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* NEW MEXICO BOARD OF SPECIALIZATION RECOGNIZED SPECIALIST IN NATURAL RESOURCES - OIL & GAS LAW
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July 1, 2003

VIA FACSIMILE

Lori Wrotenbery, Director
New Mexico Oil Conservation Director
1220 South St. Francis
Santa Fe, New Mexico 87505

Re: Case No. 13119; Application of EGL Resources, Inc. for Compulsory Pooling, Lea County, New Mexico

Dear Ms. Wrotenbery:

Attached is an original of the Application of EGL Resources, Inc. in the above referenced matter. On behalf of the Applicant, we request this matter be set for hearing on the July 24, 2003 Division Examiner hearing docket. Also attached is a copy of a proposed advertisement for the case.

Thank you for your assistance.

Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb

Attachment

cc: Wes Perry
Robert Landreth

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Oil Conservation Division

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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IN THE MATTER OF THE APPLICATION
OF EGL RESOURCES, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

Oil Conservation Division

CASE No. 13119

APPLICATION

EGL RESOURCES, INC., by its undersigned attorneys, Miller Stratvert P.A. (J. Scott Hall), hereby makes application pursuant to Section 70-2-17, N.M.S.A. (1978) for an order pooling all mineral interests below 4,000 feet subsurface underlying the following described acreage in Section 28, Township 18 South, Range 29 East, NMPM: a.) W/2 to form a standard 320-acre stand-up gas spacing and proration unit ("the 320-acre Unit") for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently include but are not necessarily limited to the North Turkey Track-Morrow Gas Pool; b.) NW/4 to form a standard 160-acre spacing and proration unit ("the 160-acre Unit") for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; c.) S/2 NW/4 to form a standard 80-acre lay-down spacing and proration unit ("the 80-acre Unit") for any and all formations and/or pools developed on 80-acre spacing within that vertical extent; and d.) the SW/4 NW/4 to form a standard 40-acre spacing and proration unit ("the 40-acre Unit") for any and all formations and/or pools developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to Applicant's proposed Trigg 28 Federal Com No. 1 to be drilled at a standard 320-acre spacing and proration unit gas well location 1730 feet from the north line and

660 feet from the west line (Unit E) in the W/2 of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of EGL Resources, Inc. or its designee as operator of the well and a charge for risk involved in drilling said well. Applicant, in support thereof would show the Division:

1. Applicant owns a substantial portion of the working interest in and under the W/2 of Section 28, and Applicant has the right to drill thereon.

2. Applicant has sought, but has been unable to obtain either voluntary agreement for pooling or farmout from one hundred percent of the other interest owners in the W/2 of said Section 28.

3. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

4. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled, and Applicant should be designated the operator of the well to be drilled.

WHEREFORE, Applicant prays that this application be set for hearing before a duly appointed examiner of the Oil Conservation Division on July 24, 2003, and that after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions for applicant to recover its costs of supervision while drilling and after completion, including overhead charges and providing for adjustments to such rates in accordance with accepted COPAS accounting procedures, and imposing a 200% risk penalty for the risk assumed by the Applicant in drilling, completing and equipping the well and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

MILLER STRATVERT P.A.

By: _____



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ATTORNEYS FOR EGL RESOURCES, INC.