



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

May 28, 1998

Ms. Anna Griego
Exploration & Production Administrator
McElvain Oil & Gas Properties, Inc.
P. O. Box 2148
Santa Fe, New Mexico 87504-2148

Dear Ms. Griego:

Based upon the reasons stated in your letter of May 26, 1998, and in accordance with the provisions of Division Order No. R-10858, McElvain Oil & Gas Properties, Inc. is hereby granted an additional extension of time until September 1, 1998, in which to begin the well pooled by said order.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenberg".

LORI WROTENBERY
Division Director

fd/

cc: Case No. 11822 ✓
OCD - Aztec

McELVAIN OIL & GAS PROPERTIES, INC.

409 ST. MICHAELS DRIVE
P.O. BOX 2148
SANTA FE, NEW MEXICO 87504-2148

ANNA M. GRIEGO
EXPLORATION & PRODUCTION ADMINISTRATOR

TELEPHONE 505-982-1935 EXT. 111
FAX 505-984-3027

May 26, 1998

New Mexico Oil Conservation Division
Attention: Lori Wrotenbery, Director
2040 South Pacheco
Santa Fe, NM 87505

RE: Order No. R-10858

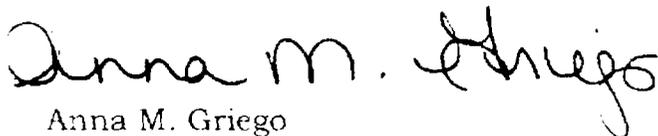
Dear Ms. Wrotenbery:

McElvain Oil & Gas Properties, Inc. was granted authority for compulsory pooling by Order No. R-10858, dated August 11, 1997. Said order carried a stipulation that drilling of our Elk Com Well No. 1 shall commence on or before November 15, 1997. We were granted an extension of this deadline to June 1, 1998 due to the unavailability of drilling rigs.

Our application for permit to drill is currently in process at the BLM and it is unlikely it will be approved in time to spud before June 1st. We are requesting an extension of an additional 90 days to begin drilling operations.

If you have any questions, please contact me. Thank you for your consideration.

Sincerely,



Anna M. Griego
Exploration & Production Administrator

xc: Land Department