



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 9, 2010

Ocean Munds-Dry
Agent for McElvain Oil & Gas Properties, Inc.
P.O Box 2208
Santa Fe, NM 87504-2208

Re: Request for Extension of Re-completion Operations of the Ruby Well No. 1 (API No. 30-045-33266 Pursuant to Order No. R-12837-A)

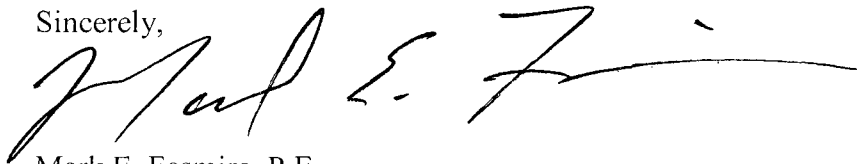
Dear Ms Munds-Dry:

The Oil Conservation Division (OCD) received your letter of February 8, 2010, regarding the above referenced well on February 8, 2010. Pursuant to Order No. R-12837-A, McElvain Oil & Gas Properties, Inc. ("McElvain") is required to begin the re-completion of the Ruby Well No. 1 on or before March 1, 2010.

It is our understanding that due to economic conditions, McElvain will not be able to start the re-completion of this well on or before March 1, 2010. Based on this fact, the authority to start the re-completion of this well is hereby extended to March 1, 2011.

If you have any questions, please contact Richard Ezeanyim at (505)-476-3467.

Sincerely,



Mark E. Fesmire, P.E.
Acting Director

Cc: Oil Conservation Division District Office - Aztec





February 8, 2010

HAND-DELIVERED

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

RECEIVED OOD
2010 FEB - 8 PM 3:36

Re: Oil Conservation Division Case No. 14262: Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, San Juan County, New Mexico.

Dear Mr. Fesmire:

On February 25, 2009, the Division entered Order No. R-12837-A which granted the application of McElvain Oil & Gas Properties, Inc. in the above-referenced case pooling all uncommitted interests from the surface to the base of the Fruitland Coal formation underlying the S/2 of Section 3, Township 29 North, Range 13 West, NMPM, San Juan County, New Mexico.

Order R-12837-A provides that in the event McElvain "does not commence recompletion of this well on or before March 1, 2010" the Order "shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause."

McElvain plans to recomplete the Ruby Well No. 1 but has encountered delays mainly due to economic conditions and also because McElvain has been observing certain formations in the area for response after dewatering. As a result, McElvain has determined that it will not be able to commence recompletion prior to March 1, 2010. Since it will be unable to commence recompletion prior to the current deadline set by this pooling order, McElvain hereby requests an extension of Order No. R-12837-A from March 1, 2010 until March 1, 2011. Your attention to this request is appreciated.

Sincerely,

Ocean Munds-Dry
Ocean Munds-Dry

cc: Mr. Rick Harris