

Engineering

Date: 09/15/99 AFE No.:

Category: Drill Type: Oil

Well: Dreesen #1
Operator: Trilogy Operating, Inc
Location: Sec 1, T20S, R38E
Prospect: Zinke House

Depth: 7800
Fm.: Abo
County: Lea
State: New Mexico

Description	DH	Producer	Total
Permit, Surveying	600		600
Surf. Damage, ROW	15,000		15,000
Roads, Location, Pits	25,000		25,000
Drilling: Footage \$ 14.00/ ft	109,200		109,200
Daywork \$ 5000 / day	10,000		10,000
Turnkey			0
Rig Mobilization			0
Fuel, Boiler			0
Completion Rig \$ 1500 / day		15,000	15,000
Mud & Chemicals	6,500		6,500
Water, Water Hauling	9,000		9,000
Transportation, Hauling	2,500		2,500
Bits, Reamers, Stab.			0
Coring			0
Drill Stem Testing			0
Equipment Rental	2,000		2,000
Special Services			0
Directional Drlg.			0
Contract Labor	3,000		3,000
Mud Logging, Geological	8,000		8,000
Cementing	7,000	15,000	22,000
Logging	11,000	1,500	12,500
Perforating		3,900	3,900
Stimulation 1 - zone @ 60,000		60,000	60,000
Wellsite Supervision	5,000	3,500	8,500
Abandonment Expense	3,500		3,500
Legal Exp., Insurance	3,000		3,000
COPAS Overhead	3,500	0	3,500
			0
Contingency 10%	22,380	9,890	32,270
Total Intangible	246,180	108,790	354,970
TUBULARS			
Conductor ft.			0
Surface 1600 ft. 8 5/8"	12,800		12,800
Intermediate ft.			0
Liner ft.			0
Production 7800 ft. 5 1/2'		39,000	39,000
Tubing 7800 ft. 2 7/8"		20,300	20,300
PRODUCTION FACILITIES			
Tanks		10,000	10,000
Separator			0
Heater/Treater		4,500	4,500
Dehydrator			0
Buildings			0
Flowline/Pipeline		2,500	2,500
Valves/Fittings		1,000	1,000
ARTIFICIAL LIFT EQUIP			
Pumping Unit		15,000	15,000
Fndn./Base		1,000	1,000
Prime Mover			0
Sucker Rods		9,300	9,300
Bottom Hole Pump		1,800	1,800
Wellhead Equip.	650	650	1,300
Packer/Anchor		500	500
Other Equip.			0
Non-Controllable Equip.	2,000	1,000	3,000
Contingency 10%	1,545	10,655	12,200
Total Tangibles	16,995	117,205	134,200
TOTAL WELL COST	263,175	225,995	489,170

ACCEPTED THIS ____ DAY OF _____, 1999

BY: _____

Company: _____

Print Name:

Title: