

Date: 05/01/01 AFE No.:

Category: Drill Type: Oil

Well: Sapphire No. 1  
Operator: Trilogy Operating, Inc.  
Location: SW/4 NE/4 Sec. 24, T-19-S, R-38-E  
Prospect: Emerald ProspectDepth: 7800  
Fm.: Abo  
County: Lea  
State: New Mexico

Description	DH	Producer	Total
Permit, Surveying	1,000		1,000
Surf. Damage, ROW	35,000		35,000
Roads, Location, Pits	25,000		25,000
Drilling: D Footage 0	0		0
Daywork \$ 10,000/day X 15 days	150,000		150,000
Turnkey			0
Rig Mobilization \$25,000	25,000		25,000
Fuel, Boiler \$8,500	8,500		8,500
Completion Rig \$ 2000 / day		20,000	20,000
Mud & Chemicals	9,000		9,000
Water, Water Hauling	11,000		11,000
Transportation, Hauling	2,500		2,500
Bits, Reamers, Stab.	17,000		17,000
Coring			0
Drill Stem Testing			0
Equipment Rental	2,000		2,000
Special Services			0
Directional Drig.			0
Contract Labor	3,000		3,000
Mud Logging, Geological	8,000		8,000
Cementing	22,000	36,000	58,000
Logging	25,000	4,000	29,000
Perforating		3,900	3,900
Stimulation 1 - zone @ 60,000		60,000	60,000
Wellsite Supervision	9,000	7,500	16,500
Abandonment Expense	5,000		5,000
Legal Exp., Insurance	5,000		5,000
COPAS Overhead	4,500	0	4,500
Pit Lining	2,500		2,500
Contingency 10%	37,000	13,140	50,140
<b>Total Intangible</b>	<b>407,000</b>	<b>144,540</b>	<b>551,540</b>

**TUBULARS**

Conductor	ft.		3,500		3,500
Surface	1700 ft.	8 5/8"	18,300		18,300
Intermediate	ft.				0
Liner	ft.				0
Production	7800 ft.	5 1/2"		57,000	57,000
Tubing	7800 ft.	2 7/8"		33,000	33,000

**PRODUCTION FACILITIES**

Tanks			40,000		40,000
Separator			3,500		3,500
Heater/Treater			6,000		6,000
Dehydrator					0
Buildings					0
Flowline/Pipeline			3,000		3,000
Valves/Fittings			3,000		3,000

**ARTIFICIAL LIFT EQUIP**

Pumping Unit			60,000		60,000
Fndn./Base			1,000		1,000
Prime Mover					0
Sucker Rods			9,750		9,750
Bottom Hole Pump			2,000		2,000
Wellhead Equip.		950	950		1,900
Packer/Anchor			1,250		1,250
Other Equip.					0
Non-Controllable Equip.		2,000	1,000		3,000
Contingency 10%		2,475	22,145		24,620
<b>Total Tangibles</b>		<b>27,225</b>	<b>243,595</b>		<b>270,820</b>
<b>TOTAL WELL COST</b>		<b>434,225</b>	<b>388,135</b>		<b>822,360</b>

APPROVED THIS \_\_\_ DAY OF \_\_\_\_\_, 2001 Print Name: \_\_\_\_\_

BY: \_\_\_\_\_ Company: \_\_\_\_\_

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

<sup>1</sup> Operator Name and Address Trilogy Operating, Inc. P.O. Box 7606 Midland, Texas 79708		<sup>2</sup> OGRID Number 021602
		<sup>3</sup> API Number 30 - 025 - 35568
<sup>4</sup> Property Code 28066	<sup>5</sup> Property Name Sapphire	<sup>6</sup> Well No. 1

<sup>7</sup>Surface Location

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

<sup>8</sup>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
<sup>9</sup> Proposed Pool 1 House Drinkard-Abo					<sup>10</sup> Proposed Pool 2 House Blinebry				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3583
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 8000	<sup>18</sup> Formation Abo	<sup>19</sup> Contractor Patterson # 54	<sup>20</sup> Spud Date 06-10-01

<sup>21</sup>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	750	Circulate
7 7/8	5 1/2	17	8000	1500	Circulate

<sup>22</sup>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" surface hole using fresh water mud - TD hole @ approx. 1700' or hard formation
- 2) Set 8 5/8" - 24# - K55 casing @ 1700' - cement w/ approx. 750 sx class "c" cement and circulate to surface
- 3) WOC 12 hrs - Test BOP's to 3000 psi - Begin drilling 7 7/8" hole w/ brine water mud
- 4) TD 7 7/8" hole @ approx. 8000' - run open hole logs
- 5) Set 5 1/2" - 17# - N80 & J55 casing - cement w/ approx. 1500 sx of class "H" cement and circulate cement to surface
- 6) If Non-productive - P&A well as per NMOC

<sup>23</sup>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: 05-23-01

Phone: 915-686-2027

OIL CONSERVATION DIVISION

Approved By:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached: ☐

Permit Expires 1 Year From Approval  
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, 1984

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 <b>30-025-35568</b>	Pool Code <b>47510</b>	Pool Name <b>Nadine : Drinkard-Abo</b>
Property Code <b>28066</b>	Property Name <b>SAPPHIRE</b>	Well Number <b>1</b>
OGRID No. <b>021602</b>	Operator Name <b>TRILOGY OPERATING INC.</b>	Elevation <b>3583'</b>

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>G</b>	<b>24</b>	<b>19-S</b>	<b>38-E</b>		<b>2310</b>	<b>NORTH</b>	<b>1650</b>	<b>EAST</b>	<b>LEA</b>

## 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	Joint or Infill	Consolidation Code	Order No.
<b>40</b>	<b>I</b>		

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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  <i>Michael G. Mooney</i> Signature <b>Michael G. Mooney</b> Printed Name <b>Engineer</b> Title <b>5/25/01</b> Date
	<b>SURVEYOR CERTIFICATION</b>  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.  <b>MAY 10, 2001</b> Date Surveyed <i>Ronald J. Eidson</i> Signature & Seal of Professional Surveyor <b>RONALD J. EIDSON</b> Certificate No. <b>3239</b> <b>GARY EIDSON</b> <b>12841</b>
	<b>AWB</b> <b>5/24/01</b> <b>61-11-0553</b>
	<b>3239</b> <b>12841</b>