

P.O. Box 7606
Midland, Texas 79708

TRILOGY OPERATING, INC.

Stogner

432/686-2027
FAX 432/686-2040

June 24, 2004

New Mexico Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87504

Re: Well Costs
Selman #1 Well
NW/4 SE/4 Section 11, T-19-S, R-38-E,
Case No. 13024, Order No. R-11935
Lea County, New Mexico
Selman Prospect

MS

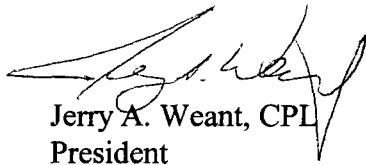
2004 JUN 28 PM 1 24

Ladies & Gentlemen:

In compliance with Order No. R-11935, please find enclosed a schedule of the well costs incurred in drilling, completing and equipping of the captioned well. We have also delivered a copy of this schedule to those parties for whom we have addresses who had previously elected not to participate in this well.

Additionally, we have submitted a copy of the Order to each such party. Should you have any questions, please contact our office.

Yours very truly,


Jerry A. Weant, CPL
President

cc: Paul Owen
Montgomery & Andrews
325 Paseo de Peralta
Santa Fe, New Mexico 87501

Compulsory Pooling: Selman #1: NMOCD Well Costs 062404

SCHEDULE OF DRILLING & COMPLETION CHARGES

BILL	TRANS		INVOICE	INTANGIBLE	EQUIPMENT	BILLING DESCRIPTION
DECK CODE	DATE	VENDOR NAME	NUMBER	EXPENSE		

A	2-10	04/08/03	LAST GASP RESEARCH	158427	3,757.41	0.00	ABSTRACTS	
A	2-20	10/03/02	RONALD PRINCE	1908CK	3,738.89	0.00	BROKER/LANDMAN FEES	TAKE-OFF
A	2-20	06/30/03	JERRY A. WEANT D/B/A BEVOIL	063003	100.00	0.00	BROKER/LANDMAN FEES	TITLE WORK
A	2-40	11/30/02	TURNER, DAVIS & GERALD	12741	14,525.12	0.00	LEGAL FEES	DIV ORDER TITLE OPINION
A	2-40	06/30/03	TURNER, DAVIS & GERALD	13516	6,225.08	0.00	LEGAL FEES	DIV ORDER TITLE OPINION
A	2-40	11/30/03	TURNER, DAVIS & GERALD	1415	364.06	0.00	LEGAL FEES	DIV ORDER TITLE OPINION
A	3-03	01/31/03	BJ SERVICES COMPANY	1007704	8,109.75	0.00	CEMENTING	CEMENT 9 5/8"
A	3-03	02/17/03	BJ SERVICES COMPANY	1010219	19,004.93	0.00	CEMENTING	
A	3-04	04/08/03	POOL COMPANY TEXAS LTD.	068-003045	22,125.85	0.00	COMPLETION UNIT	
A	3-05	01/25/03	AUGER AIR DRILLING & MFG., INC	14550	2,462.85	0.00	DRILLING	STARTING HOLE
A	3-05	02/25/03	STAR DRILLING CORPORATION	7120	216,469.81	0.00	DRILLING	DIESEL ADJUSTMENT
A	3-05	02/28/03	STAR DRILLING CORPORATION	7123	1,820.47	0.00	DRILLING	TAX ADJUSTMENT
A	3-05	02/25/03	STAR DRILLING CORPORATION	7137	(2,037.37)	0.00	DRILLING	
A	3-08	02/18/03	SCHLUMBERGER WELL SERVICES	9090975871	4,249.87	0.00	DRILL STEM TEST	
A	3-08	02/19/03	SCHLUMBERGER WELL SERVICES	9090977066	13,960.28	0.00	DRILL STEM TEST	
A	3-08	02/26/03	SCHLUMBERGER WELL SERVICES	9090980750	5,868.26	0.00	DRILL STEM TEST	
A	3-08	03/25/03	SCHLUMBERGER WELL SERVICES	9090995067	4,299.78	0.00	DRILL STEM TEST	
A	3-10	02/26/03	AKOME, INC.	3171	594.30	0.00	EQUIP RENTAL/TRUCKING	TRASH TRAILER RENTAL
A	3-10	03/18/03	CAGLE FISHING & RENTAL TOOLS,	061037	4,555.11	0.00	EQUIP RENTAL/TRUCKING	REVERSE UNIT
A	3-10	02/28/03	CALLAWAY SAFETY EQUIPMENT	105992	1,175.33	0.00	EQUIP RENTAL/TRUCKING	H2S PKG RENTAL
A	3-10	03/31/03	CROWN EQUIPMENT, INC.	49717	540.99	0.00	EQUIP RENTAL/TRUCKING	
A	3-10	02/17/03	FORKLIFT ENTERPRISES, INC.	64289	378.14	0.00	EQUIP RENTAL/TRUCKING	MOVE 8" COLLARS
A	3-10	02/19/03	FORKLIFT ENTERPRISES, INC.	64303	378.16	0.00	EQUIP RENTAL/TRUCKING	FORKLIFT
A	3-10	03/18/03	FORKLIFT ENTERPRISES, INC.	64462	291.85	0.00	EQUIP RENTAL/TRUCKING	UNLOAD 2 7/8"
A	3-10	03/31/03	GRACO FISHING AND RENTAL	25869	2,517.50	0.00	EQUIP RENTAL/TRUCKING	RENTAL PACKER, RBP
A	3-10	04/18/03	GRACO FISHING AND RENTAL	26061	371.00	0.00	EQUIP RENTAL/TRUCKING	
A	3-10	03/31/03	JAMES O. ROBERSON D/B/A	5746	148.40	0.00	EQUIP RENTAL/TRUCKING	HAUL 2 7/8" TUBING
A	3-10	04/02/03	KEY ENERGY SERVICES, INC.	407028417	1,113.91	0.00	EQUIP RENTAL/TRUCKING	FRAC TANK RENTAL
A	3-10	04/11/03	KEY ENERGY SERVICES, INC.	407028522	297.33	0.00	EQUIP RENTAL/TRUCKING	FRAC TANK RENTAL
A	3-10	04/22/03	KEY ENERGY SERVICES, INC.	407028663	216.36	0.00	EQUIP RENTAL/TRUCKING	KILL TRUCK
A	3-10	04/22/03	KEY ENERGY SERVICES, INC.	407028667	520.32	0.00	EQUIP RENTAL/TRUCKING	FRAC TANK RENTAL
A	3-10	04/07/03	KEY ENERGY SERVICES, INC.	412053200	1,054.88	0.00	EQUIP RENTAL/TRUCKING	FRAC TANK RENTAL
A	3-10	04/10/03	KEY ENERGY SERVICES, INC.	412053230	53.06	0.00	EQUIP RENTAL/TRUCKING	RENTAL TOOLS,DP
A	3-10	02/28/03	KNIGHT OIL TOOLS	140923	25,432.32	0.00	EQUIP RENTAL/TRUCKING	
A	3-10	03/26/03	LOBO TRUCKING LTD	7606	1,403.30	0.00	EQUIP RENTAL/TRUCKING	
A	3-10	02/21/03	MCCLATCHY BROS., INC.	77122	1,860.96	0.00	EQUIP RENTAL/TRUCKING	HAUL DRILL PIPE

TRILOGY OPERATING, INC.

SCHEDULE OF DRILLING & COMPLETION CHARGES

WELL NAME : SELMAN #1
LEASE NO. : 008074-1

BILL DECK CODE	TRANS DATE	VENDOR NAME	INVOICE NUMBER	INTANGIBLE EXPENSE	EQUIPMENT	BILLING DESCRIPTION	
A	3-29	03/31/03	CAPTAN CORPORATION	3815	6,938.40	0.00	PERFORATING
A	3-29	03/31/03	CAPTAN CORPORATION	3817	2,738.40	0.00	PERFORATING
A	3-31	03/04/03	KEY ENERGY SERVICES, INC.	407027760	346.83	0.00	WASTE WATER / MUD DISPOSAL
A	3-31	03/31/03	KEY ENERGY SERVICES, INC.	407028347	188.64	0.00	WASTE WATER / MUD DISPOSAL
A	3-31	03/31/03	KEY ENERGY SERVICES, INC.	407028348	304.42	0.00	WASTE WATER / MUD DISPOSAL
A	3-31	03/31/03	TRMN LLC. CO	3226TRM-IN	227.96	0.00	WASTE WATER / MUD DISPOSAL
A	3-32	03/24/03	BJ SERVICES COMPANY	1015299	3,398.70	0.00	STIMULATION - ACIDIZING
A	3-32	03/26/03	BJ SERVICES COMPANY	1015754	25,631.80	0.00	STIMULATION - ACIDIZING
A	3-32	03/28/03	BJ SERVICES COMPANY	1016706	3,313.12	0.00	STIMULATION - ACIDIZING
A	3-34	03/19/03	DON-NAN PUMP & SUPPLY CO., INC	476066	74.77	0.00	SUPPLIES
A	3-38	05/15/03	SPECIAL CORE ANALYSIS	100446	875.00	0.00	TESTING - WELL
A	3-40	01/31/03	HRC INC.	SO30109	100.00	0.00	WATER
A	3-43	02/28/03	TRILOGY OPERATING, INC.	2/2003-1	994.90	0.00	INSURANCE
A	3-43	03/31/03	TRILOGY OPERATING, INC.	3/2003-1	11.58	0.00	INSURANCE
A	3-46	01/31/03	KEY ENERGY SERVICES, INC.	407027073	207.06	0.00	WATER TRANSPORT
A	3-46	03/04/03	KEY ENERGY SERVICES, INC.	407027760	103.53	0.00	WATER TRANSPORT
A	3-46	03/27/03	KEY ENERGY SERVICES, INC.	407028288	640.26	0.00	WATER TRANSPORT
A	3-46	03/31/03	KEY ENERGY SERVICES, INC.	407028348	901.38	0.00	WATER TRANSPORT
A	3-46	01/31/03	KEY ENERGY SERVICES, INC.	412052581	1,902.27	0.00	WATER TRANSPORT
A	3-46	02/22/03	KEY ENERGY SERVICES, INC.	412052582	746.06	0.00	WATER TRANSPORT
A	3-46	02/22/03	KEY ENERGY SERVICES, INC.	412052685	1,389.34	0.00	WATER TRANSPORT
A	3-46	02/22/03	KEY ENERGY SERVICES, INC.	412052686	7,009.48	0.00	WATER TRANSPORT
A	3-46	02/22/03	KEY ENERGY SERVICES, INC.	412052687	4,869.62	0.00	WATER TRANSPORT
A	3-46	02/27/03	KEY ENERGY SERVICES, INC.	412052867	4,043.30	0.00	WATER TRANSPORT
A	3-46	03/31/03	TRMN LLC. CO	3226TRM-IN	648.00	0.00	WATER TRANSPORT
A	3-52	02/21/03	BULL ROGERS LAYDOWN, INC.	203-102 PU	1,136.70	0.00	CASING CREW
A	3-52	02/18/03	PERMIAN POWER TONG	008233	2,950.00	0.00	CASING CREW
A	4-01	05/19/03	EDDIE DUPREE D/B/A	25937	0.00	2,037.91	BOTTOM HOLE PUMP
A	4-02	01/27/03	POSEY PIPE COMPANY	99-227	0.00	6,997.98	CASING
A	4-07	02/10/03	BJ SERVICES COMPANY	1010608	0.00	2,127.36	MISCELLANEOUS
A	4-07	01/30/03	BJ SERVICES COMPANY	1010614	0.00	1,670.70	MISCELLANEOUS
A	4-07	04/08/03	DON-NAN PUMP & SUPPLY CO., INC	478301	0.00	1,136.56	MISCELLANEOUS
A	4-07	06/25/03	DON-NAN PUMP & SUPPLY CO., INC	486755	0.00	1,966.70	MISCELLANEOUS
A	4-07	04/02/03	EVANS MACHINE WORKS, INC.	17451	0.00	1,273.50	MISCELLANEOUS
A	4-07	04/02/03	FULFER ELECTRIC, LLC	17145	0.00	1,957.46	MISCELLANEOUS
A	4-07	04/04/03	FULFER ELECTRIC, LLC	17146	0.00	595.71	MISCELLANEOUS
A	4-07	04/07/03	FULFER ELECTRIC, LLC	17147	0.00	1,751.44	MISCELLANEOUS
A							PICKUP D.P. & D.C.
A							589', 9 5/8" J55
A							7" SHOE,COLLAR,CENTRALIZER
A							9 5/8" SHOE,COLLAR,CENTRALIZER
A							CIRC PUMP
A							CATTLE GUARD
A							ROD JACK
A							ELECTRICAL
A							ELECTRICAL
A							ELECTRICAL

ACID SOLUBILITY TEST

PICKUP D.P. & D.C.

589' 9 5/8" J55

7" SHOE,COLLAR,CENTRALIZER

9 5/8" SHOE,COLLAR,CENTRALIZER

CIRC PUMP

CATTLE GUARD

ROD JACK

ELECTRICAL

ELECTRICAL

ELECTRICAL

TRILOGY OPERATING, INC.

SCHEDULE OF DRILLING & COMPLETION CHARGES

WELL NAME : SELMAN #1
LEASE NO. : 008074-1

DECK	BILL CODE	TRANS DATE	VENDOR NAME	INVOICE NUMBER	INTANGIBLE EXPENSE	EQUIPMENT	BILLING DESCRIPTION
A	4-07	04/08/03	FULFEE ELECTRIC, LLC	17148	0.00	421.15	ELECTRICAL
A	4-07	06/11/03	K & S ELECTRIC CO.	64369	0.00	5,713.79	POWER LINE
A	4-09	04/10/03	NOLAN H. BRUNSON, INC.	2304057	0.00	3,263.33	MASTER WEIGHTS
A	4-11	04/15/03	WEATHERFORD ARTIFICIAL LIFT	1164469 RI	0.00	6,957.09	180 JTS., 3/4" CLASS HS
A	4-11	04/15/03	WEATHERFORD ARTIFICIAL LIFT	1164469 RI	0.00	305.02	4 PONY RODS
A	4-11	04/15/03	WEATHERFORD ARTIFICIAL LIFT	1164469 RI	0.00	6,372.89	126 JTS., 7/8" CLASS HS
A	4-15	03/10/03	AMERICAN PUMP PARTS SUPPLY,	00014916 E	0.00	112.24	
A	4-15	03/25/03	DON-NAN PUMP & SUPPLY CO., INC	476815	0.00	720.13	VALVES & FITTINGS
A	4-15	04/07/03	DON-NAN PUMP & SUPPLY CO., INC	478208	0.00	14,278.24	VALVES & FITTINGS
A	4-15	04/09/03	DON-NAN PUMP & SUPPLY CO., INC	478433	0.00	52.89	VALVES & FITTINGS
A	4-15	04/14/03	DON-NAN PUMP & SUPPLY CO., INC	479003	0.00	35.30	VALVES & FITTINGS
A	4-15	04/30/03	DON-NAN PUMP & SUPPLY CO., INC	480920	0.00	374.74	VALVES & FITTINGS
A	4-17	01/27/03	DON-NAN PUMP & SUPPLY CO., INC	470288	0.00	1,084.56	WELLHEAD
A	4-17	02/20/03	DON-NAN PUMP & SUPPLY CO., INC	473207	0.00	738.11	WELLHEAD
A	4-95	06/23/03	HOBBS ROUSTABOUTS, INC.	118871	0.00	520.01	INSTALLATION-SURFACE EQUIPMEI
A	4-95	06/24/03	HOBBS ROUSTABOUTS, INC.	118872	0.00	817.16	INSTALLATION-SURFACE EQUIPMEI
A	4-95	06/25/03	HOBBS ROUSTABOUTS, INC.	118873	0.00	445.73	INSTALLATION-SURFACE EQUIPMEI
A	4-95	04/23/03	JAMES O. ROBERSON D/B/A	5596	0.00	8,400.50	INSTALLATION-SURFACE EQUIPMEI
A	4-95	05/14/03	JAMES O. ROBERSON D/B/A	6043	0.00	222.60	INSTALLATION-SURFACE EQUIPMEI
A	5-03	01/27/03	POSEY PIPE COMPANY	99-227	0.00	3,705.25	CASING
A	5-03	01/27/03	POSEY PIPE COMPANY	99-227	0.00	9,847.87	CASING
A	5-03	02/19/03	POSEY PIPE COMPANY	99-229	0.00	41,786.68	CASING
A	5-03	02/19/03	POSEY PIPE COMPANY	99-229	0.00	30,624.27	CASING
A	5-03	03/05/03	POSEY PIPE COMPANY	99-238	0.00	(560.94)	CASING
X	5-08	01/31/03		1/2003JIB	0.00	13,553.12	MISCELLANEOUS
Z	5-08	01/31/03		1/2003JIB	0.00	(13,553.12)	MISCELLANEOUS
A	5-09	04/01/03	MATERIAL TRANSFER	MT0305-01	0.00	1,299.38	MOTOR
A	5-10	04/01/03	MATERIAL TRANSFER	MT0305-01	0.00	20,000.00	PUMPING UNIT
A	5-10	04/09/03	NOLAN H. BRUNSON, INC.	2304048	0.00	2,866.33	PUMPING UNIT
A	5-10	04/10/03	NOLAN H. BRUNSON, INC.	2304057	0.00	922.58	PUMPING UNIT
A	5-11	06/03/03	DONNY D. MONEY D/B/A	060303A	0.00	1,327.34	SEPARATOR
A	5-13	06/03/03	DONNY D. MONEY D/B/A	060303A	0.00	1,327.35	TANKS, TREATERS
A	5-13	04/01/03	J.R. OIL LTD. CO.	0321	0.00	5,306.25	TANKS, TREATERS
A	5-13	03/28/03	MATERIAL TRANSFER	MT030402	0.00	2,174.85	TANKS, TREATERS
A	5-13	03/31/03	NOLAN H. BRUNSON, INC.	2303223	0.00	2,637.59	TANKS, TREATERS
A	5-13	03/31/03	NOLAN H. BRUNSON, INC.	2303224	0.00	1,967.81	TANKS, TREATERS
A	5-13	03/31/03	R & R SERVICE CO., INC.	22904	0.00	2,727.41	TANKS, TREATERS

HAUL TANKS TO LOC
HAUL TANK, HT SEP TO LOC
REPAIR 500BBL TANK

TRILOGY OPERATING, INC.

SCHEDULE OF DRILLING & COMPLETION CHARGES

WELL NAME : SELMAN #1
LEASE NO. : 008074-1

	BILL	TRANS		INVOICE	INTANGIBLE		BILLING
DECK	CODE	DATE	VENDOR NAME	NUMBER	EXPENSE	EQUIPMENT	DESCRIPTION
A	5-14	08/15/03	MATERIAL TRANSFER	0309-02	0.00	312.48	TUBING
A	5-14	03/19/03	MATERIAL TRANSFER	MT030401	0.00	1,575.18	TUBING
A	5-14	04/17/03	MATERIAL TRANSFER	MT0306-01	0.00	(2,654.20)	TUBING
A	5-14	03/18/03	MIDLAND DRILLING PRODUCTS	031803-1	0.00	23,891.29	TUBING
							126' 2 7/8" N80 6.5#
							635' 2 7/8" N80
							107' 1' 2 7/8" N80 6.5# R2 EUE
							827' 4' 2 7/8" N80 8RD EUE R2

SUBTOTAL \$573,011.83 \$223,435.57

TOTAL \$796,447.40