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. 12,559

APPLICATION OF TRILOGY OPERATING. INC.

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

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

January 25th, 2001

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, January 25th, 2001, at the New Mexico Energy, Minerals and Natural Resources

Department, 1220 South Pacheco, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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REPORTER'S CERTIFICATE

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APPEARANCES

FOR THE APPLICANT:

KELLAHIN & KELLAHIN
117 N. Guadalupe
P.O. Box 2265
Santa Fe, New Mexico 87504-2265
By: W. THOMAS KELLAHIN

* * *

WHEREUPON, the following proceedings were had at 9:31 a.m.:

EXAMINER STOGNER: At this time I'll call Case

Number 12,559, which is the Application of Trilogy

Operating, Inc., for compulsory pooling, Lea County, New

Mexico.

This particular case was called on December the 21st, evidence was submitted at that time pursuant to Rule 1207.A.(1)(b) and made a part of the record at that time.

At this time I will call for appearances nor the submission of any additional evidence. Again, we are at Case Number 12,559, which is the Application of Trilogy Operating, Inc., for compulsory pooling.

And at this time I'll call for appearances.

MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of the Santa Fe law firm of Kellahin and Kellahin, appearing on behalf of the Applicant.

At the last hearing we had before you of this case, Mr. Examiner, we presented this pooling case pursuant to the Division rules, where in certain circumstances you can apply for a pooling order and submit your testimony by affidavit. It was presented to you at that time.

In reviewing that matter, the information on the advertised docket indicated a wellbore and a 40-acre tract that was different from the Application and the exhibits.

We asked that the matter be continued to today's hearing. 1 In the meantime, I determined that the 2 advertisement was incorrect, that all the exhibits 3 submitted were correct, and I had the advertisement for the 4 hearing, then, corrected and readvertised for today's date. 5 And so it's ready for you to take under advisement. 6 7 have now corrected the notifications. EXAMINER STOGNER: Okay, so at this time there 8 9 will be no additions or changes to the information provided, and it's still intact for this particular case 10 today? 11 MR. KELLAHIN: Yes, sir. 12 EXAMINER STOGNER: Then if there's nothing 13 further in Case Number 12,559, then this matter will be 14 15 taken under advisement at this time. MR. KELLAHIN: Thank you sir. 16 17 EXAMINER STOGNER: Mr. Kellahin. (Thereupon, these proceedings were concluded at 18 19 9:33 a.m.) 20 21 22 23 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 January 26th, 2001.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 14, 2002