

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

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

CASE NO. 12,688

APPLICATION OF McELVAIN OIL AND GAS )  
PROPERTIES, INC., FOR A NONSTANDARD )  
GAS SPACING AND PRORATION UNIT, )  
RIO ARriba COUNTY, NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

July 12th, 2001

Santa Fe, New Mexico

01 JUL 26 AM 7:45

JUL 26 2001

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, July 12th, 2001, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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## I N D E X

July 12th, 2001  
Examiner Hearing  
CASE NO. 12,688

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## E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	4	6
Exhibit 2	4	6
Exhibit 3	5	6

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## A P P E A R A N C E S

## FOR THE DIVISION:

DAVID BROOKS  
Attorney at Law  
Energy, Minerals and Natural Resources Department  
Assistant General Counsel  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

## FOR THE APPLICANT:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR  
110 N. Guadalupe, Suite 1  
P.O. Box 2208  
Santa Fe, New Mexico 87504-2208  
By: MICHAEL H. FELDEWERT

## ALSO PRESENT:

RICHARD EZEANYIM  
Chief Engineer  
New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, NM 87501

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2   4:32 p.m.:

3           EXAMINER CATANACH: At this time I'll call Case  
4   12,688, which is the Application of McElvain Oil and Gas  
5   Properties, Inc., for a nonstandard gas spacing and  
6   proration unit, Rio Arriba County, New Mexico.

7           Call for appearances in this case.

8           MR. FELDEWERT: May it please the Examiner,  
9   Michael Feldewert with the law firm of Holland and Hart and  
10   Campbell and Carr here in Santa Fe, on behalf of the  
11   Applicant, McElvain Oil and Gas Properties, Inc.

12          EXAMINER CATANACH: Any additional appearances?  
13          Okay, Mr. Feldewert?

14          MR. FELDEWERT: Mr. Examiner, McElvain in this  
15   case seeks an order approving a nonstandard 505.2-acre gas  
16   spacing and proration unit in the subject area for all  
17   pools developed on 320-acre spacing. It is to be dedicated  
18   to McElvain's proposed Cougar Com 5 Well Number 3, which is  
19   to be drilled at a standard location to test the Mesaverde  
20   formation in the northwest quarter of Section 5.

21          I have provided for you a plat of the proposed  
22   spacing unit in yellow, as well as Order -- That was  
23   McElvain Exhibit Number 1.

24          McElvain Exhibit Number 2 is Division Order  
25   Number R-8615, which was entered back in March of 1988,

1 which was a pooling order that approved this nonstandard  
2 unit for a well that was drilled to the Mancos formation  
3 underlying this acreage.

4 I then have included as McElvain Exhibit Number 3  
5 an affidavit giving notice to all of the parties that were  
6 excluded from the proration unit in this section. This was  
7 a matter that would have been handled administratively  
8 except for the fact that the nonstandard unit crosses  
9 section lines.

10 The only point that I would make, Mr. Examiner --  
11 and I'll offer testimony if need be -- there are two -- I  
12 noticed as I was flipping through this notice affidavit,  
13 there were two parties that did not return the certified  
14 letter. One was Gavilan Dome Properties and one was Mesa  
15 Grande Resources, Inc. I think you will see from prior  
16 submissions by McElvain to the Division in pooling cases  
17 that these addresses have been used for these two interest  
18 owners before and that it has been a good address. It  
19 seems to be a situation where sometimes they pick up their  
20 mail and sometimes they don't.

21 And that's all I have at this point, unless you  
22 feel that testimony is necessary.

23 EXAMINER CATANACH: Okay. I don't believe any  
24 testimony is necessary, Mr. Feldewert. Would you like to  
25 admit these as evidence?

1 MR. FELDEWERT: Yes, I would, I'm sorry. If I  
2 could then admit McElvain's Exhibits 1 through 3.

3 EXAMINER CATANACH: Exhibits 1 through 3 will be  
4 admitted in this case.

5 Is there anything further?

6 MR. FELDEWERT: No, Mr. Examiner.

7 EXAMINER CATANACH: There being nothing further,  
8 Case 12,688 will be taken under advisement.

9 (Thereupon, these proceedings were concluded at  
10 4:35 p.m.)

11 \* \* \*

12  
13  
14 I do hereby certify that the foregoing is  
15 a complete and correct transcript of the proceedings in  
16 the Examiner hearing of Case No. 12688,  
17 heard by me on July 12, 2001 at 4:35 p.m.  
18 David A. Catnach, Examiner  
19 Oil Conservation Division  
20  
21  
22  
23  
24  
25

CERTIFICATE OF REPORTER

STATE OF NEW MEXICO    )  
                                   )   ss.  
 COUNTY OF SANTA FE    )

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL July 20th, 2001.



STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 14, 2002