



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

August 23, 2001

Trilogy Operating, Inc.
c/o Kellahin and Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504-2265

Attention: Mr. W. Thomas Kellahin

Re: Reinstatement of Division Order SWD-767
Genesis State Well No. 3 (API No. 30-025-34664)
1830' FSL & 660' FEL (Unit I)
Section 18, T-20 South, R-36 East, NMPM
Lea County, New Mexico

Dear Mr. Kellahin:

I have reviewed your application dated July 18, 2001 on behalf of Trilogy Operating, Inc. ("Trilogy"), to reinstate Division Order SWD-767 dated March 28, 2000, which order authorized Trilogy to utilize the Genesis State Well No. 3 to dispose of produced water into the Queen formation through the perforated interval from approximately 4,484 feet to 4,684 feet. Pursuant to your request,

THE DIVISION FINDS THAT:

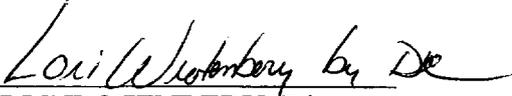
- (1) Division Order SWD-767 contains a provision whereby "The injection authority granted herein shall terminate one year after the effective date of this order is the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.";
- (2) Trilogy did not commence injection operations into the subject well, nor did it request an extension of the order prior to March 28, 2001. As a result, Division Order SWD-767 has expired;
- (3) The application to reinstate Division Order SWD-767 is complete;

Reinstatement of Division Order SWD-767
Trilogy Operating, Inc.
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- (4) No objection to the reinstatement of Division Order SWD-767 has been received by the Division; and
- (5) Division Order SWD-767 should be reinstated.

IT IS THEREFORE ORDERED THAT:

- (1) Division Order SWD-767 is hereby reinstated effective August 23, 2001;
- (2) The reinstatement granted herein shall terminate on August 23, 2002, if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown; and
- (3) All provisions contained within Division Order SWD-767 shall remain in full force and effect.


LORI WROTENBERY, Director

LW/DRC

xc: OCD-Hobbs
 File-SWD-767
 State Land Office-Oil & Gas Division