

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1301 W. 10th Avenue

Artesia, NM 88210

LEASE DESIGNATION AND SERIAL NO.

NM-18831

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER 169355

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

OCEAN ENERGY, INC.

(JEANIE McMILLIAN 713-265-6834)

3. ADDRESS AND TELEPHONE NO.

1001 FANNIN SUITE 1600 HOUSTON, TEXAS 77002 (713-265-6834)

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface 2970' FNL & 660' FWL SEC. 4 T16S-R28E EDDY CO. NM

At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 15 miles Northeast of Artesia New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 660'

(Also to nearest drlg. unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1600'

16. NO. OF ACRES IN LEASE

430±

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

19. PROPOSED DEPTH

9400'

20. ROTARY OR CABLE TOOLS

ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3645' GR.

Artesia Controlled Water Basin

22. APPROX. DATE WORK WILL START*

WHEN APPROVED

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor	NA	40'	Cement to surface with Redi-mix.
17½"	H-40 13 3/8"	48	500'	500 Sx. Circulate cement to surface
11"	J-55 8 5/8"	32	2000'	650 Sx. " " " "
7 7/8"	L-80 4½"	11.6	9400'	800 Sx. estimate top or cement 6000

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 500'. Run and set 500' of 13 3/8" 48# H-40 ST&C casing. Cement with 300 Sx. of Halco Light + additives, tail in with 200 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx., circulate cement to surface.
3. Drill 11" hole to 2000'. Run and set 2000' of 8 5/8" 32# J-55 ST&C casing. Cement with 400 Sx. of Class "C" Light Weight cement + additives, tail in with 250 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx., circulate cement to surface.
4. Drill 7 7/8" hole to 9400'. Run and set 9400' of 4½" 11.6# L-80 LT&C casing. Cement with 500 Sx. of Class "H" Light Weight cement + additives, tail in with 300 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 6000' from surface.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24.

SIGNED Joe G. LARA TITLE

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /S/ JOE G. LARA

TITLE

FIELD MANAGER

DATE

JAN 9 2003

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 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 and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 76079	Pool Name DIAMOND MOUND-MORROW GAS
Property Code 23452	Property Name DEPCO FEDERAL	Well Number 3
OGRID No. 169335 169355	Operator Name OCEAN ENERGY	Elevation 3645'

Surface Location

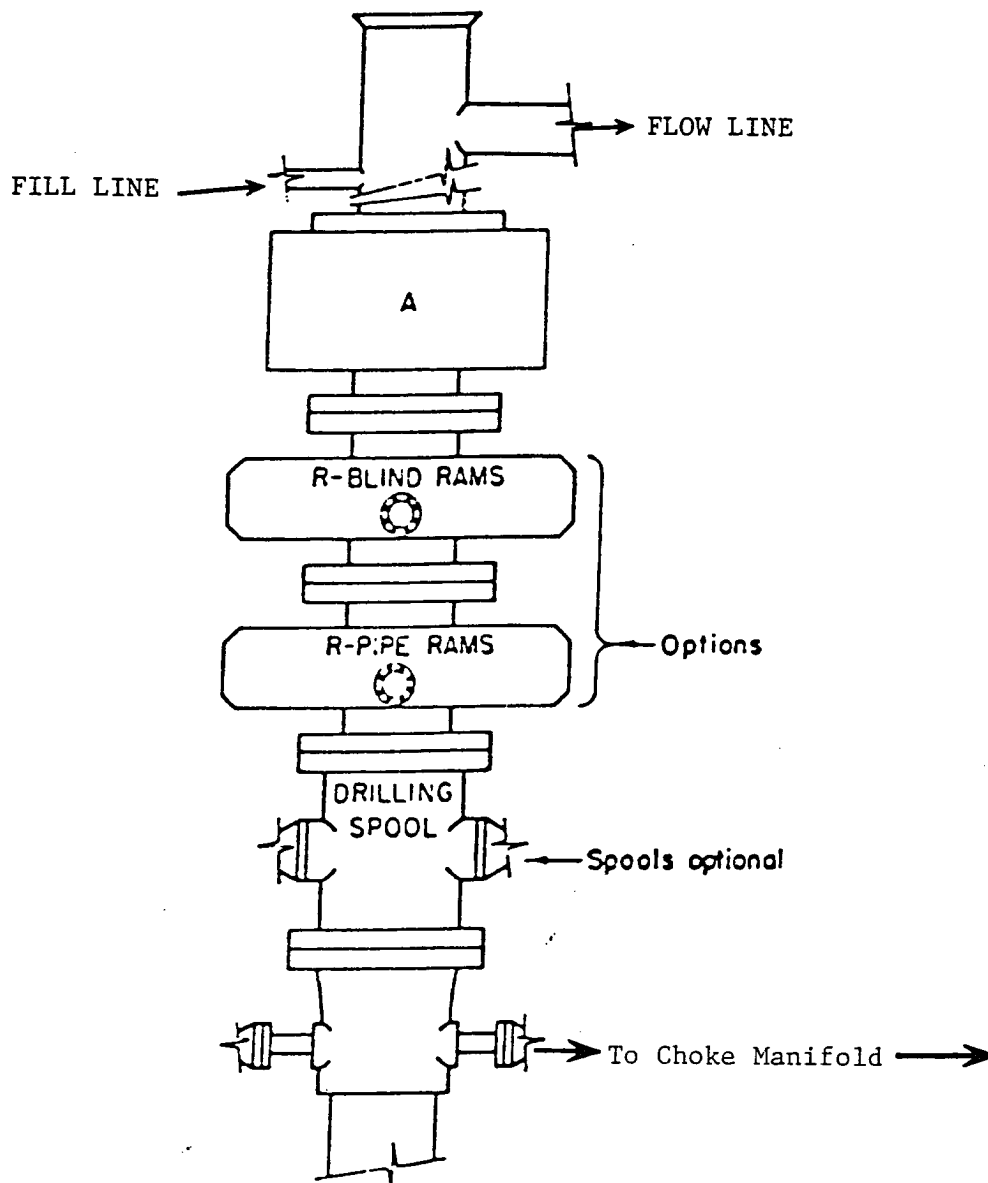
UL or lot No. LOT 12	Section 4	Township 16 S	Range 28 E	Lot Idn	Feet from the 2970	North/South line NORTH	Feet from the 660	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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

				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p> Signature Joe T. Janica Printed Name Agent Title 11/22/02 Date</p>	
<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>NOVEMBER 1, 2002</p> <p>Date Surveyed Signature & Seal of Professional Surveyor W.D. No. 2840A Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>					



ARRANGEMENT SRRA

900 Series
3000 PSI WP

EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

OCEAN ENERGY, INC.
DEPCO FEDERAL # 3
LOT 12 SECTION 4
T16S-R28E EDDY CO. NM

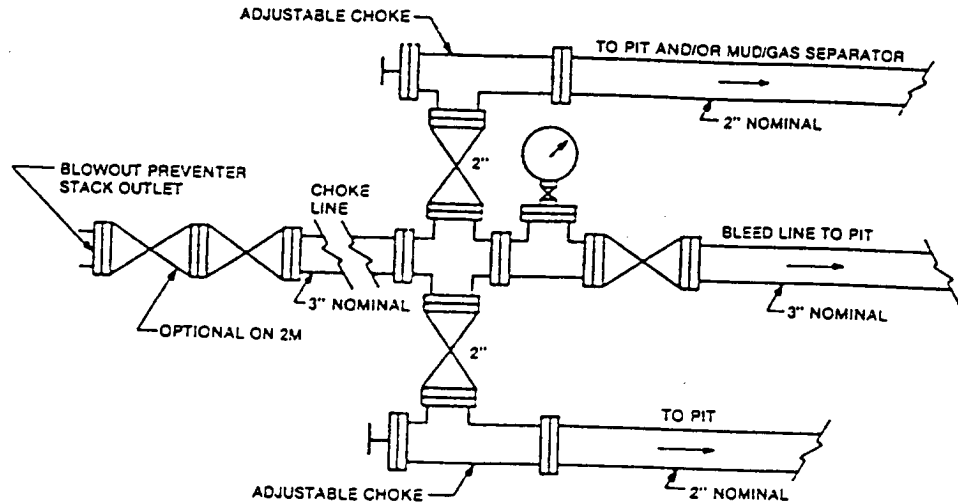


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

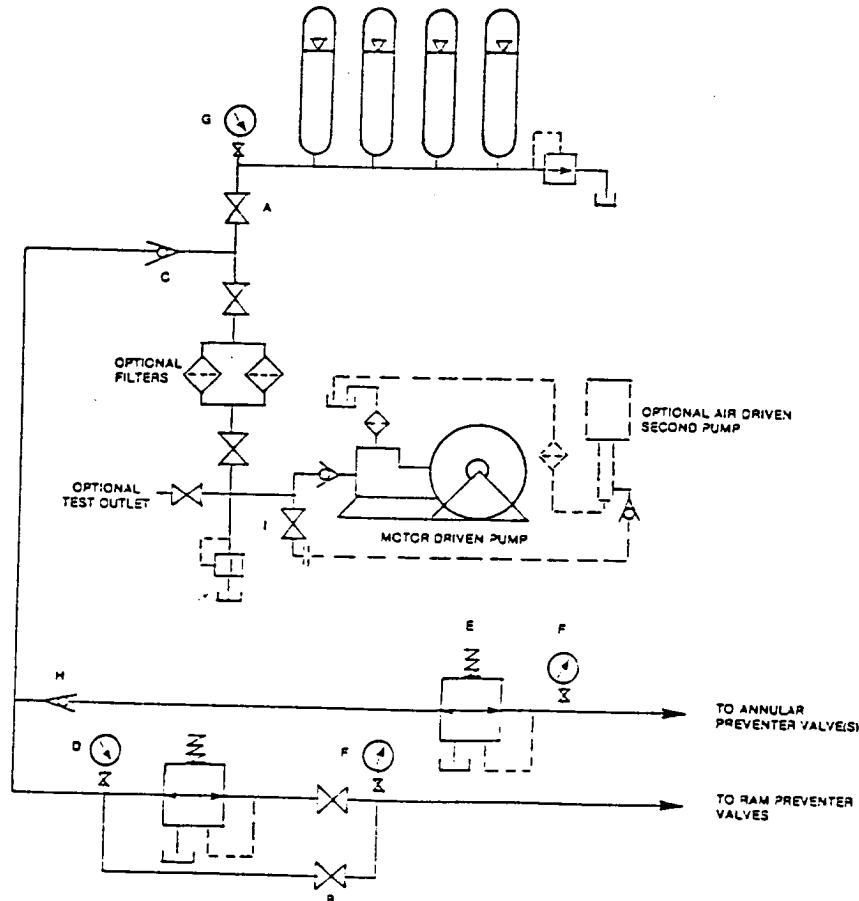


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

OCEAN ENERGY, INC.
DEPCO FEDERAL # 3
LOT 12 SECTION 4
T16S-R28E EDDY CO. NM