

Date: 12/20/02 AFE No.: _____

Category: Drill Type: Oil

Well: Selman # 1
 Operator: Trilogy Operating, Inc
 Location: Sec 11, T19S, R38E
 Prospect: Selman # 1

Depth: 9000
 Fm.: Silurian
 County: Lea
 State: New Mexico

Description	DH	Producer	Total
Permit, Surveying	600		600
Surf. Damage, ROW	15,000		15,000
Roads, Location, Pits	35,000		35,000
Drilling: Footage 17.00/ft x 7900'	134,300		134,300
Daywork \$6500/day	65,000		65,000
Turnkey			0
Rig Mobilization			0
Fuel,Boiler			0
Completion Rig \$2200/day		33,000	33,000
Mud & Chemicals	8,000		8,000
Water, Water Hauling	12,000		12,000
Transportation, Hauling	3,600		3,600
Bits, Reamers, Stab.	3,600		3,600
Coring			0
Drill Stem Testing	10,000		10,000
Equipment Rental	6,000		6,000
Special Services			0
Directional Drlg.			0
Contract Labor	6,000		6,000
Mud Logging, Geological	14,000		14,000
Cementing	8,000	21,000	29,000
Logging	25,000	2,500	27,500
Perforating		5,200	5,200
Stimulation 1 - zone @ 60,000		120,000	120,000
Wellsite Supervision	6,000	4,000	10,000
Abandonment Expense	3,900		3,900
Legal Exp., Insurance	3,000		3,000
COPAS Overhead	3,500	0	3,500
			0
Contingency 10%	36,250	18,570	54,820
Total Intangible	398,750	204,270	603,020
TUBULARS			
Conductor ft.			0
Surface 1600 ft. 9.625	21,600		21,600
Intermediate 7900 ft. 7"	90,850		90,850
Liner 2000 ft. 5"		12,000	12,000
Production ft.			0
Tubing 9000 ft. 2 3/8		27,000	27,000
PRODUCTION FACILITIES			
Tanks		14,000	14,000
Separator		3,500	3,500
Heater/Treater		4,800	4,800
Dehydrator			0
Buildings			0
Flowline/Pipeline		2,500	2,500
Valves/Fittings		2,500	2,500
ARTIFICIAL LIFT EQUIP			
Pumping Unit		35,000	35,000
Fndn./Base			0
Prime Mover			0
Sucker Rods		16,000	16,000
Bottom Hole Pump		2,800	2,800
Wellhead Equip.	1,400	1,200	2,600
Packer/Anchor		900	900
Other Equip.			0
Non-Controllable Equip.	2,000	1,000	3,000
Contingency 10%	11,585	12,320	23,905
Total Tangibles	127,435	135,520	262,955
TOTAL WELL COST	526,185	339,790	865,975

Agreed and Accepted this ____ day of _____, _____

By: _____ Print Name: _____

Company: _____ Title: _____

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

District II
311 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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

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 30-025-36128
Property Code 31894	Property Name Selman	Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
J	11	19S	38E		2310	South	2170	East	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 Wildcat : Devonian				

Work Type Code N	Well Type Code O	Cable/Rotary R	Lease Type Code P	Ground Level Elevation 3603
Multiple No	Proposed Depth 9000	Formation Devonian	Contractor Star Drilling # 5	Spud Date 01-30-03

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4	9 5/8	32	1700	650	circulate
8 1/2	7	24	8000	900	circulate
6 1/4	4 1/2	10.5	9000	400	8000'

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 9 5/8" - 32# 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 8 1/2" 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) Run 7" - 24# N80 csg to a setting depth to cover Abo Formation - Drill 6 1/4" hole to 9000' w/ fresh water
- 6) Run logs across Silurian/Devonian Formation - if productive set 4 1/2" - 10.5# liner inside 7" csg
- 7) RDMO drilling rig and attempt completion

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

Signature: *Michael G. Mooney*
Printed name: Michael G. Mooney

Title: Engineer

Date: 01-19-03

Phone: 915-686-2027

OIL CONSERVATION DIVISION

Approved By: ORIGINAL SIGNED BY

Title: PAUL F. KAUTZ

Approval Date: JAN 28 2003

Expiration Date:

Conditions of Approval:
Attached:

Permit Expires 1 Year After Issuance
Date Unless Drilling Underway

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

State of New Mexico

Energy, Minerals and Natural Resources Department

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

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <i>30-025-34128</i>	Pool Code 47510	Pool Name Nadine : Drinkard-Abo
Property Code <i>31894</i>	Property Name SELMAN	Well Number 1
OGRID No. 021602	Operator Name TRILOGY OPERATING, INC.	Elevation 3603'

Surface Location

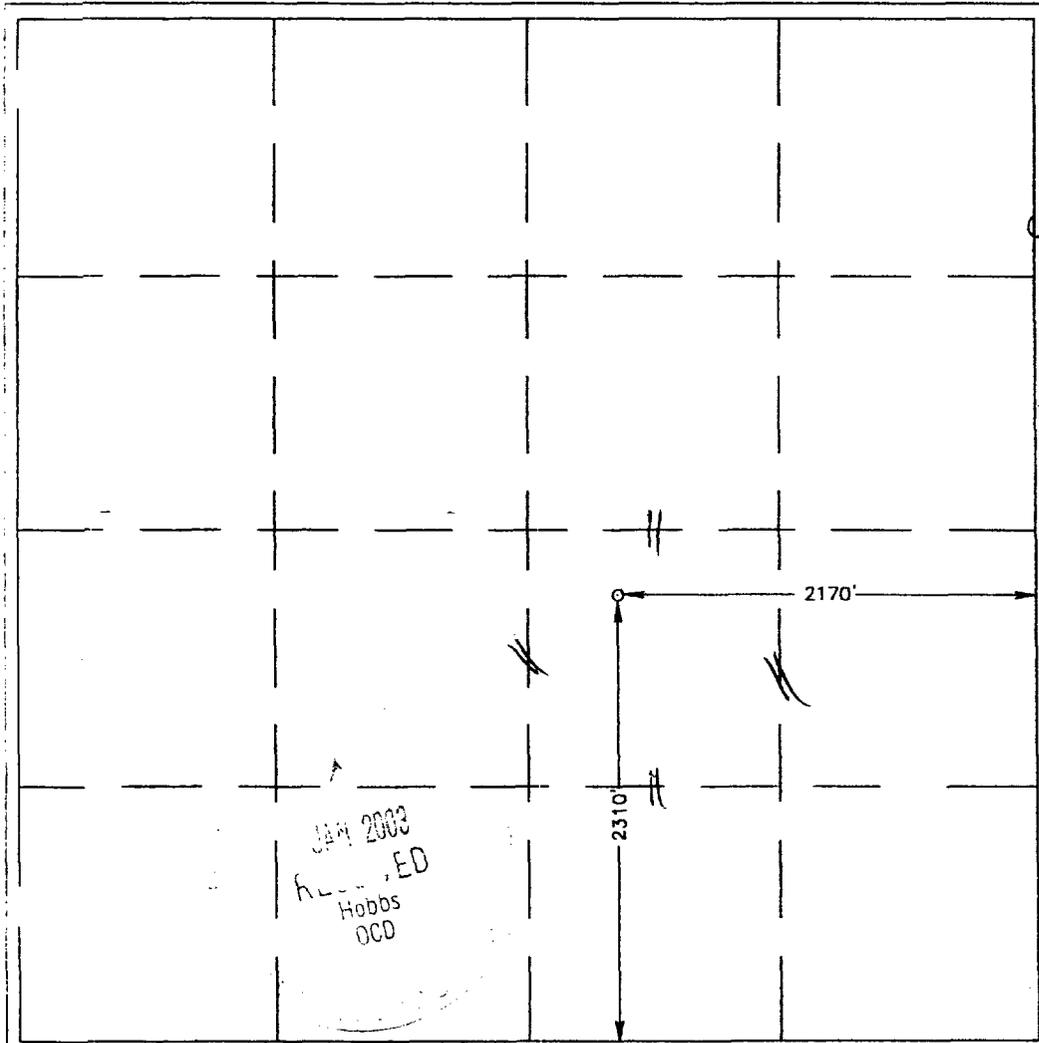
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	11	19-S	38-E		2310	SOUTH	2170	EAST	LEA

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



OPERATOR CERTIFICATION

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

Michael G. Mooney
Signature

Michael G. Mooney
Printed Name

Engineer
Title

1/17/03
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.

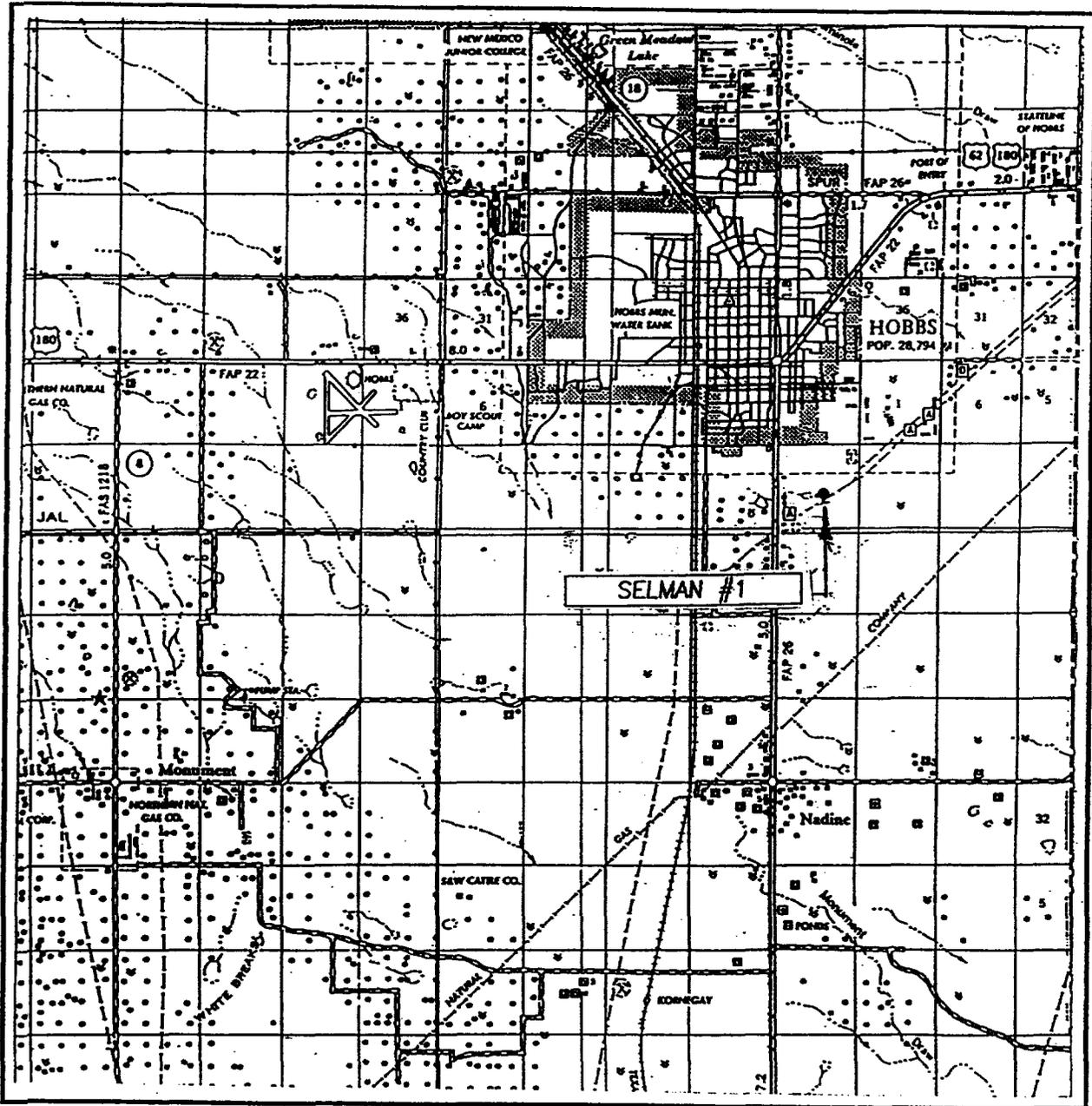
JANUARY 10, 2003
Date Surveyed

Signature & Seal of Professional Surveyor
Ronald G. Edson

03.11.0013

Certificate No. RONALD G. EDSON 3239
GARY EDSON 12641

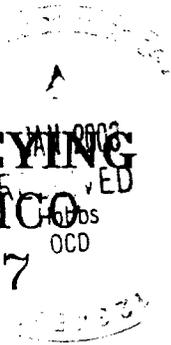
VICINITY MAP



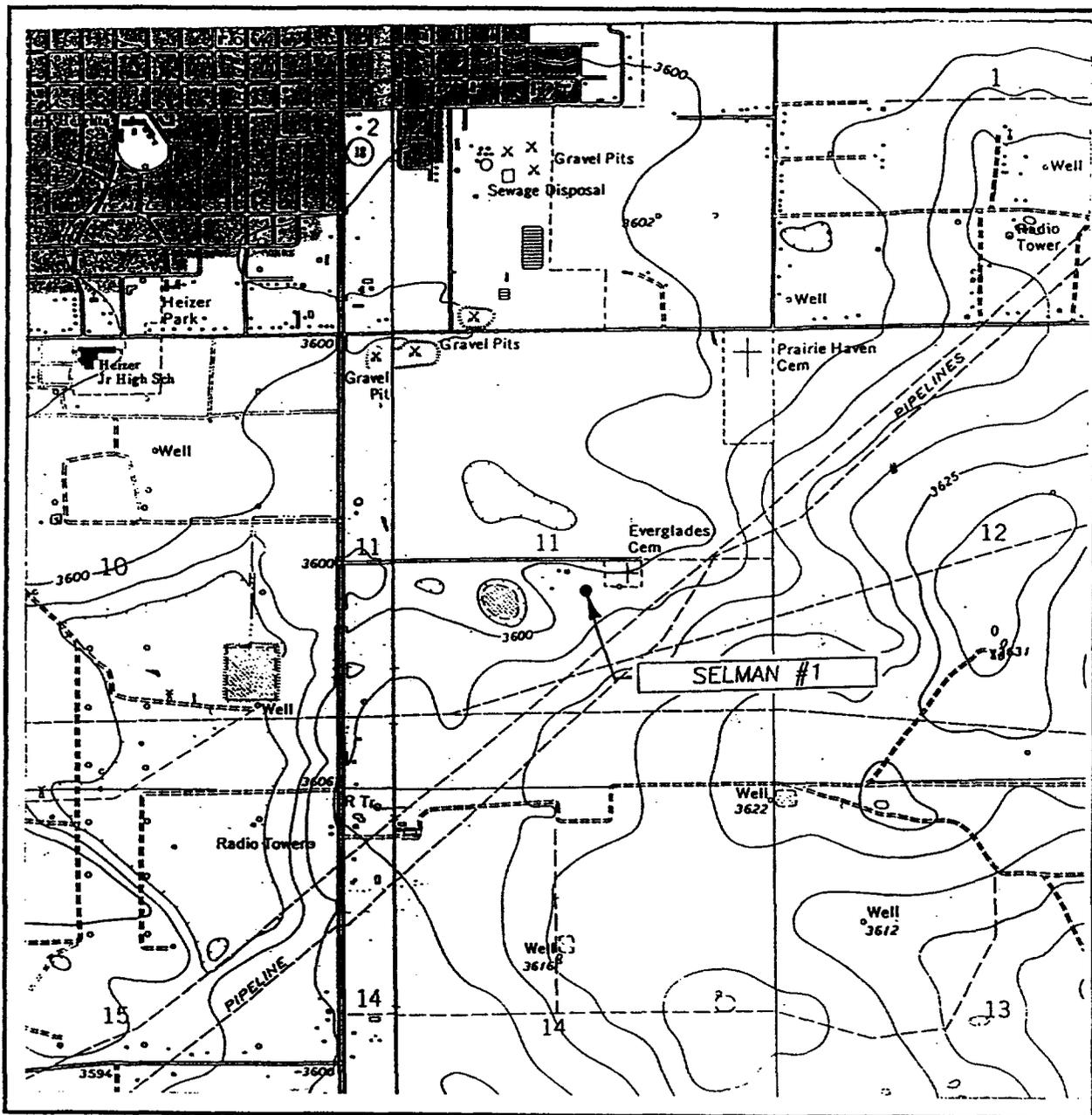
SCALE: 1" = 2 MILES

SEC. 11 TWP. 19-S RGE. 38-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 2310' FSL & 2170' FEL
 ELEVATION 3603'
 OPERATOR TRILOGY OPERATING, INC.
 LEASE SELMAN

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
 (505) 393-3117



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 5'
HOBBS EAST, N.M.

SEC. 11 TWP. 19-S RGE. 38-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2310' FSL & 2170' FEL

ELEVATION 3603'

OPERATOR TRILOGY OPERATING, INC.

LEASE SELMAN

U.S.G.S. TOPOGRAPHIC MAP
HOBBS EAST, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117