

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

IN THE MATTER OF THE APPLICATION OF)	Cause No. _____
MCELVAIN OIL & GAS PROPERTIES, INC. FOR AN)	
ORDER POOLING ALL WORKING, UNLEASED)	Docket No. _____
AND NONCONSENTING INTERESTS IN THE)	
NIOBRARA FORMATION IN THE NW¼NW¼ OF)	
SECTION 1, TOWNSHIP 3 SOUTH, RANGE 46)	
WEST, 6 TH P.M. IN YUMA COUNTY, COLORADO.)	

APPLICATION

COMES NOW McElvain Oil & Gas Properties, Inc. (referred to herein as “Applicant”), by and through its undersigned attorneys, and makes application to the Colorado Oil and Gas Conservation Commission (“Commission”), for an order to pool all interests for the drilling of a well to produce from the Niobrara Formation located in the NW¼NW¼ of Section 1, Township 3 South, Range 46 West, 6th P.M., Yuma County, Colorado. In support thereof, the Applicant states and alleges as follows:

1. Applicant is a corporation duly authorized to conduct business in the State of Colorado, and is a registered operator in good-standing with the Commission.

2. Applicant owns certain leasehold interests in the following lands:

Township 3 South, Range 46 West, 6th P.M.
Section 1: NW¼NW¼

Yuma County, Colorado (“Application Lands”).

3. The Application Lands are unspaced and are subject to Rule 318.b, which provides that a well to be drilled to a depth of less than two thousand five hundred (2,500) feet shall be located not less than two hundred (200) feet from any lease line, and not less than three hundred (300) feet from any other producible oil or gas well or drilling well, in said source of supply, except that only one producible oil or gas well in each such source of supply shall be allowed in each governmental quarter-quarter section unless an exception under Rule 318.c. is obtained.

4. This Application is filed concurrently with Applicant’s request for a 40.28-acre drilling and spacing unit on the Application Lands.

5. Applicant, pursuant to Commission Rule 530 and pursuant to the provisions of C.R.S. §34-60-116 (6) and (7), seeks an order to statutorily pool all interests not voluntarily pooled (including working interests) in the Niobrara Formation underlying the Application Lands.

6. Applicant proposes to vertically drill the Robin 1-4 Well ("Well") with a proposed surface location in the NW¼NW¼ Section 1, Township 3 South, Range 46 West and a proposed bottom hole location 790' FNL, 320' FWL of Section 1, Township 3 South, Range 46 West. A Well Location Certificate is attached hereto.

7. Exhibit A attached hereto lists all interested parties and specifically the unleased mineral interest owner(s) for the drilling and spacing unit together with their addresses. All unleased mineral owners (not otherwise voluntarily pooled) have been offered the opportunity to participate in the drilling of the Well. To date, however, not all of such owners have elected to participate by agreeing to bear their proportionate shares of the costs and risks of drilling, completing and operating the Well. In addition and as applicable, Applicant has made offers to lease each of these unleased mineral owners (not otherwise voluntarily pooled) as required by Commission Rule 530.c. and C.R.S. § 34-60-116(7)(d). To date, however, not all of such unleased mineral owners have accepted such offers. Such offers to participate in drilling or to lease were sent to these unleased mineral interest owners more than thirty (30) days prior to the date of the hearing on this Application.

8. Applicant requests that the effective date of the Commission's statutory pooling order issued with respect to this Application, and all costs associated with the Robin 1-4 Well and this statutory pooling, be retroactive to the earliest date costs are incurred for the Robin 1-4 Well, or the date of the Application, whichever is earlier.

9. Notice of this Application has been provided to those parties listed on Exhibit A attached 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. Pooling statutorily all non-consenting unleased mineral interest owners listed on Exhibit A with whom Applicant has been unable to secure a lease or an agreement for the drilling of the Robin 1-4 Well and establishing that such owners be treated as a non-consenting owners under C.R.S. §34-60-116 and made subject to all of the terms and penalties provided for therein.

B. That all interest owners who are not voluntarily pooled be involuntarily pooled in the 40-acre drilling and spacing unit established by a concurrently filed application requesting a 40.28-acre drilling and spacing unit on the Application Lands.

C. Establishing that the effective date of the Commission's involuntary pooling order and all costs associated with the Robin 1-4 Well and this involuntary pooling, be retroactive to the earliest date costs are incurred for the Well, or the date of the Application, whichever is earlier.

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

DATED this ____ day of July, 2011.

Respectfully submitted,

MCELVAIN OIL AND GAS PROPERTIES, INC.

By: _____

Elizabeth Y. Gallaway
Jamie L. Jost
Michael J. Wozniak
Beatty & Wozniak, P.C.
Attorneys for Applicant
216 16th Street, Suite 1100
Denver, Colorado 80202
(303) 407-4499

Applicant's Address:
1050 17th Street, Suite 2500
Denver, Colorado 80265-1801

VERIFICATION

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

David W. Siple, of lawful age, being first duly sworn upon oath, deposes and says that he is Vice President and Attorney-in-Fact for McElvain Oil & Gas Properties, Inc. and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

David W. Siple
McElvain Oil & Gas Properties, Inc.

Subscribed and sworn to before this ____ day of July, 2011.

Witness my hand and official seal.

[SEAL]

My commission expires: _____

Notary Public

EXHIBIT A
Interested Parties

Operator:

McElvain Oil & Gas Properties, Inc.
1050-17th Street, Suite 2500
Denver, Colorado 80265-1801

Working Interest Owners:

T. H. McElvain Oil & Gas LLLP (consenting)
1050-17th Street, Suite 2500
Denver, Colorado 80265-1801

J & M Raymond, Ltd. (consenting)
P. O. Box 291445
Kerrville, Texas 78029-1445

McElvain Oil Company, LP (consenting)
P. O. Box 801888
Dallas, Texas 75380

Unleased Mineral Owner:

Royalty Holding Company (nonconsenting)
3535 NW 58th Street, Suite 720
Oklahoma City, Oklahoma 73112-4802

Royalty Owners:

Lochbuie Limited Partnership, an Oklahoma Limited Partnership
6801 N. Broadway, Suite 300
Oklahoma City, Oklahoma 73116

The Reserve Petroleum Company, a Delaware corporation
6801 N. Broadway, Suite 300
Oklahoma City, Oklahoma 73116

Mid-American Oil Company, a Delaware corporation
6801 N. Broadway, Suite 300
Oklahoma City, Oklahoma 73116

Mesquite Minerals, Inc., a Delaware corporation
6801 N. Broadway, Suite 300
Oklahoma City, Oklahoma 73116

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AFFIDAVIT OF MAILING

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

Elizabeth Y. Gallaway of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for McElvain Oil & Gas Properties, Inc., and that on or before July ____, 2011, she attempted to cause a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Elizabeth Y. Gallaway

Subscribed and sworn to before me on July __, 2011.

Witness my hand and official seal.

My commission expires: _____.

Notary Public