ADDRESS UNKNOWN	
3	Alvin W. Ashley	ADDRESS UNKNOWN	
4	Branch and Joelle Ver Hoef	3522 Rosburg Drive	Columbus, OH 43228
5	Charles Amsden	ADDRESS UNKNOWN	La Plata, NM
6	Claribel Jackson	ADDRESS UNKNOWN	
7	Creighton C. Brown and Mozelle Brown	ADDRESS UNKNOWN	
8	Dean M and Maria Dell Schultz	ADDRESS UNKNOWN	
9	Deborah Fouts	804 Santa Barbara Drive	Farmington, NM 87401
10	Dennis L. and Tiffany S. Madsen	ADDRESS UNKNOWN	
11	Edward Ashley	ADDRESS UNKNOWN	
12	F. Gary Paisley	ADDRESS UNKNOWN	
13	Fred A. Mossman	DECEASED	
14	Harold Lewis	ADDRESS UNKNOWN	
15	Harold Kendrick	on contact list	
16	Helen Powell	ADDRESS UNKNOWN	
17	Larry Amsden	ADDRESS UNKNOWN	BANGKOK, THAILAND?

**Ruby #1 Well**  
**AFE and Broker Lists Combined**

#	NAME	Address	City, State, Zip
18	Lee Mann Coates	ADDRESS UNKNOWN	
19	Mabel Avery	ADDRESS UNKNOWN	
20	Margaret Lewis	ADDRESS UNKNOWN	
21	Mariposa Properties	1813 Schofield Lane	Farmington, NM 87401
22	Padilla Land & Cattle Company	446 Road 3000	Aztec, NM 87410-9502
23	Paul D. Hermann	ADDRESS UNKNOWN	
24	Robert and Delores Islas	ADDRESS UNKNOWN	NO SURFACE RIGHTS
25	Southwest Financial Services of Farmington, Inc.	480 East 20th Street	Farmington, NM 87401
26	Thriftway Marketing Corp.	ADDRESS UNKNOWN	
27	Tierra 20th and Butler FRM, LLC	ADDRESS UNKNOWN	
28	W.W. Knutsen and Mabel Knutsen	ADDRESS UNKNOWN	
29	Western Development Corporation	ADDRESS UNKNOWN	
30	Wilfred and Mary Ham	ADDRESS UNKNOWN	ON CONTACT LIST
31	Allred, McDaniel, and Kenworthy, JT*		
####	Higgins Revocable Trust 4/14/93		
####	James Botkin and Janet Smith, JT		
####	James Loya		
####	JC and Jennie Harris UTA 10/24/91		
####	Roy and Judy Stoddard		
####	Thomas and M. Patricia Harmon		
1	Isaac and Angelina Padilla	112 E. 35th St.	Farmington, NM 87401
2	W.E. and Alletta Ashley	ADDRESS UNKNOWN	SPLIT ESTATE
####	Chad Morris (margaret Ambrosino)	2508 Mossman Dr.	Farmington, NM 87401
####	Frank and Lorraine Stimac Trust	2401 Dustin Ave.	Farmington, NM 87401
####	Lois V. Wilson Trust dated 7/5/88 (LEASED to Synergy Operating)	1209 E. 23rd St.	Farmington, NM 87401