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: WILLIAM V. JONES, JR., Hearing Examine 19 2004

February 5th, 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, WILLIAM V. JONES, JR., Hearing Examiner, on Thursday, February 5th, 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.

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STATEMENT BY MR. OWEN

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REPORTER'S CERTIFICATE

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EXHIBIT

Applicant's

Identified

* * *

Admitted

Exhibit C

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APPEARANCES

FOR THE APPLICANT:

MONTGOMERY & ANDREWS, P.A.
Attorneys at Law
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Santa Fe, New Mexico 87504-2307
By: PAUL R. OWEN

* * *

1 WHEREUPON, the following proceedings were had at 2 8:28 a.m.: EXAMINER JONES: Okay, let's call Case 13,063, 3 4 which was continued a couple of times, and it's the Application of Trilogy Operating, Incorporated, for 5 compulsory pooling, Lea County, New Mexico. 6 7 Call for appearances. 8 MR. OWEN: May it please the Examiner, Paul R. Owen with the Santa Fe law firm of Montgomery and Andrews, 9 10 appearing on behalf of the Applicant, Trilogy Operating, 11 I have no witnesses in this matter. EXAMINER JONES: Any other appearances? 12 There being none, go ahead, Mr. Owen. 13 14 MR. OWEN: Mr. Examiner, this case was originally 15 heard all the way back in May of -- May 8th, 2003. At that 16 time I presented the case on its merits, primarily by 17 affidavit, since it was a noncontested compulsory pooling 18 case. 19 Since that time there was a dispute about the 20 notice. The case was reopened and heard on January 22nd. When the case was docketed for January the 22nd, 21 22 the deadline for my renoticing the interest owners who were 23 being pooled had already passed. So I appeared at the 24 January 22nd docket and requested that the case be

continued to this hearing, because I had already provided

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notice to the interest owners of today's hearing. 1 2 The only thing I have with me is the notice affidavit stating that notice has been given and that the 3 interests have not changed since the May, 2003, hearing. 4 So the interest is still the same as it was presented at 5 that hearing. 6 7 With that, I think that the notice matter has been taken care of and request that the matter be taken 8 under advisement if possible and an expedited order be 9 issued in this matter. 10 EXAMINER JONES: Okay, we'll make note of the 11 testimony at the previous case that was presented in March 12 the 8th of 2003 to Examiner Mr. David Brooks. 13 Thank you very much, Mr. Owen. With that, we'll 14 15 take 13,063 under advisement, and we'll try to get an expedited order out. 16 17 MR. OWEN: Thank you very much, Mr. Examiner. 18 (Thereupon, these proceedings were concluded at 19 8:30 a.m.) 20 * * * t do hereby certify that the foregoing is 21 a complete record of the proceedings in the Examiner hearing of Case No. 22 heard by me on____ 23 Exeminar. Oil Conservation Division 24 25

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 February 5th, 2004.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 16th, 2006