Date: 02/21/00 AFE No.: _____

TRILOGY OPERATING, INC.
P. O. BOX 11005
MIDLAND, TEXAS 79702

Category: Drill   Type: Oil

Well:	Howser # 1		Depth:	7800
Operator:	Trilogy Operating , Inc		Fm.:	Abo
Location:	Sec 1, T20S, R38E		County:	Lea
Prospect:	Zinke House		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	$ 14.50/ ft		113,100		113,100
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%		22,770	9,890	32,660
Total Intangible			250,470	108,790	359,260
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				1,500	1,500
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	10,705	12,250
Total Tangibles			16,995	117,755	134,750
TOTAL WELL COST			267,465	226,545	494,010

APPROVED THIS ____ DAY OF _____, 2000. Company: _____

BY: _____   Print Name: _____