

BEFORE THE OIL & GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF)	
MC ELVAIN OIL AND GAS PROPERTIES, INC.)	Cause No. 112
FOR AN ORDER POOLING ALL)	
NONCONSENTING INTERESTS IN THE)	Docket Nos.
MESAVERDE FORMATION IN AN)	
ESTABLISHED DRILLING AND SPACING)	
UNIT LOCATED IN THE IGNACIO-BLANCO)	
FIELD AREA, LA PLATA COUNTY,)	
COLORADO)	

APPLICATION

COMES NOW McElvain Oil and Gas Properties, Inc. (referred to herein as “Applicant”), by and through its undersigned counsel, and makes application to the Oil and Gas Conservation Commission of the State of Colorado (“COGCC”), for an order to pool all non-consenting interests for the drilling of wells in an approximate 320-acre drilling and spacing unit in the Mesaverde Formation in the lands more particularly described in Paragraph 3 below located in Township 32 North, Range 6 West, 6th P.M., La Plata County, Colorado. In support thereof, the Applicant states and alleges as follows:

- 1. That the Applicant is a corporation duly authorized to conduct business in the State of Colorado.
- 2. That the Applicant owns leasehold interests in the unit requested for pooling.
- 3. That pursuant to COGCC Orders established in Cause No. 112, specifically Order Nos. 112-6 and 112-46, an approximate 320-acre drilling and spacing unit for the Mesaverde Formation was established, which includes the following lands at issue in this Application:

Township 32 North, Range 6 West, 6th P.M.

Section 17: E ½

Pursuant to Order No. 112-46, a second well is allowed, in addition to the permitted well as provided for by Order 112-6.

- 4. Applicant has proposed two wells to the Mesaverde Formation within the drilling and spacing unit described in paragraph 3 above as follows: the Payne C #2 Well, T32N, R6W, Section 17: SW¼SE¼ and Payne C #3 Well, T32N, R6W, Section 17: NW ¼ NE¼.
- 5. That some of the parties listed on Exhibit A hereto own separate leased mineral interests in the referenced drilling and spacing unit located in Section 17 encompassed within the drilling and spacing unit, and such parties have been offered the option to participate in the drilling of the wells in the unit, but to date one or more of such parties have refused to participate by bearing their proportionate shares of the costs and risks of drilling or operating the wells. An AFE for each of the wells containing the information required by COGCC Rule 530.a. was sent proposing the wells more than thirty (30) days prior to the date of the hearing on this Application. A copy of an example of such AFE and letter is attached hereto as Exhibit B.
- 6. Moreover, that with respect to any non-consenting owners of unleased mineral interests listed on Exhibit A, Applicant has made reasonable attempts pursuant to COGCC Rule 530.b. to enter into leases with such parties but has as of yet been unsuccessful in such attempts.
- 7. That in order to prevent waste, protect correlative rights and in the best interests of conservation, all interests owned by the nonconsenting parties listed on Exhibit A should be pooled in the Mesaverde Formation in accordance with C.R.S. § 34-60-116 and Rule 530 of the COGCC.

8. That the names and addresses of the interested parties with respect to this Application are as set forth in Exhibit A hereto.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice thereof be given as required by law and that upon such hearing this Commission enter its order:

A. That all leasehold interest owners with whom Applicant has been unable to secure an agreement for the drilling of the proposed wells and all unleased mineral interests owners who have not executed a lease as described in paragraphs 4 and 5 be pooled involuntarily with respect to the Mesaverde Formation, and that such owners be treated as non-consenting owners under C.R.S. § 34-60-116 and made subject to the terms and penalties provided for therein.

B. For such other findings and orders as the Commission may deem proper or advisable in the premises.

DATED this _____ day of April, 2007.

Respectfully submitted,

MCELVAIN OIL AND GAS PROPERTIES, INC.

By:

Susan L. Aldridge
BEATTY & WOZNAK, P.C.
216 16th Street, Suite 1100
Denver, CO 80202
(303) 407-4499

Applicants' Address:

1050 17th Street, Suite 1800
Denver, CO 80265-1801

VERIFICATION

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

Sheryl Olson, of lawful age, being first duly sworn upon oath, deposes and says that she is a Senior Landman for McElvain Oil and Gas Properties, Inc. and that she has read the foregoing Application and that the matters therein contained are true to the best of her knowledge, information and belief.

Sheryl Olson

Subscribed and sworn to before this ____ day of April, 2007.

Witness my hand and official seal.

My commission expires:

Notary Public

[SEAL]

EXHIBIT A

Interested Parties, Consenting and Non-Consenting Parties and Unleased

CONSENTING

J&M RAYMOND, LTD.
C/O JAMES M. RAYMOND
P.O. BOX 291445
KERRVILLE, TX 78029

MAYDELL MILLER MAST TRUST
C/O JAMES M. RAYMOND
P.O. BOX 291445
KERRVILLE, TX 78029

CHARLES W. GAY
C/O JAMES M. RAYMOND
P.O. BOX 291445
KERRVILLE, TX 78029

LORRAYN GAY HACKER
C/O JAMES M. RAYMOND
P.O. BOX 291445
KERRVILLE, TX 78029

INTERESTED PARTIES

ACCORD DU LAC PARTNERSHIP LLLP
PO BOX 676281
RANCHO SANTA FE, CA 92067

MAXINE C ANDERSON
GREGORY D HARMON CONSERVATOR
PO BOX 988
IGNACIO, CO 81137

JOHN A & DAVYLOU BEATY
1137 COUNTY ROAD 329
IGNACIO, CO 81137

MARCIA BERGER
C/O PETROLEUM ASSET MNG LLC
PO BOX 745
HOBBS, NM 88241

HERBERT R BRIGGS
C/O REYNOLDS, HIX & CO PA, AS AGENT
6729 ACADEMY RD NE, SUITE D
ALBUQUERQUE, NM 87109

WILLIAM C BRIGGS
C/O REYNOLDS, HIX & CO PA, AS AGENT
6729 ACADEMY RD NE, SUITE D
ALBUQUERQUE, NM 87109

HELEN NEUHOFF BUTLER
5440 BOCA RATON DRIVE
DALLAS, TX 75229

CAPROCK MINERALS
PO BOX 17418
FORT WORTH, TX 76102

CEEFAM LLC
C/O LITTLE OIL & GAS INC.
PO BOX 1258
FARMINGTON, NM 87499

ECAP III & COMPANY
420 THROCKMORTON ST, SUITE 710
FORT WORTH, TX 76102

ENERGEN RESOURCES CORPORATION
605 RICHARD ARRINGTON BLVD NORTH
ATTN: LAND DEPT.
BIRMINGHAM, AL 35203

FRED & VERNA ESPINOSA LIVING TRUST DATED
5/23/83; NIOMA GALLEGOS & ROSE ALBINA SANCHEZ,
TRUSTEES
16207 HWY NORTH
AZTEC, NM 87410

NON-CONSENTING

TRACKER RESOURCE DEVELOPMENT II, LLC
1050 17TH STREET, SUITE 975
DENVER, CO 80265

PEAK PRODUCTION CORP.
1050 17TH STREET, SUITE 975
DENVER, CO 80265

FRIKON ENERGY CORP.
1050 17TH STREET, SUITE 975
DENVER, CO 80265

SNOWFLAKE MINERALS, LLC
1050 17TH STREET, SUITE 975
DENVER, CO 80265

WESSCO LLC
1050 17TH STREET, SUITE 975
DENVER, CO 80265

UNLEASED

DONALD B. ROBERTSON
UNKNOWN ADDRESS

STANLEY H. JOHNSON
UNKNOWN ADDRESS

MARGARET WILSON & GORDON E. MITCHELL
AKA GORDON C. MITCHELL
UNKNOWN ADDRESS

INTERESTED PARTIES (CONT.)

VERNA ESPINOSA ESTATE
C/O NIOMA GALLEGOS
16207 HWY NORTH
AZTEC, NM 87410

ROBERT C. GRABLE
201 MAIN STREET, SUITE 2500
FORT WORTH, TX 76102

LUCILLE HORTHER
6776 SO IVY STREET, APT A8
CENTENNIAL, CO 80112

CYRENE INMAN TRUST
BANK OF AMERICA NA AGENT
TRUST OIL & GAS
PO BOX 840738
DALLAS, TX 75284

J. C. PACE, LTD.
420 THROCKMORTON ST, SUITE 710
FORT WORTH, TX 76102

KIMBELL ART FOUNDATION
301 COMMERCE STREET, SUITE 2240
FORT WORTH, TX 76102

SARAH SYKES LAMENDORF
340 EAST 66TH ST, APT 3J
NEW YORK, NY 10021

L. A . ROACH O & G, LTD
FORT WORTH CLUB TOWER
777 TAYLOR ST., PENTHOUSE II-J
FORT WORTH, TX 76102

LOWRY ENERGY PARTNERS
1106 ASPEN COURT
ROCKWALL, TX 75087

CHARLES EUGENE MCGEE ESTATE
C/O LINDA PICKETT
655 NORTH SPRING VALLEY RD
PARKS, AZ 86108

MARIAN TUBBS MCGEE ESTATE
C/O LINDA PICKETT
655 NORTH SPRING VALLEY RD
PARKS, AZ 86108

DOUGLAS CAMERON MCLEOD
518 17TH STREET, SUITE 1455
DENVER, CO 80202

NEUHOFF-TAYLOR ROYALTY COMPANY
PO BOX 9
ALED0, TX 76008

JOE B NEUHOFF FAMILY PARTNERSHIP LTD
10030 MEADOWBROOK DRIVE
DALLAS, TX 75229

LAWRENCE B. NEUHOFF
4437 STANFORD
DALLAS, TX 75225

ROGER B NIELSEN
1200 DANBURY DRIVE
MANSFIELD, TX 76063

INTERESTED PARTIES (CONT.)

HAROLD E. O'CONNOR
325 NORTH ST. PAUL ST., SUITE 4050
DALLAS, TX 75201

GARY H PACE
420 THROCKMORTON ST, SUITE 710
FORT WORTH, TX 76102

JOE K PACE
420 THROCKMORTON ST, SUITE 710
FORT WORTH, TX 76102

PAYNE FAMILY TRUST DATED 10/30/199
VIRGINIA E PAYNE TRUSTEE
PO BOX 1142
BAYFIELD, CO 81122

PENNIES FROM HEAVEN LLC
BANK OF AMERICA NA, TRUSTEE
PO DRAWER 832407
DALLAS, TX 75284

THE ROACH FOUNDATION
FORT WORTH CLUB TOWER
777 TAYLOR ST., PENTHOUSE II-J
FORT WORTH, TX 76102

ERIC F ROBERTS
869 EAST JETER RD
BARTONVILLE, TX 76226

ALEXA PACE SCHNEIDER
3347 NO VALENCIA LANE
PHOENIX, AZ 85108

CAROLYN N SEDBERRY
C/O LITTLE OIL & GAS INC.
PO BOX 1258
FARMINGTON, NM 87499

SOUTHWESTERN PRODUCTION CORP
1675 LARIMER ST., SUITE 720
DENVER, CO 80202

MARGARET PACE SYKES
420 THROCKMORTON ST, SUITE 710
FORT WORTH, TX 76102

BRETT G. TAYLOR ROYALTY TRUST
REVOCABLE INTERVIVOS TRUST
PO BOX 9
ALED0, TX 76008

LEIGH SYKES TAYLOR
3657 STRATFORD AVE.
DALLAS, TX 75205

VAUGHAN-MCELVAIN ENERGY INC
PO BOX 970
KENNETT SQUARE, PA 19348

KERR-MCGEE OIL & GAS ONSHORE L.P.
1999 BROADWAY, SUITE 3700
DENVER, CO 80202

JENNIFER PACE WOLFE
1715 WESTERN
FORT WORTH, TX 76107

WWR ENTERPRISES INC
C/O PETROLEUM ASSET MNG LLC
PO BOX 745
HOBBS, NM 88241