ENCORE ACQUISITION CO
Form 424B3
November 16, 2005

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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Filed pursuant to Rule 424(b)(3)
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SUBJECT TO COMPLETION. DATED NOVEMBER 16, 2005.

PRELIMINARY PROSPECTUS SUPPLEMENT
(To Prospectus Dated July 9, 2004)

$150,000,000
Encore Acquisition Company
% Senior Subordinated Notes due 2017

The notes will bear interest at the rate of % per year. Interest on the notes is payable on and of each year, beginning , 2006. The notes will mature on , 2017. We have the option to redeem all or a portion of the notes on and after , 2010 at the redemption prices set forth in this prospectus supplement. In addition, at any time prior to , 2008, we may redeem up to 35% of the original principal amount of the notes at the redemption price set forth in this prospectus supplement using the proceeds of specified equity offerings. We may also redeem the notes, in whole but not in part, at a redemption price equal to the principal amount of the notes plus the Applicable Premium (as defined herein) at any time prior to , 2010. Notes will be issued only in registered book-entry form, in denominations of $1,000 and integral multiples of $1,000.

Our obligations under the notes will be fully and unconditionally guaranteed on a senior subordinated basis by our existing and some of our future restricted subsidiaries.

Investing in the notes involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement and on page 1 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the related prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public Offering Price	%	$
Underwriting Discount	%	$
Proceeds to Encore(before expenses)	%	$

Interest on the notes will accrue from , 2005 to the date of delivery.

The underwriter expects to deliver the notes to purchasers on or about November , 2005.

Sole Book-Running Manager
Citigroup

November , 2005

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information we have included in

this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date of this prospectus supplement or the accompanying prospectus or that any information we have incorporated by reference is accurate as of any date other than the date of the document incorporated by reference. If the information varies between this prospectus supplement and the accompanying prospectus, the information in this prospectus supplement supersedes the information in the accompanying prospectus.

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SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you should consider before investing in the notes. We encourage you to read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in their entirety before making an investment decision, including the information set forth under the heading Risk Factors. References to Encore, we, our, or us refer to Encore Acquisition Company and our subsidiaries. The estimates of proved oil and natural gas reserves at December 31, 2004 included in this prospectus supplement and the accompanying prospectus and in the documents incorporated by reference are based upon the report of Miller and Lents, Ltd., an independent engineering firm.

Encore Acquisition Company

General

We are a growing independent energy company engaged in the acquisition, development, exploitation, exploration and production of onshore North American oil and natural gas reserves. Since our inception in 1998, we have sought to acquire high-quality assets with potential for upside through low-risk development drilling projects. Our properties are currently located in four core areas: the Cedar Creek Anticline, or CCA, in the Williston Basin of Montana and North Dakota; the Permian Basin of western Texas and southeastern New Mexico; the Mid-Continent area, which includes the Arkoma and Anadarko Basins of Oklahoma, the ArkLaTex region of northern Louisiana and eastern Texas and the Barnett Shale of northern Texas; and the Rockies, which includes non-CCA assets in the Williston and Power River Basins of Montana, and the Paradox Basin of southeastern Utah.

The CCA represented 66% of our total proved reserves as of December 31, 2004. The CCA is our most valuable asset today and in the foreseeable future. A large portion of our future success revolves around future exploitation of and production from this property through primary, secondary, and tertiary recovery techniques.

In 2004, we drilled 168 gross operated productive wells and participated in drilling another 67 gross non-operated productive wells for a total of 235 gross productive wells for the year. On a net basis, we drilled 156.4 operated productive wells and participated in 8.8 non-operated productive wells in 2004. Out of the 168 (156.4 net) operated productive wells, 12 (11.5 net) wells were service wells. We also drilled 5 (4.5 net) non-productive wells in 2004, of which 4 (3.9 net) were exploratory wells.

Recent Developments

On October 14, 2005, we completed the acquisition of Crusader Energy Corporation, a privately held oil and gas company based in Oklahoma City with properties located primarily in the western Anadarko Basin and the Golden Trend area of Oklahoma, as well as in the Texas panhandle and north Texas. The purchase price for Crusader was approximately $93.5 million.

On October 19, 2005, we entered into an agreement with Kerr-McGee Corporation to acquire oil and natural gas properties in the Permian Basin in West Texas and the Anadarko Basin in Oklahoma for $104 million. The transaction is expected to close in November 2005. We plan to finance this acquisition with internally generated cash flow and through borrowings under our revolving credit facility.

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Executive Offices; Website

Our executive offices are located at 777 Main Street, Suite 1400, Fort Worth, Texas 76102. Our main telephone number is (817) 877-9955. We maintain a website on the Internet at *http://www.encoreacq.com.* The information on our website is not incorporated by reference into this prospectus supplement.

The Offering

Issuer	Encore Acquisition Company.
Notes offered	$150.0 million aggregate principal amount of % senior subordinated notes due 2017.
Issue price	% plus accrued interest, if any, from , 2005.
Interest rate and payment dates	% per annum payable on and of each year, commencing on , 2006.
Maturity date	, 2017.
Ranking	The notes will be our senior subordinated unsecured obligations. They will rank equal in right of payment with any of our existing or future Senior Subordinated Indebtedness and subordinated in right of payment to our obligations under our Revolving Credit Facility and any of our other existing and future Senior Indebtedness. As of September 30, 2005, on a pro forma as adjusted basis after giving effect to this offering, the application of the estimated net proceeds from this offering and amounts outstanding under our Revolving Credit Facility as of October 31, 2005, we had approximately $1.1 million of Senior Indebtedness. The terms Revolving Credit Facility, Senior Indebtedness and Senior Subordinated Indebtedness are defined under Description of the Notes Certain Definitions.
Guarantees	The payment of the principal, interest and premium on the notes will be fully and unconditionally guaranteed on a senior subordinated basis by our existing and some of our future restricted subsidiaries. See Description of the Notes Guarantees.
Optional redemption	Prior to , 2008, we are entitled to redeem up to 35% of the aggregate principal amount of the notes issued, including any additional notes we may issue, from the proceeds of certain equity offerings, so long as: we pay to the holders of such notes a redemption price of % of the principal amount of the notes, plus accrued and unpaid interest to the date of redemption; and at least 65% of the aggregate principal amount of the notes issued, including any additional notes we may issue, remains outstanding after each such redemption, other than notes held by us or our affiliates. Prior to , 2010, we are entitled to redeem the notes as a whole at a redemption price equal to the

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	principal amount of the notes plus the Applicable Premium and accrued and unpaid interest to the date of redemption. The term Applicable Premium is defined under Description of the Notes Certain Definitions. On and after , 2010, we may redeem some or all of the notes at any time at the prices listed under Description of the Notes Optional Redemption, plus accrued and unpaid interest to the date of redemption.
Restrictive covenants	The indenture governing the notes will limit what we and our restricted subsidiaries do. The provisions of the indenture will limit our and such subsidiaries ability, among other things, to: incur additional indebtedness; pay dividends on our capital stock or redeem, repurchase or retire our capital stock or subordinated indebtedness; make investments; incur liens; create any consensual limitation on the ability of our restricted subsidiaries to pay dividends, make loans or transfer property to us; engage in transactions with our affiliates; sell assets, including capital stock of our subsidiaries; and consolidate, merge or transfer assets. During any period that the notes have investment grade ratings from both Moody s Investors Service, Inc. and Standard and Poor s Ratings Services and no default has occurred and is continuing, the foregoing covenants will cease to be in effect with the exception of covenants that contain limitations on liens and on, among other things, certain consolidations, mergers and transfers of assets. These covenants are subject to important exceptions and qualifications described under Description of the Notes Certain Covenants.
Change of control	If we experience a Change of Control, subject to certain conditions, we must give holders of the notes the opportunity to sell to us their notes at 101% of the principal amount, plus accrued and unpaid interest. The term Change of Control is defined under Description of the Notes Change of Control.
Trading	The notes will not be registered on any national securities exchange.
Use of proceeds	The net proceeds from this offering will be approximately $147.9 million, after deducting underwriting discounts and the estimated expenses of the offering. We intend to use the net proceeds from this offering to repay

amounts outstanding under our revolving credit facility. An affiliate of the underwriter is a lender under our Revolving Credit Facility and will receive a portion of the net proceeds used to repay indebtedness under such facility. See Use of Proceeds.

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Summary Consolidated Financial and Operating Data

The following table presents summary consolidated financial and operating data as of and for the periods indicated. The summary consolidated financial and operating data as of and for the three years ended December 31, 2004 is derived from our audited consolidated financial statements. The summary consolidated financial and operating data as of and for the nine months ended September 30, 2005 and 2004 is derived from our unaudited consolidated financial statements. Certain amounts of prior periods have been reclassified in order to conform to the current period presentation. You should read this information in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and the related notes thereto contained in our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, which we incorporate by reference.

	Nine Months Ended September 30,		Year Ended December 31,		
	2005	**2004**	**2004**	**2003**	**2002**
	(Dollars in thousands)				
Consolidated Statement of Operations Data:					
Revenues:(1)					
Oil	$ 222,254	$ 157,892	$ 220,649	$ 176,351	$ 134,854
Natural gas	96,616	50,773	77,884	43,745	25,838
Total revenues	318,870	208,665	298,533	220,096	160,692
Expenses:					
Production					
Lease operations	48,501	33,752	47,142	37,846	30,678
Production, ad valorem, and severance taxes	31,425	21,117	30,313	22,013	15,653
Depletion, depreciation, and amortization	59,943	33,262	48,522	33,530	34,550
Exploration	11,201	2,159	3,907		
General and administrative (excluding non-cash stock based compensation)	11,236	7,616	10,982	8,680	6,150
Non-cash stock based compensation	3,323	1,413	1,770	614	
Derivative fair value (gain) loss	5,713	3,424	5,011	(885)	(900)
Loss on early redemption of debt	19,477				
Other operating	5,822	3,462	5,028	3,481	2,045
Total expenses	196,641	106,205	152,675	105,279	88,176
Operating income	122,229	102,460	145,858	114,817	72,516

Other income (expenses):					
Interest	(23,671)	(16,761)	(23,459)	(16,151)	(12,306)
Other	729	235	240	214	91
Total other income (expenses)	(22,942)	(16,526)	(23,219)	(15,937)	(12,215)
Income before income taxes and cumulative effect of accounting change	99,287	85,934	122,639	98,880	60,301
Current income tax benefit (provision)	1,478	(3,046)	(1,913)	(991)	745
Deferred income tax provision	(34,459)	(26,981)	(38,579)	(35,111)	(23,361)
Income before cumulative effect of accounting change	66,306	55,907	82,147	62,778	37,685
Cumulative effect of accounting change, net of income taxes				863	
Net income	$ 66,306	$ 55,907	$ 82,147	$ 63,641(2)	$ 37,685

	Nine Months Ended September 30,		Year Ended December 31,		
	2005	2004	2004	2003	2002
			(Dollars in thousands)		
Other Financial Data:					
Ratio of earnings to fixed charges(3)	5.1x	6.1x	6.2x	7.0x	5.8x
Cash provided by (used by):					
Operating activities	$ 204,192	$ 127,100	$ 171,821	$ 123,818	$ 91,509
Investing activities	(297,018)	(365,814)	(433,470)	(153,747)	(159,316)
Financing activities	94,277	239,375	262,321	17,303	80,749

	As of September 30, 2005	As of December 31, 2004	2003	2002
		(Dollars in thousands)		
Consolidated Balance Sheet Data:				
Working capital	$ (54,532)	$ (15,566)	$ (52)	$ 12,489
Total assets	1,422,376	1,123,400	672,138	549,896
Total long-term debt	493,581	379,000	179,000	166,000
Stockholders equity	491,212	473,575	358,975	296,266

(1) For the nine months ended September 30, 2005 and 2004, we reduced revenue for the payments of the net profits interests by $14.4 million and $8.3 million, respectively. For the years ended December 31, 2004, 2003 and 2002, we reduced revenue for the payments of the net profits interests by $12.6 million, $5.8 million and $2.0 million, respectively.

(2) Net income for the year ended December 31, 2003 includes a $0.9 million gain from the cumulative effect of accounting change related to the adoption of SFAS No. 143, *Asset Retirement Obligations,* which affects its comparability with other periods presented.

(3) For purposes of computing the ratio of earnings to fixed charges, earnings consist of the sum of income from continuing operations before income taxes and the cumulative effect of change in accounting change, interest expense and the portion of the rent expense deemed to represent interest. Fixed charges consist of interest incurred, whether expensed or capitalized, including amortization of debt issuance costs, if applicable, and the portion of rent expense deemed to represent interest. The pro forma ratio of earnings to fixed charges after giving effect to the issuance of the notes and the application of the net proceeds therefrom would have been 4.0x for the nine months ended September 30, 2005 and 4.5x for the year ended December 31, 2004.

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Summary Oil and Gas Reserve Information

The following table sets forth summary information data with respect to our estimated proved oil and natural gas reserves as of the dates indicated. The following estimates of our net proved oil and natural gas reserves are based on estimates prepared by Miller and Lents, Ltd., independent petroleum consultants. Guidelines established by the SEC regarding the present value of future net revenues were used to prepare these reserve estimates. Reserve engineering is a subjective process of estimating underground accumulations of oil and natural gas that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data and the interpretation of that data by petroleum engineers. In addition, the results of drilling, testing and production activities may require revisions of estimates that were made previously. Accordingly, estimates of reserves and their value are inherently imprecise and are subject to constant revision and change, and they should not be construed as representing the actual quantities of future production or cash flows to be realized from oil and gas properties or the fair market value of such properties.

	As of December 31,		
	2004	**2003**	**2002**
Proved Reserves:			
Oil (MBbls)	134,048	117,732	111,674
Natural Gas (MMcf)	234,030	138,950	99,818
Combined (MBOE)	173,053	140,890	128,310
Proved developed reserves (MBOE)	123,267	109,838	107,648

Summary Operating Data

The following table sets forth summary operating data for the periods indicated.

	Nine Months Ended September 30,		Year Ended December 31,		
	2005	**2004**	**2004**	**2003**	**2002**
Production Volume:					
Oil (MBbls)	5,082	4,994	6,679	6,601	6,037
Natural gas (MMcf)	14,874	9,796	14,089	9,051	8,175
Combined (MBOE)	7,561	6,626	9,027	8,110	7,399
Average Realized Prices(1):					
Oil ($/Bbl)	$ 43.73	$ 31.62	$ 33.04	$ 26.72	$ 22.34
Natural gas ($/Mcf)	6.50	5.18			