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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. 14104

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

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Jr., Legal Examiner
TERRY WARNELL, Technical Examiner

April 17, 2008

Santa Fe, New Mexico

2008 APR 1 AM 8 18
RECEIVED

This matter came for hearing before the New Mexico Oil
Conservation Division, DAVID K. BROOKS, Jr., Legal Examiner,
and TERRY WARNELL, Technical Examiner, on April 17, 2008, at
the New Mexico Energy, Minerals and Natural Resources
Department, 1220 South St. Francis Drive, Room 102, Santa Fe,
New Mexico.

REPORTED BY: JOYCE D. CALVERT, P-03
Paul Baca Court Reporters
500 Fourth Street, NW, Suite 105
Albuquerque, New Mexico 87102

A P P E A R A N C E S

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FOR THE APPLICANT:

James G. Bruce, Esq.
ATTORNEY AT LAW
P.O. Box 1056
Santa Fe, New Mexico 87504

PAGE

EXHIBITS: Exhibits 1 - 3 Admitted

4

REPORTER'S CERTIFICATE

5

1 MR. BROOKS: Okay. Let's go back on the record. At
2 this time, we'll call Case No. 14104, the Application of
3 Trilogy Operating, Inc., for compulsory pooling, Lea County,
4 New Mexico.

5 Call for appearances.

6 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
7 representing the applicant. I'm submitting this case by
8 affidavit.

9 MR. BROOKS: Very good, Mr. Bruce. You may proceed.

10 MR. BRUCE: Mr. Examiner, I submit as Exhibit 1 an
11 affidavit of Ken Dickeson, who is a contract landman for
12 Trilogy Operating, Inc. Trilogy seeks the forced pooling of
13 the southeast, southeast Section 24, 19 South, 38 East from the
14 surface to the base of the Abo Formation.

15 The affidavit sets forth the name of the well, the
16 Allar Well No. 1, the parties being pooled -- there are four of
17 them -- about six percent total unleased working interests or
18 mineral interests in the well unit.

19 The overhead rates requested are \$4500 per month for
20 a drilling well and \$500 a month for a producing well. The
21 parties being pooled are Dorothy Groves Brady, and then
22 Ms. Brady as attorney-in-fact for Wyatt Tate Brady, Muirfield
23 Resources Company, and Jaqueline Faye Daugherty.

24 The correspondence to those parties are attached as
25 Exhibit B, as is the affidavit for the well, which is a new

1 drill with an estimated cost of \$1.1 million.

2 Exhibit 2 is my affidavit of mailing to the interest
3 owners. The mailing went out to a couple of additional people,
4 Phillip Grant, Jr. and Noel G. Wood, who have subsequently
5 joined in the well, and we do not seek the force-pooling of
6 those people.

7 Muirfield Resources and Jaqueline Fay Daugherty
8 received their mail, but the notices that were sent out to
9 Dorothy Groves Brady came back. As a result, publication was
10 made as against Dorothy Groves Brady and Wyatt Tate Brady.
11 That affidavit of publication is submitted as Exhibit 3.

12 MR. BROOKS: It looks like also Noel G. Wood?

13 MR. BRUCE: He is not being pooled.

14 MR. BROOKS: Okay.

15 MR. BRUCE: They subsequently located him and leased
16 his interest.

17 MR. BROOKS: Okay.

18 MR. BRUCE: And I would move the admission of
19 Exhibits 1 through 3.

20 MR. BROOKS: Exhibits 1 through 3 are admitted.

21 Very good. If there's nothing further, Case
22 No. 14104 will be taken under advisement.

23 [Hearing concluded.]

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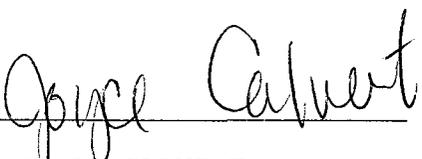
I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 14104,
heard by me on April 17, 2008.
David K. Beaman Examiner
Oil Conservation Division

REPORTER'S CERTIFICATE

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I, JOYCE D. CALVERT, Provisional Court Reporter for the State of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this proceeding.



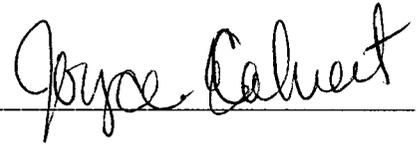
JOYCE D. CALVERT
New Mexico P-03
License Expires: 7/31/08

1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO)

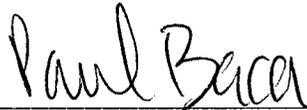
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I, JOYCE D. CALVERT, a New Mexico Provisional Reporter, working under the direction and direct supervision of Paul Baca, New Mexico CCR License Number 112, hereby certify that I reported the attached proceedings; that pages numbered 1-4 inclusive, are a true and correct transcript of my stenographic notes. On the date I reported these proceedings, I was the holder of Provisional License Number P-03.

Dated at Albuquerque, New Mexico, 17th day of April, 2008.



Joyce D. Calvert
Provisional License #P-03
License Expires: 7/31/08



Paul Baca, RPR
Certified Court Reporter #112
License Expires: 12/31/08