

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. 13,063
APPLICATION OF TRILOGY OPERATING, INC.,)
FOR COMPULSORY POOLING, LEA COUNTY,)
NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

RECEIVED

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

FEB 5 2004

January 22nd, 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, January 22nd, 2004, 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.

* * *

I N D E X

January 22nd, 2004
Examiner Hearing
CASE NO. 13,063

	PAGE
STATEMENT BY MR. OWEN	3
REPORTER'S CERTIFICATE	6

* * *

A P P E A R A N C E S

FOR THE APPLICANT:

MONTGOMERY & ANDREWS, P.A.
Attorneys at Law
325 Paseo de Peralta
P.O. Box 2307
Santa Fe, New Mexico 87504-2307
By: PAUL R. OWEN

* * *

1 WHEREUPON, the following proceedings were had at
2 8:20 a.m.:

3 EXAMINER STOGNER: With that I will now call Case
4 Number 13,063. This is a reopened case at the Application
5 of Trilogy Operating, Inc., for compulsory pooling, Lea
6 County, New Mexico.

7 Call for appearances.

8 MR. OWEN: Paul R. Owen of the Santa Fe law firm
9 of Montgomery and Andrews, appearing on behalf of the
10 Applicant, Trilogy Operating, Inc. I have no witnesses
11 today in this matter.

12 EXAMINER STOGNER: I believe this is a reopened
13 case of a past compulsory pooling; is this correct?

14 MR. OWEN: That's correct.

15 EXAMINER STOGNER: Please state your case.

16 MR. OWEN: All right, I do have a brief statement
17 to make, and then the case will need to be continued to the
18 February 5th docket.

19 This case was originally heard on May the 8th,
20 2003. The only party to appear was the Applicant, Trilogy
21 Operating, Inc. All evidence was presented on the merits
22 at that time.

23 By letter dated May 20th, 2003, Mr. Brooks
24 advised that the case needed to be renoticed.

25 On December 19th, 2003, the Division issued an

1 order dismissing the case for want of prosecution.

2 On December 22nd, 2003, Trilogy through counsel
3 moved for a reconsideration of the dismissal or, in the
4 alternative, for *de novo* review.

5 On December 23rd by letter, Mr. Brooks advised
6 that this matter would be put on the docket for today's
7 hearing to consider the motion for reconsideration.

8 In subsequent calls with the present Hearing
9 Examiner in the first week of January, I was advised that
10 the case would, in fact, simply be reopened for today's
11 hearing. As it was too late to give notice for today's
12 hearing, I sent out notice letters for the February 5th,
13 2004, hearing, on behalf of Trilogy, to the nonconsenting
14 interest owners, advising that the case would be heard on
15 the February 5th docket.

16 Therefore, I express appreciation for the
17 reopening of the case -- it appears to be the most
18 commonsensical approach to the issue -- and request that
19 the case simply be continued to the February 5th, 2004,
20 docket, and unless one of the nonconsenting interest owners
21 appears at that time, the case would be taken under
22 advisement at that time.

23 EXAMINER STOGNER: A couple of things. When you
24 refer to Mr. Dave Brooks, was he the acting Hearing Officer
25 at that time?

1 MR. OWEN: At the May -- Because this was a
2 compulsory pooling case presented by an affidavit from the
3 Applicant with all the evidence contained as an exhibit to
4 the affidavit, Mr. Brooks did act as the Examiner at the
5 May 8th, 2003, hearing.

6 EXAMINER STOGNER: Okay. And with that, this
7 case will be continued to February 5th.

8 Now, are you going to be prepared, Mr. Owen, to
9 make some sort of statement, an affidavit that the interest
10 has not changed because, since it was heard back in May,
11 and here it is -- what, nine to 10 months later, that
12 everything is still the same as far as interest owners?

13 MR. OWEN: Yes, you and I discussed that, Mr.
14 Examiner, and I will arrange for an affidavit from the
15 Applicant advising as to the status of the nonconsenting
16 working interest owners.

17 EXAMINER STOGNER: Okay. With that, then, Case
18 Number 13,063 -- this is the reopened case for this matter
19 -- will be continued to the hearing to be held February
20 5th, 2004.

21 Thank you, Mr. Paul Owen.

22 MR. OWEN: Thank you, Mr. Examiner.

23 (Thereupon, these proceedings were concluded at
24 8:24 a.m.)

25

* * *

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 13063.

heard by me on 22 January 2004
STEVEN T. BRENNER, CCR
(505) 989-9317

 , Examiner
Oil Conservation Division

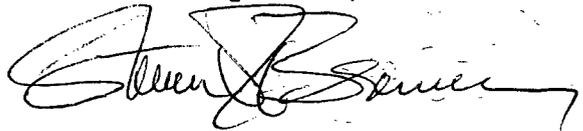
CERTIFICATE OF REPORTER

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 January 22nd, 2004...



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2006