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:

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

CASE NO. 12,697

OFFICIAL EXHIBIT FILE

EXAMINER HEARING

BEFORE: DAVID BROOKS, Hearing Examiner

August 9th, 2001

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID BROOKS, Hearing Examiner, on Thursday, August 9th, 2001, 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.

* * *

TRILOGY OPERATING, INC.'S

SAPPHIRE #1

SW/4 NE/4 SECTION 24, T-19-S, R-38-E, NMPM, LEA COUNTY, NEW MEXICO

COMPULSORY POOLING REQUEST

BEFORE THE
OIL CONSERVATION DIVISION
Case No.12697 Exhibit No.
Submitted By:
Trilogy Operating, Inc.
Hearing Date: August 9, 2001

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

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

CASE 12697

CERTIFICATE OF MAILING AND COMPLIANCE WITH ORDER R-8054

STATE OF NEW MEXICO)

(COUNTY OF SANTA FE)

W. Thomas Kellahin, being first duly sworn, hereby certifies that he is an attorney for the Applicant and responsible for notification in this matter and that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on July 3, 2001, he caused to be mailed by certified mail return-receipt requested the attached notice of this hearing and a copy of the application for the above referenced case, at least twenty days prior to the hearing of this case set for July 26, 2001, to the parties shown in said application and as evidenced by the attached copies of return receipt cards and/or receipts of certified mailing, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.

W. Thophas Kellahin

SUBSCRIBED AND SWORN to before me this 25th day of July, 2001, by W. Thomas Kellahin.

Lynda Kellahin, Notary Public

OFFICIAL SEAL
Lynda Kellahin
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires:

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW
EL PATIO BUILDING
II7 NORTH GUADALUPE
POST OFFICE BOX 2265

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

W THOMAS KELLAHIN

SANTA FE, NEW MEXICO 87504-2265 July 3, 2001 TELEPHONE (505) 982-4285 TELEFAX (505) 982-2047

TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW MEXICO OIL CONSERVATION DIVISION CASE:

Re: Application of Trilogy Operating, Inc. for Compulsory Pooling, Lea County, New Mexico

On behalf of Trilogy Operating, Inc., please find enclosed our application for an compulsory pooling for its Sapphire Well No. 1 which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for July 26, 2001. The hearing will be held at the Division hearing room located at 1220 South Saint Francis Drive, Santa Fe, New Mexico.

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, July 20, 2001, with a copy delivered to the undersigned.

W. Thomas Kellahin

cc: BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED to all parties listed in application

EXHIBIT "A"

SW/4 NE/4 SECTION 24, T-19-S, R-38-E, NMPM, LEA COUNTY, NEW MEXICO

JNLEASED MINERAL OWNERS:	MINERAL INTEREST	
Heirs or Devisees of W. E, McWilliams Address Unknown	0.025	;
Thomas Cone (No Response) Box 778 Jay, OK 74346	0.020	
Kenneth Cone (No Response) P.O. Box 11310 Midland, TX 79702	0.020	
Bobby G. Bales (Refused to Discuss) R.R. 1, Box 308 Sperry, OK 74073	0.0208333	
John W. Coyle, III (No Response) 119 N. Robinson, Suite 320 Oklahoma City, OK 73102	0.00208333	
hn W. Coyle, III, Personal Rep of Est of Patrick Coyle (No Resp. 119 N. Robinson, Suite 320 Oklahoma City, OK 73102	onse) 0.00208333	
Shannon Coyle Manning (No Response) 119 N. Robinson, Suite 320 Oklahoma City, OK 73102	0.00208333	
Michael Coyle (No Response) 119 N. Robinson, Suite 320 Oklahoma City, OK 73102	0.002	08333
Mid First Bank, S.A, Trustee for the Carolyn B. Berry Trust B-1 (1501 N.W. Grand Blvd., Suite 300 Oklahoma City, OK 73118	No Response) 0.0083333	
The Long Trusts P.O. Box 3096 Kilgore, TX 75663	0.04000	
J.H. Free Address Unknown	0.0208333	
Heirs or Devisees of G. W. McWilliams Address Unknown	0.0375	

Compulsory Pooling: Sapphire #1 MI

■ Attach t' Mid Fi st Bank SA Trustee for 501 NW Grand Blvd. Ste 300 Oklahoma City, OK 73118 Carolyn B Berry Trust B-1 Print your name and address on the reverse ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. so that we can return the card to you. SENDER: COMPLETE THIS SECTION 2. Article Number (Copy from service label) PS Form 3811, July 1999 1. Article A 1. Articl A. Received by (Please Print Clearly) B. Det of Delivery andise 102595-00-M-0952 20 2 COMPLETE THIS SECTION ON DELIVERY 7001 0360 0001 0170 5214 Banda COMPLETE THIS SECTION ON DELIVERY If YES, anter delivery address below: If YES, enter delivery address below: A. Received by (Please Print Clearly) July 26, 2001 Is delivery addr 13. Service Type Frilogy Is delive Sapphire C. Signat 7/26/01 × int your name and address on the reverse 119 N Robinson Suite 320 19 N. Robinson Suite 320 omplete items 1, 2, and 3. Also complete at 4 if Restricted Delivery is desired. Oklahoma City, OK 73102 this card to the back of the mailpiece, klahoma City, OK 73102 vour name and address on the reverse lete items 1, 2, and 3. Also complete DER: COMPLETE THIS SECTION that we can return the card to you. **3: COMPLETE THIS SECTION** if Restricted Delivery is desired. t we can return the card to you. Number (Copy from service label) ohn W. Coyle III Michael Coyle

July 26, 2001

7/26/01

Sapphire

3. Service Type

Frilogy

☐ Addressee

2 0

ivery address different from item 1?

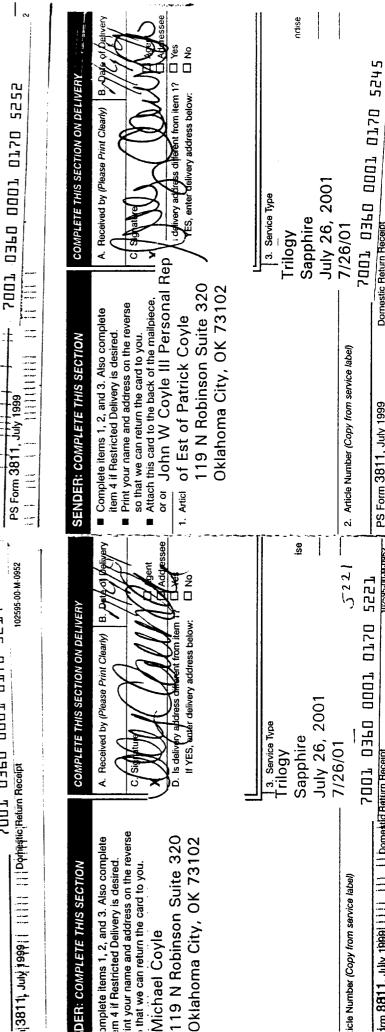
3, enter delivery address below:

B. Date of Delivery

COMPLETE THIS SECTION ON DELIVERY

A. Recgived by (Please Print Clearly)

C. Signature



Domestic Return Receipt

PS Form 3811, July 1999

02595-00-M-0952

Domestid Return Receipt

[m 8811, July 1999]]]

A Received by (Please Print Clearly) C. Signature X V. A. K. K. K. C.	evice Type Cartified Mail D Express Mail Trilogy Sapphire July 26, 2001 7/26/01 7001 D350 0001 0170 2923	A. Received by (Please Print Clearly) A. Received by (Please Print Clearly) C. Signature X. TSL Addressee delivery address different from item 1? Yes YES, enter delivery address below: No	3. Service Type Trilogy Sapphire July 26, 2001 7/26/01 U360 U170 2909
SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the malipiece, or on the front if space permits. 1. Article The Long Trusts PO Box 3096 Kilgore, TX 75663	2. Article Number (Copy from service label) PS Form 3811, July 1999	SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the form it from it from it. Bobby G. Bales Artick RR & Box 398 Sperry, OK 74073	Trilog Sapp Sapp July 2. Article Number (Copy from service label) 7/26/ PS Form 3811, July 1999
A. Received by (Please Print Clearly) C. Signalum X X Adjusts F YES, enter delivery address below:	3. Service Type	A. Received by Please Print Clearly) A. Received by Please Print Clearly) C. Signature X Addressee s delivery address different front Tem 1? Yes 1 YES, enter delivery address below: No	1 Sanutra Tuna 1 Sapphire 3 3 3 3 3 3 3 3 3
mplete items 1, 2, and 3. Also complete m 4 if Restricted Delivery is desired. In your name and address on the reverse that we can return the card to you. Shannon Coyle Manning 112 B. Robinson Suite 320 Oklahoma City, OK 73102	T	Somplete items 1, 2, and 3. Also complete tem 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attact this card to the back of the mailpiece, or on the front if snace nermits. Thomas Cone Box 778 Jay, OK 74346	Article Number (Copy from service label) 7 pp 1

A ANADIS NUMBER (LOPP) "WITH ps Form 3811, July 1889

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
 Print your name and address on the reverse
 - so that we can return the card to you.
- Attach this card to the hark of the mailnions or on t Kenneth Cone 1. Article / PO Box 11310

Midland, TX 79702

COMPLETE THIS SECTION ON DELIVERY

gnature

Mill Mill Mill D. D. Addressee

Slivery address different from item 17 D. Yes

Slivery address different from item 17 D. Yes C. Signature

July 26, 2001 7/26/01 Sapphire Trilogy

ndise

2. Article Number (Copy from service label)

2001 0360 0001 0170 5238 Domestic Return Receipt PS Form 3811, July 1999

102595-00-M-0952