

OCEAN ENERGY, INC **DEVELOPMENT DRILLING & COMPLETION**

REGION: Permian AFE #: 01/25/2002 AFE NO: NA

FIELD: Other Permian - 5620 LEASE/WELL: Triple Hackle Dragon 25 - 1 EST. START DATE 04/01/02

PROSPECT: Eldson Ranch WORK TYPE: Development Drill & Complete ORIG. DEPT: Drilling

COUNTY/STATE: Lea Co., New Mexico SURFACE LOC: 1,815' FNL & 750' FWL

PROPERTY NO.: NA BTM HOLE LOC: Same DEPTH: 13200' MD 13200' TVD

OPERATOR: Ocean Energy Inc. GEOLOGIC OBJECTIVE: Strawn, Brunson, Morrow, Mesa COORDINATOR: RG Trueheart

LEGAL DESCRIPTION: Section 25, T16S, R35E

Drill and complete the Eldson Ranch 22-1 as a development well to 13,200' MD/TVD. The plan calls for drilling a 17-1/2" surface hole to 500' and setting 13-38" casing. Then drilling an 11" intermediate hole to 5000' and setting 8-5/8" casing. Then drilling a 7-7/8" production hole to 13,200'. The well will be evaluated by mud logs, DST's, and wireline logs. If successful, 5-1/2" production casing will be set. The well will be completed conventionally with a packer and 2-3/8" tubing after being stimulated. A XCD polymer mud system with chlorides above 20,000ppm will be used in drilling the zones of interest.

ESTIMATED INTANGIBLE EXPENSES						
ACCOUNT	DESCRIPTION	DRILL	Supplement	COMPLETE	Supplement	TOTAL
221 / 222 - 010	LOCATION COSTS	\$50,000	\$0	\$5,000	\$0	\$55,000
221 / 222 - 020	RIG COSTS	\$408,500	\$0	\$47,000	\$0	\$455,500
221 / 222 - 025	MOB / DEMOB RIG COSTS	\$50,000	\$0	\$0	\$0	\$50,000
221-027	TURNKEY	\$0	\$0	\$0	\$0	\$0
221 / 222 - 030	SHOREBASE SERVICES	\$0	\$0	\$0	\$0	\$0
221 / 222 - 040	FUEL / LUBE / POWER / WTR	\$66,700	\$0	\$3,100	\$0	\$69,800
221-050	DIRECTIONAL SERVICES	\$0	\$0	\$0	\$0	\$0
222 - 060	DOWNHOLE COMPLETION SERVICES			\$111,000	\$0	\$111,000
221 / 222 - 070	FISHING	\$0	\$0	\$0	\$0	\$0
221 / 222 - 080	CEMENT AND SERVICES	\$27,000	\$0	\$28,000	\$0	\$55,000
222 / 222 - 090	FORMATION EVALUATION	\$44,500	\$0	\$0	\$0	\$44,500
221 - 093	OPEN HOLE LOG / LWD	\$50,000	\$0	\$0	\$0	\$50,000
221 / 222 - 097	CASED HOLE LOG / MECH WIRELINE	\$0	\$0	\$5,000	\$0	\$5,000
221 / 222 - 100	TRANSPORTATION - LAND	\$15,800	\$0	\$8,500	\$0	\$24,300
221-103/222-105	TRANSPORTATION - AIR	\$0	\$0	\$0	\$0	\$0
221-105/222-095	TRANSPORTATION - MARINE	\$0	\$0	\$0	\$0	\$0
221 / 222 - 110	BITS, REAMERS AND STABILIZERS	\$75,500	\$0	\$2,500	\$0	\$78,000
221 / 222 - 120	EQUIPMENT RENTAL	\$75,500	\$0	\$5,300	\$0	\$80,800
221 / 222 - 130	MUD / FLUIDS / CHEMICALS	\$50,000	\$0	\$3,800	\$0	\$53,800
221 / 222 - 140	CONTRACT LABOR	\$71,200	\$0	\$40,500	\$0	\$111,700
221 / 222 - 160	COMMUNICATIONS	\$6,500	\$0	\$500	\$0	\$7,000
221 / 222 - 170	OVERHEAD	\$15,100	\$0	\$0	\$0	\$15,100
221 / 222 - 180	INSURANCE	\$1,300	\$0	\$0	\$0	\$1,300
221 / 222 - 185	CASING / TUBING / HMR / EQ & SERVICE	\$12,500	\$0	\$10,000	\$0	\$22,500
221 / 222 - 200	MISCELLANEOUS	\$2,000	\$0	\$0	\$0	\$2,000
221 - 210	P&A EXPENSE	\$0	\$0	\$0	\$0	\$0
221 / 222 - 220	COMPANY LABOR	\$0	\$0	\$0	\$0	\$0
221 / 222 - 230	ENVIRONMENTAL	\$16,000	\$0	\$0	\$0	\$16,000
221 - 240	DRILL SITE G&G	\$2,200	\$0	\$0	\$0	\$2,200
221 / 222 - 250	WEATHER DELAY	\$0	\$0	\$0	\$0	\$0
	SUB-TOTAL INTANGIBLE	\$1,040,300	\$0	\$270,200	\$0	\$1,310,500
5100995	CONTINGENCIES 10% (D) 5% (S)	\$104,030	\$0	\$27,020	\$0	\$131,050
TOTAL INTANGIBLES:		\$1,144,330	\$0	\$297,220	\$0	\$1,441,550

ESTIMATED TANGIBLE EXPENSES						
TUBULARS			DRILL	Supplement	COMPLETE	TOTAL
SIZE	DEPTH	FOOTAGE				
Caisson			\$0	\$0	\$0	\$0
0.000	0	0	\$0	\$0	\$0	\$0
20.000	60	60	\$2,100	\$0	\$0	\$2,100
0.000	0	0	\$0	\$0	\$0	\$0
13.375	500	500	\$8,400	\$0	\$0	\$8,400
8.625	5000	5000	\$72,300	\$0	\$0	\$72,300
0.000	0	0	\$0	\$0	\$0	\$0
0.000	0	0	\$0	\$0	\$0	\$0
226 - 010	TUBULARS - DRILLING		\$82,800	\$0	\$0	\$82,800
0.000	0	0	\$0	\$0	\$0	\$0
5.500	13200	13200	\$110,200	\$0	\$0	\$110,200
2.375	13200	13100	\$36,500	\$0	\$0	\$36,500
227 - 010	TUBULARS - COMPLETION				\$146,700	\$146,700
226 / 227 - 020	WELLHEAD EQUIPMENT		\$18,000	\$0	\$0	\$18,000
226 / 227 - 030	DOWNHOLE EQUIPMENT		\$3,000	\$0	\$19,500	\$22,500
227 - 050	LEASE SURFACE EQUIPMENT				\$49,000	\$49,000
227 - 080	VALVES, PIPES AND FITTINGS				\$5,000	\$5,000
227 - 100	ARTIFICIAL LIFT				\$0	\$0
227 - 200	MISCELLANEOUS				\$0	\$0
227 - 210	RECOMPLETION TANGIBLES				\$0	\$0
TOTAL TANGIBLES:			\$103,800	\$0	\$238,200	\$342,000

DRY HOLE AND COMPLETION COSTS \$1,248,130 \$0 \$535,420 \$0 \$1,783,550

TIME AND COST TO P&A: 2 days \$50,000 <=== P&A time and cost not included in DHC estimate above

ESTIMATED DRILLING DAYS 43 COST/DAY \$29,026 COST/FT \$95

ESTIMATED COMPLETION DAYS 2 COST/DAY \$267,710 COST/FT \$40.56

For Non-Operator only:
I ELECT TO PARTICIPATE AND ACCEPT THE WELL CONTROL INSURANCE COVERAGE.

Approval _____ Company Name or Individual (PLEASE PRINT) _____ Date _____

I ELECT TO PARTICIPATE AND DO NOT ACCEPT THE WELL CONTROL INSURANCE COVERAGE. *COMMISSION*

Approval _____ *OIL CONSERVATION* _____
 Company Name or Individual (PLEASE PRINT) _____

CASE NUMBER _____
Dean EXHIBIT 4