

HOLLAND & HART^{LLP}



**Ocean Munds-Dry
Associate**

omundsdry@hollandhart.com

April 13, 2010

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 14471

2010 APR 13 PM 3:24

RECEIVED OOD

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 May 13, 2010 Examiner hearings.

Sincerely,

Ocean Munds-Dry
Ocean Munds-Dry

Enclosures

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

Holland & Hart LLP

Phone [505] 988-4421 **Fax** [505] 983-6043 **www.hollandhart.com**

110 North Guadalupe Suite 1 Santa Fe, NM 87501 **Mailing Address** P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

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

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2010 APR 13 P 3:25

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

CASE NO. 14471

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 Pictured Cliffs formation in the following described spacing and proration units located in the S/2 of Section 3, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico: the S/2 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; the SE/4 for all formations and/or pools developed on 160-acre spacing within that vertical extent which includes but is not necessarily limited to the Fulcher Kutz-Pictured Cliffs 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. Pursuant to Division Order No. R-12837-A, all uncommitted mineral interests from the surface to the base of the Fruitland Coal formation were pooled, McElvain was designated operator of the 320-acre spacing unit located in the S/2 of Section 3 and the Ruby Well No. 1 was dedicated to said unit.
4. McElvain now proposes to drill the Ruby Well No. 2 at a location in the SE/4 of Section 3 to be dual completed in the Fruitland Coal formation and the Pictured Cliffs formation and dedicate the S/2 and the SE/4 respectively to the subject well.

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

6. 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 May 13, 2010, 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 assumed by McElvain in drilling and completing the well 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

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

ATTORNEYS FOR MCELVAIN OIL &
GAS PROPERTIES, INC.

CASE 14471

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 Pictured Cliffs 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 and for all formation and/or pools developed on 160-acre spacing within this vertical extent including but not limited to the Fulcher Kutz-Pictured Cliffs Gas Pool. This unit is to be dedicated to the Ruby Well No. 2, to be dual-completed at a location in the SE/4 of said Section 3 to test the Fruitland Coal formation and the Pictured Cliffs 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.

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Exhibit A
Application of McElvain Oil & Gas Properties, Inc.
Compulsory Pooling, San Juan County, New Mexico
Ruby Well No. 2

Patrick and Barbara Rascon
2305 Nathan Ave. Apt. A
Farmington, NM 87401

Alex and Rudy Diaz
807 E. 25th St.
Farmington, NM 87401-4220

Andrea Coleman
805 22nd St.
Farmington, NM 87401-4220

Arly and Victoria Dixon
2404 N. Cochiti Ave.
Farmington, NM 87401-9452

Arthur and Shirley Ulibarri
2005 N. Mesa Verde Ave.
Farmington, NM 87401-4243

Barry Gundlock
2503 N. Cochiti Ave.
Farmington, NM 87401

Bernabe C. Sandoval
910 W. Main St.
Farmington, NM 87401

David Jones
2305 N. Cochiti Ave.
Farmington, NM 87401

Billy J. Keck
2103 N. Cochiti Ave.
Farmington, NM 87401

Bobby Horvath
2407 N. Cochiti Ave.
Farmington, NM 87401

Bonnie Frazier, Trustee UTA 10/15/85
1923 Glade Rd.
Farmington, NM 87401

Buck and Shawna Thomas
2505 N. Cochiti Ave.
Farmington, NM 87401

Charles and Rachel Cheney
1304 E. 27th St.
Farmington, NM 87401

Christian Sebastian
809 22nd St.
Farmington, NM 87401-4220

Wieland E. Feierbrand
910 22nd St.
Farmington, NM 87401-4223

Daniel and Shirley Escobedo
2603 Highland Place
Farmington, NM 87401

Daniel E. and Shark K. Wilson
5300 Thomas Dr.
Farmington, NM 87401

David and Karen Valdez
2304 N. Cochiti Ave.
Farmington, NM 87401

David M. James and Jamie L. Horton
1301 E. 27th St.
Farmington, NM 87401

Michael and Debra Paige
2606 N. Park Place
Farmington, NM 87401

Edward Frances Cheromiah
1306 E. 27th St.
Farmington, NM 87401

Amanda D. Sutherlin
PO Box 942
Flora Vista, NM 87415

Eva Jean Martinez Rodriguez
2610 Mossman Dr.
Farmington, NM 87401

Francisco Ortiz
1200 E. 27th St.
Farmington, NM 87401

Lindsay Luther
2002 N. Cochiti Ave.
Farmington, NM 87401

Greg Allen
2405 Nathan Ave.
Farmington, NM 87401

Greg and Camille Cathey
2602 N. Park Place
Farmington, NM 87401

Helen Louise Suitor
1008 E. 25th St.
Farmington, NM 87401

Jake and Sylvia Padilla
112 E. 35th ST
Farmington, NM 87401

James and Sylvia Garcia
2611 Highland Place
Farmington, NM 87401

James and Velma Tate
2508 Cochiti
Farmington, NM 87401

James Ronald Foreman
909 22nd St.
Farmington, NM 87401

Jamie L. Bond, Trustee of the Jamie L.
Bond Revocable Trust, UTAD May 18th,
2006
3203 N. Sullivan
Farmington, NM 87401

Jesse and Joyce Rue
808 E 25th St.
Farmington, NM 87401

Joel R. and Wilma L. Schroeter
1310 E. 27th St.
Farmington, NM 87401

Karen L. Morrison
805 E25th St.
Farmington, NM 87401

Kevin and Michele Lucero
21CR 120
Espanola, NM 87532

Kevin D. and Barbara L. Case
1312 E. 27th St.
Farmington, NM 87401

Kevin J. Dostaler
10006 Delhi Terrace
Farmington, NM 87401

Leonard and Betty Noggle
2105 N. Cochiti Ave.
Farmington, NM 87401

De Anna Rhea Metcalf
908 E. 26th St.
Farmington, NM 87401

Kris and Lindsey Borgeson
804 E. 24th Street
Farmington, NM 87401

Lizzette M. Vannest
2402 N. Cochiti Ave.
Farmington, NM 87401

Louise Thomason UTA dated
10/25/1990
2406 Nathan Ave.
Farmington, NM 87401

Lowell and Elaine Thompson
2006 N. Cochiti Ave.
Farmington, NM 87401

Maria Martinez
2616 Mossman Dr.
Farmington, NM 87401

Marion E. London
19276 N. Falcon Lane
Maricopa, AZ 85239

Mark A. Enriquez
1311 E. 27th St.
Farmington, NM 87401

Mark and Catherine Astin
2408 Catalina Ct.
Farmington, NM 87401

Michael and Mariane Tackitt
809 E. 25th St.
Farmington, NM 87401

Richard L. and Denise Breeden
36 Road 3632
Aztec, NM 87410

Michael Shinsky
2507 N. Cochiti Ave.
Farmington, NM 87401

Mildred and Larry M. Griffith
500 W. Broadway
Farmington, NM 87401

Shane Lostak
1000 E. 27th St.
Farmington, NM 87401

Nona R. Satenga
800 E. 24th St.
Farmington, NM 87401

Nygren Investment Company
816 Crestview Dr.
Farmington, NM 87401

Patricia J. Goff
803 E. 24th St.
Farmington, NM 87401

Paul L. Loyd
2009 N. Cochiti Ave.
Farmington, NM 87401

Raymond and Nell Brodie Revocable
Trust
c/o Nell Brodie, Trustee,
P.O. Box 11682
Farmington, NM 87401

Rebecca Duran
2504 Mossman Dr.
Farmington, NM 87401

Renee A. Johnson
1006 E. 26th St.
Farmington, NM 87401

Richard Hubert
2401 N. Cochiti Ave.
Farmington, NM 87401

Robert and Mary Ashley
1204 Brentwood Cir.
Farmington, NM 87401-4236

Robert M. Hayden and Karen Lee Hayden, JT
1010 E. 27th St.
Farmington, NM 87401

Robert Padilla
717 Forest Pl.
Farmington, NM 87401-4241

Benjamin V. Tolman
PO Box 57
Flora Vista, NM 87415

Sam L. and Emily A. Merchant
1305 E. 27th St.
Farmington, NM 87401

San Juan Nurseries
800 E. 20th St.
Farmington, NM 87401

Sandstone Rentals, LLC
Attn: David & Janet Albin,
P.O. Box 816
Flora Vista, NM 87415

Smith Food & Drug Centers, Inc.
1550 South Redwood Road
Salt Lake City, UT 84104

Stanley M. Zygmunt, Trustee of the Stanley M.
Zygmunt Trust under trust agreement dated
September 24th 1986
c/o Irene Zygmunt,
2610 Highland Place
Farmington, NM 87401

Terry Sheckley
2107 N. Cochiti Ave.
Farmington, NM 87401-4239

Terry Velahunty
2000 N. Mesa Verde Ave.
Farmington, NM 87401

United Food Store No. 1, Inc.
900 Schofield Ln.
Farmington, NM 87401-7431

Vivien Sheets, Trustee/Dewey K. Foutz
Vivien M. Sheets, Trustee under trust
agreement dated January 8th, 1990
2004 N. Mesa Verde Ave.
Farmington, NM 87401-4244

Wade and Annabel Beavers
Wade Beaver and Annabel Beavers
c/o Annabel L. Beavers-Crain
613 Rosa
Farmington, NM 87401

William and Arletta Marchetti
2604 N. Park Place
Farmington, NM 87401

Yvonne M. Wray
1102 E. 27th St.
Farmington, NM 87401

Jimmie D. and Chatelle
N. Bowman
804 East 25th Street
Farmington, NM 87401

James Quinones and Jennifer Quinones
2605 North Park Place
Farmington, NM 87401

David L. & Theresa E. McBee
3103 N. Mesa Verde Avenue
Farmington, NM 87401

Bryan L. Bekise
2307 Cochiti Ave.
Farmington, NM 87401

Ryan Simkins
2306 North Cochiti Avenue
Farmington, NM 87401

Sandra Kay Cleveland
1009 E. 27th Street
Farmington, NM 87401

Albert W. & Ernestine Frank
1611 E. 31st Street
Farmington, NM 87401

Jane and James Grant
4772 Sundance Road
Farmington, NM 87401

Jason Valdez
2777 Harvard Drive
Farmington, NM 87401

Amanda Banks
2405 Nathan Ave.
Farmington, NM 87401

A.R. Mortensen
Address Unknown

Adam Wagner and Jamie Wagner
Address Unknown

Branch and Joelle Ver Hoef
3522 Rosburg Drive
Columbus, OH 43228

Charles Amsden
Address Unknown

Claribel Jackson
Address Unknown

Creighton C. Brown and Mozelle Brown
Address Unknown

Dean M. and Maria Dell Schultz
Address Unknown

Deborah Fouts
804 Santa Barbara Drive
Farmington, NM 87401

Dennis L. and Tiffany S. Madsen
Address Unknown

Edward Ashley
Address Unknown

F. Gary Paisley
Address Unknown

Red A. Mossman
Deceased

Harold Lewis
Address Unknown

Harold Kendrick
Address Unknown

Helen Powell
Address Unknown

Larry Amsden
Address Unknown

Lee Mann Coates
Address Unknown

Mabel Avery
Address Unknown

Margaret Lewis
Address Unknown

Mariposa Properties
1813 Schofield Lane
Farmington, NM 87401

Padilla Land & Cattle Company
446 Road 3000
Aztec, NM 87410-9502

Paul D. Herman
Address Unknown

Robert and Delores Islas
Address Unknown

Southwest Financial Services of
Farmington, Inc.
480 East 20th Street
Farmington, NM 87401

Thriftway Marketing corp.
Address Unknown

Tierra 20th and Butler FRM, LLC
Address Unknown

W.W. Knutsen and Mabel Knutsen
Address Unknown

Western Development Corporation
Address Unknown

Wilfred and Mary Ham
Address Unknown

Allred, McDaniel, and Kenworth, 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

Isaac and Angelina Padilla
112 E. 35th Street
Farmington, NM 87401

W.E. and Alletta Ashley
Address Unknown

Chad Morris
2508 Mossman Dr.
Farmington, NM 87401

Frank Stimac and Lorraine Stimac
Trustees under trust agreement dated
July 25th, 1995
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

Gregory and Patsy Plank
2050 Rivers Edge Drive NE
Rio Rancho, NM 87144

Jason Sledge
2606 Highland Place
Farmington, NM 87401

Eric Cote
1302 East 27th Street
Farmington, NM 87401

Roman Catholic Bishop of San Diego
PO Box 80428
San Diego, CA 92188

Wedgewood Methodist Church
6041 Wonder Drive
Ft. Worth, TX 76133

Lovelle W. Cospers Trust
220 Montgomery Street
San Francisco, CA 94101