State of New Mexico

to Appropriate Minerals and Natural Resources Department En€ District Office OIL CONSERVATION DIVISION DISTRICT I P.O. Box 1980, Hobbs, NM 88240 WELL API NO. 2040 Pacheco St. 30-025-35446 Santa Fe. NM 87505 DISTRICT II Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 FEE STATE «State Oil & Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 N/A 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" 7Lease Name or Unit Agreement Name Emerald (FORM C-101) FOR SUCH PROPOSALS.) Type of Well: WELL X WELL «Well No. 2Name of Operator 3 Trilogy Operating, Inc. Pool name or Wildcat Address of Operator House Drinkard-Abo P.O. Box 7606, Midland, Texas 79708 4Well Location 990 . 2310 South East Feet From The Feet From The Line and Line 38E 24 19S **NMPM** Lea County Section Township Range 10Elevation (Show whether DF, RKB, RT, GR, etc.) 3580' - GR Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data 11 **NOTICE OF INTENTION TO:** SUBSEQUENT REPORT OF: PLUG AND ABANDON REMEDIAL WORK ALTERING CASING PERFORM REMEDIAL WORK **TEMPORARILY ABANDON** CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ANBANDONMENT CASING TEST AND CEMENT JOB PULL OR ALTER CASING OTHER: OTHER: 12Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. 3/12/01 - Spud 12 1/4" hole using fresh water mud @ 5:30 PM 3/13/01 - TD surface hole @ 1703' - RIH w/ 38 jts - 8 5/8" - 24# - K55 casing to a setting depth of 1700' Cement w/ 550 sx class "C" + 2% gel + 2% Cacl2 + 200 sx class "C" + 2% Cacl2

Circulated 85 sx cement to surface

3/15/01 - WOC 12 hrs , Install & Test BOP's - begin drilling 7 7/8" hole w/ brine water mud

3/26/01 - TD 7 7/8" hole @ 8000', run open hole logs & decide to run 5 1/2" casing

3/27/01 - RIH w/ 228 jts 5 1/2" - 17# - J55 & N80 LT&C casing, total pipe = 8022' set @ 8000' Cement w/ Lead - 870 sx class"c" + 6% gel (65:35:6) + 5% salt + 1/4 #/sx celloflake tail - 1070 sx class "H" + 0.3% BA-10 & CD-32 + 1% FL-62 + 0.2% SMS circulated 30 bbls cement to pit = 133 sx

3/28/01 - RDMO drilling rig - Wait on completion unit

I hereby certify that the information above is true and complete to the best of my	knowledge and belief.	
SIGNATURE Mychal Groung	TITLE Engineer	DATE 03-28-01
TYPE OR PRINT NAME Michael G. Mooney		TELEPHONE NO. 915/686-2027
(This space for State Use)		

TIFE OR FRINT NAME INIGINGS			=
(This space for State Use)			
		_ 5%	
APPROVED BY	ሲፒ! TITLE ሎ ታ	DATE	-
CONDITIONS OF APPROVAL IF ANY	(MOO) A MARINE	₹	