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Case 14104

March 4, 2008

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Trilogy Operating, Inc., are an original and one copy of two applications for compulsory pooling, together with proposed advertisements. The advertisements have also been e-mailed to the Division. Please set these matters for the April 3, 2008 Examiner hearing. Thank you.

Very truly yours,


James Bruce

Attorney for Trilogy Operating, Inc.

PARTIES BEING POOLED

Allar Well No. 1

Phillip Grant, Jr.
9720D Candelaria NE
Albuquerque, New Mexico 87112

Dorothy Groves Brady,
individually and as
attorney-in-fact for
Wyatt Tate Brady
P.O. Box 4467
Fayetteville, Texas 72702

Muirfield Resources Company
P.O. Box 52586
Tulsa, Oklahoma

Topaz Well No. 1

Anderson Carter, II,
individually and as Trustee
P.O. Box 7190
Ruidoso, New Mexico 88355

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

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

Case No. 14104

APPLICATION

Trilogy Operating, Inc. applies for an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, Township 19 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is an interest owner in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, and has the right to drill a well thereon.
2. Applicant proposes to drill its Allar Well No. 1, at an orthodox oil well location in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, and seeks to dedicate the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24 to the well to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, including the Undesignated South Nadine Yates-Seven Rivers Pool, Undesignated Northeast Nadine-San Andres Pool, East Nadine-Blinebry Pool, and Nadine Drinkard-Abo Pool.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, pursuant to NMSA 1978 §70-2-17.

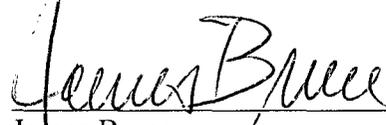
5. The pooling of all mineral interests underlying the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 24, from the surface to the base of the Abo formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

APPLICANT REQUESTS THAT, IN THE ABSENCE OF OBJECTION, THIS MATTER BE TAKEN UNDER ADVISEMENT.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Trilogy Operating, Inc.

PROPOSED ADVERTISEMENT

Case No. 14104 : **Application of Trilogy Operating, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4SE/4 of Section 24, Township 19 South, Range 38 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated South Nadine Yates-Seven Rivers Pool, Undesignated Northeast Nadine-San Andres Pool, East Nadine-Blinebry Pool, and Nadine Drinkard-Abo Pool. The unit will be dedicated to the Allar Well No. 1, to be drilled at an orthodox oil well location in the SE/4SE/4 of Section 24. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2 miles northeast of Nadine, New Mexico. APPLICANT REQUESTS THAT, IN THE ABSENCE OF OBJECTION, THIS MATTER BE TAKEN UNDER ADVISEMENT.

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