the state of New Mexico		Form C-103
District I 1625 N. French Dr., Hobbs, NM 88240 District II		May 27, 2004 WELL API NO.
1301 W. Grand Ave., Artesia, NM 88210 OIL CONS	ERVATION DIVISION	<b>30-025-36221</b> 5. Indicate Type of Lease
1000 Rio Brazos Rd., Aztec, NM 87410		STATE FEE X
District IV Santa Fe, NM 87505 Santa Fe, NM 87505		6. State Oil & Gas Lease No.
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH		7. Lease Name or Unit Agreement Name Diamond
PROPOSALS.) 1. Type of Well: Oil Well XX Gas Well Other		8. Well Number
2. Name of Operator		9. OGRID Number
Trilogy Operating, Inc.         3. Address of Operator		021602 10. Pool name or Wildcat
P.O. Box 7606 Midland, Tx. 79708		Wildcat San Andres (97353)
4. Well Location Unit Letter D : 990 feet from	Athon in the third	
Unit Letter <u>D</u> : <u>990</u> feet from Section 24 Townshi	n the <u>North</u> line and <u></u> p 19S Range 38E	760 feet from the <u>West</u> line NMPM County Lea
	w whether DR, RKB, RT, GR, etc.	
Pit or Below-grade Tank Application or Closure		
	m nearest fresh water well Dis	tance from nearest surface water
Pit Liner Thickness: mil Below-Grade Tank: Volumebbls; Construction Material		
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		
TEMPORARILY ABANDON CHANGE PLANS COMMENCE DRILLING OPNS. PANDA		
PULL OR ALTER CASING DIMULTIPLE COMPL CASING/CEMENT JOB		
OTHER: OTHER: Horizontal		
<ol> <li>Describe proposed or completed operations. (Cl of starting any proposed work). SEE RULE 110 or recompletion.</li> </ol>	early state all pertinent details, and 3. For Multiple Completions: At	d give pertipent dates including estimated la
12/14/04 MIRU Key #482 Horizo 12/15/04 Set CIBP @ 4140 and 12/16/04 Cut window inside 5½	set whipstock casing at 4140-414	9
12/18/04 Build angle from 4140'-4467'; go horizontal @ TVD öf 4300' 12/21/04 Unable to stay in pay zone;PB with 120 sx cement		
12/2//04 Kick off with new lateral @ 4302': TVD of 4263'		
12/31/04 Finish lateral (see attached survey report) Spot 1400 gals 15% NEFE acid in lateral; POH and RD horizontal rig		
1/5/05 RIH with PKR and TBG breakdown San Andres formation		
1/6/05 RIH with production	equipment to test S	
		COO SQQOH
		I I I I I I I I I I I I I I I I I I I
		5002 MM
and a start of the second s Second second		
I hereby certify that the information above is true and com grade tank has been/will be constructed or closed according to NMO	plete to the best of my knowledge CD guidelines $\Box$ , a general permit $\Box$ o	and belief. I further certify that any pit or below- or an (attached) alternative OCD-approved plan .
SIGNATURE A. LACY	TITLE President	DATE1/11/05
Type or print name Jerry A Weant For State Use Only	E-mail address:	Telephone No.432/686-2027
APPROVED BY:		JAN 2 1 2005
Conditions of Approval (if any):	PETROLEUM ENGIN	EERDATE