

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

IN THE MATTER OF THE APPLICATION OF )  
MCELVAIN OIL & GAS PROPERTIES, INC. )  
FOR AN ORDER ESTABLISHING ONE (1) )  
40.28-ACRE DRILLING AND SPACING UNIT )  
IN THE NIOBRARA FORMATION IN SECTION )  
1, TOWNSHIP 3 SOUTH, RANGE 46 WEST, )  
6<sup>TH</sup> P.M., YUMA COUNTY, COLORADO. )

Cause No. \_\_\_\_\_

Docket No. \_\_\_\_\_

APPLICATION

COMES NOW McElvain Oil & Gas Properties, Inc. (referred to herein as "Applicant"), by and through its undersigned attorneys, and makes application to the Oil and Gas Conservation Commission of the State of Colorado ("Commission"), for an order establishing one (1) 40.28-acre drilling and spacing unit for production of oil, gas, and associated hydrocarbons from the Niobrara Formation underlying the following lands:

Township 3 South, Range 46 West, 6<sup>th</sup> P.M  
Section 1: NW $\frac{1}{4}$ NW $\frac{1}{4}$

Yuma County, Colorado ("Application Lands").

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.
2. Applicant owns substantial portion of the leasehold interests on the 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. Applicant plans to drill the Robin 1-4 Well ("Well") on the Application Lands. The Well has a proposed surface location in the NW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 1, Township 3 South, Range 46 West and a proposed bottomhole location 790' FNL, 320' FWL of Section 1, Township 3 South, Range 46 West.

5. Applicant requests that the Commission establish a 40.28-acre drilling and spacing unit for the Well on the Application Lands. The proposed 40.28-acre drilling and spacing unit shall consist of the following lands:

Township 3 South, Range 46 West, 6<sup>th</sup> P.M  
Section 1: NW<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub>

Yuma County, Colorado.

A Well Location Certificate is attached hereto.

6. Applicant asserts that one (1) 40.28-acre drilling and spacing unit for the Well will allow for economic and efficient drainage of the Niobrara Formation; will prevent waste; will not adversely affect correlative rights and will assure the greatest ultimate recovery of gas and associated hydrocarbon substances from the reservoirs. A 40.28-acre drilling and spacing unit is not smaller than the maximum area that can be economically and efficiently drained by one (1) well in such unit.

7 The treated interval of the wellbore for the Well shall be no closer than 600' from the boundaries of the proposed 40.28-acre drilling and spacing unit. The Applicant maintains that the proposed drilling and spacing unit will have no adverse effect on correlative rights of adjacent owners.

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 shall enter its order:

A. Establishing a 40.28-acre drilling and spacing unit on the Application Lands for the Robin 1-4 Well;

B. Establishing that the treated interval of the wellbore for each the Robin 1-4 Well shall be no closer than 200 feet from the boundaries of each 40.28-acre drilling and spacing unit;

C. Finding that the 40.28-acre drilling and spacing unit will prevent waste, protect correlative rights, and will maximize the efficient and economic production of the Niobrara Formation on the Application Lands; and

D. Granting any other relief necessary to prevent waste and protect correlative rights of the adjacent owners.

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 16<sup>th</sup> Street, Suite 1100  
Denver, Colorado 80202  
(303) 407-4499

Applicant's Address:  
1050 17<sup>th</sup> 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

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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

**EXHIBIT A**  
**Interested Parties**

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

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

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

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

Kent Kuster  
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Linda Briggs  
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