

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

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Oil Conservation Division

CASE NO. 13024

**IN THE MATTER OF THE APPLICATION
OF TRILOGY OPERATING, INC. FOR
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

APPLICATION FOR COMPULSORY POOLING

TRILOGY OPERATING, INC. ("Trilogy"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.S.A. 1978, Section 70-2-17, for an order pooling all mineral interests for all formations and/or pools developed on 40-acre spacing from the surface to the base of the Silurian formation, under the following acreage in Section 11, Township 19 South, Range 38 East, NMPM, Lea County, New Mexico, in the following manner:

The NW/4 SE/4 of said section 34 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not necessarily limited to the Wildcat Seven Rivers/Yates, the Wildcat Blinebry, the Wildcat Tubb, the Wildcat Drinkard-Abo, and the Wildcat Silurian oil pools.

Said spacing and proration units are to be dedicated to Trilogy's proposed Selman Well No. 1, to be drilled at standard location in the NW/4 SE/4 of said Section 11, and in support of its application states:

1. Trilogy is acting on behalf of Stevens & Tull Development, Ltd., which is a working interest owner in said Section 11 and has the right to drill thereon.
2. Trilogy proposes to dedicate the above-referenced spacing or proration units to a well to be drilled at a standard location in the NW/4 SE/4 of said Section 11, to a depth sufficient

to test any and all formations to the base of the Silurian formation.

3. Trilogy has sought and been unable to obtain voluntary agreement for the development of these spacing and proration units from those interest owners identified on Exhibit A to this application.

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

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

6. An affidavit, with supporting documentation satisfying the requirements of NMOCD Rule 1207(A)(1)(b) is attached hereto as Exhibit "B."

WHEREFORE, Trilogy Operating, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 13, 2003, and, after notice and hearing as required by law, the Division enter its order pooling the lands, including provisions designating Trilogy operator of these spacing and proration units, and authorizing Trilogy to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges, imposing a risk factor for the risk assumed by Trilogy in drilling, completing and equipping the well.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: 

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ATTORNEYS FOR TRILOGY OPERATING
INC.

**EXHIBIT A
NOTIFICATION LIST
APPLICATION OF TRILOGY OPERATING, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

**SECTION 11, TOWNSHIP 19 SOUTH, RANGE 38 EAST,
NMPM, LEA COUNTY, NEW MEXICO**

Gena Gilmer (unable to locate)

Mike Gilmer (unable to locate)

Barbara Christman Farrell (unable to locate)

Snyder-Flood Trust and Estate of Anne Snyder
c/o Wells Fargo Bank, Trustee
Attention: Trust Department
Post Office Box 1959
Midland, Texas 79702

CASE 13024: Application of Trilogy Operating, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Silurian formation in the NW/4 SE/4 of Section 11, Township 19 South, Range 38 East, NMPM, Lea County, New Mexico, including but not necessarily limited to the Wildcat Seven Rivers/Yates, the Wildcat Blinebry, the Wildcat Tubb, the Wildcat Drinkard-Abo, and the Wildcat Silurian oil pools. Applicant proposes to dedicate these pooled units to its proposed Selman Well No. 1, to be drilled at a standard oil well location in the NW/4 SE/4 of said Section 11. Also to be considered will 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1 mile south of the city limits of Hobbs, New Mexico.