

Date: 12/05/01 AFE No.:

Category: New Drill Type: Oil

Well: Ruby # 2 Depth: 8000
 Operator: Trilogy Operating, Inc Fm.: Abo
 Location: Nadine Field County: Lea
 Prospect: State: New Mexico

Description	DH	Producer	Total
Permit, Surveying	1,000		1,000
Surf. Damage, ROW	25,000		25,000
Roads, Location, Pits	25,000		25,000
Drilling: Footage \$ 17.00 / ft as of 12/05/01	136,000		136,000
Daywork	15,000		15,000
Turnkey			0
Rig Mobilization			0
Fuel,Boiler			0
Completion Rig 10 days @ \$ 2500/day		25,000	25,000
Mud & Chemicals	12,000		12,000
Water, Water Hauling	10,500		10,500
Transportation, Hauling	3,000		3,000
Bits, Reamers, Stab.			0
Coring	25,000		25,000
Drill Stem Testing			0
Equipment Rental	5,000	3,000	8,000
Special Services			0
Directional Drig.			0
Contract Labor	15,000	10,000	25,000
Mud Logging, Geological	7,500		7,500
Cementing	18,700	23,000	41,700
Logging	20,000		20,000
Perforating		8,000	8,000
Stimulation		40,000	40,000
Wellsite Supervision			0
Abandonment Expense	6,000		6,000
Legal Exp., Insurance	2,000		2,000
COPAS Overhead	3,000	2,000	5,000
			0
Contingency 10%	32,970	11,100	44,070
Total Intangible	362,670	122,100	484,770
TUBULARS			
Conductor ft.			0
Surface 1600 ft.	13,600		13,600
Intermediate ft.			0
Liner ft.			0
Production 8000 ft.		50,000	50,000
Tubing		24,000	24,000
PRODUCTION FACILITIES			
Tanks			0
Separator			0
Heater/Treater			0
Dehydrator			0
Buildings			0
Flowline/Pipeline		3,000	3,000
Valves/Fittings		2,500	2,500
ARTIFICIAL LIFT EQUIP			
Pumping Unit Low Profile		48,000	48,000
Fndn./Base			0
Prime Mover			0
Sucker Rods		16,000	16,000
Bottom Hole Pump		2,500	2,500
Wellhead Equip.	650	550	1,200
Packer/Anchor		500	500
Other Equip.		1,000	1,000
Non-Controllable Equip.			0
Contingency 10%	1,425	14,805	16,230
Total Tangibles	15,675	162,855	178,530
TOTAL WELL COST	378,345	284,955	663,300

Approved and Accepted this ___ day of _____, 200__.

By: _____ Company: _____

Print Name: _____

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-101
Revised October 18, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Trilogy Operating, Inc P.O. Box 7606 Midland, Texas 79708		OGRID Number 021602
		API Number 30-025-35828
Property Code 27873	Property Name Ruby	Well No. 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
K	24	19S	38E		2310	South	1650	West	Lea

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
Proposed Pool 1 Nadine ; Drinkard-Abo					Proposed Pool 2				

Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 3587
Multiple No	Proposed Depth 8000	Formation Abo	Contractor Star Drilling # 3	Spud Date 03-01-02

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4	8 5/8	24	1700	650	circulate
7 7/8	5 1/2	17	8000	900	circulate

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

- 1) Drill 12 1/4" hole w/ fresh water mud to an approximate depth of 1700'
- 2) Set 8 5/8" - 24# J-55 casing and cement w/ approximately 650 sx class "c" w/ additives, or amount of cement needed to circulate to surface
- 3) WOC 24 hrs, Drill 7 7/8" hole w/ brine water mud to approximately 8000' or depth to sufficiently test the Abo Formation
- 4) Run open hole logs and determine productivity potential of wellbore
- 5) Either plug & abandon well as per NMOC instructions or Run 5 1/2" - 17# N80 csg to a setting depth to cover Abo Formation or productive horizon - cement w/ lead class "c" & tail class "h" cement so as to circulate cement to surface - volumes will be determined from

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: 
Printed name: Michael G. Mooney

Title: Engineer

Date: 01-31-02 Phone: 915-686-2027

OIL CONSERVATION DIVISION

Approved By: PAUL F. KAUTZ
PETROLEUM ENGINEER

Title:

Approval Date: FEB 05 2002 Expiration Date:

Conditions of Approval:
Attached:

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-35828	Pool Code 47510	Pool Name Nadine ; Drinkard-Abo
Property Code 27873	Property Name RUBY	
OGRID No. 021602	Operator Name TRILOGY OPERATING INC.	
		Well Number 2
		Elevation 3587'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	24	19-S	38-E		2310	SOUTH	1650	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill I	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	GEODETIC COORDINATES WGS 84 Y = 600512.9 X = 919344.3 LAT. = 32°38'41.46"N LONG. = 103°06'18.99"W	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Michael G. Mooney Printed Name Engineer Title 1/31/02 Date
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. JANUARY 23, 2002 Date Surveyed Signature & Seal of Professional Surveyor Certificate No. RONALD C. KIDSON 3239 GARY KIDSON 12641	AWB

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

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

JASON KELLAHIN (RETIRED 1991)

February 20, 2002

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 Ruby Well No. 2 which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for March 21, 2002. 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, March 15, 2002, with a copy delivered to the undersigned.

Very truly yours,



W. Thomas Kellahin

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

EXHIBIT "A"

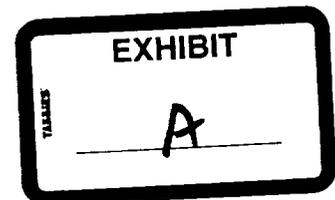
NE/4 SW/4 SECTION 24, T-19-S, R-38-E, NMPM, LEA COUNTY, NEW MEXICO

UNLEASED MINERAL OWNERS:

MINERAL INTEREST

Gena Gilmer (No response) 5850 S. Jardin Place Memphis, TN 38141	0.0003662
Mike Gilmer (No response) P.O. Box 384 Columbia, TN 38402	0.0003662
Timothy C. Williams (Barbara Christman Farrell) 3931 Tall Birch Cove Memphis, TN 38115	0.0041503
Betty B. Martin (Lease not returned, ill) 12770 South Main Street Somerville, TN 38068	0.0019531
John Flood Address Unknown	0.0019531
W. Tom Jones Address Unknown	0.0078125
Snyder-Flood Trust and Estate of Anne Snyder c/o Wells Fargo Bank, Trustee Attn: Trust Department P.O. Box 1959 Midland, Texas 79702	0.0019531 195375

Compulsory Pooling: Ruby #2 MI



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 it can be returned to you.
 - Attach to this receipt one piece of the article.
1. Article Description: **Trilogy Ruby Well # 2**
 Date: **March 21, 2002**
 Date of Receipt: **2/20/02**

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly): *Snyder Snyder* B. Date of Delivery: **FEB 25 2002**

Snyder Flood Trust & Estate of Anne Snyder
 c/o Wells Fargo Bank, Trustee
 Attn: Trust Dept.
 PO Box 1959
 Midland, TX 79702

2. Article Number (Copy from service label)

7001 1140 0002 9563 5408

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0953

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 it can be returned to you.
 - Attach to this receipt one piece of the article.
1. Article Description: **Trilogy Ruby Well # 2**
 Date: **March 21, 2002**
 Date of Receipt: **2/20/02**

Betty B. Martin
 12770 South Main Street
 Somerville, TN 38068

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly): _____ B. Date of Delivery: **2/27/02**

C. Signature: *Betty B. Martin* Agent Addressee

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

3. Service Type

Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

2. Article Number (Copy from service label)

7001 1140 0002 9563 5415

PS Form 3811, July 1999

Domestic Return Receipt

102595

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0002 9563 5439

Trilogy
Ruby Well # 2
March 21, 2002
2/20/02

Mike Gilmer
PO Box 384
Columbia, TN 38402

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0002 9563 5446

Trilogy
Ruby Well # 2
March 21, 2002
2/20/02

Gena Gilmer
5850 S. Jardin Place
Memphis, TN 38141

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0002 9563 5408

Trilogy
Ruby Well # 2
March 21, 2002
2/20/02

Snyder Flood Trust & Estate
of Anne Snyder
c/o Wells Fargo Bank, Trustee
Attn: Trust Dept.
PO Box 1959
Midland, TX 79702

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0002 9563 5415

Trilogy
Ruby Well # 2
March 21, 2002
2/20/02

Betty B. Martin
12770 South Main Street
Somerville, TN 38068

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 1140 0002 9563 5422

Trilogy
Ruby Well # 2
March 21, 2002
2/20/02

Timothy C Williams
(Barbara Christman Farrell)
3931 Tall Birch Cove
Memphis, TN 38115