

OCEAN ENERGY, INC

DEVELOPMENT DRILLING & COMPLETION - OP

REGION:	Permian	AFE DATE:	6/13/2002	AFE NO:	210629
FIELD:	Other Permian	LEASE/WELL:	Dirt Devil "8" State Com. 1	EST. START DATE:	08/10/02
PROSPECT:	Vacuum 8 - 2	WORK TYPE:	Development Drill & Complete	ORIG. DEPT:	Drilling
COUNTY/STATE:	Lea Co., New Mexico	SURFACE LOC:	660' FSL & 1980' FEL	DEPTH:	12800' MD 12800' TVD
PROPERTY NO.:	NA	BTM HOLE LOC:	Same	COORDINATOR:	Robert Elliott/Enos Fangue
OPERATOR:	Ocean Energy Inc.	GEOLOGIC OBJECTIVE:	Brunson Atoka		
LEGAL DESCRIPTION:	Sec 8, T17S, R35E				

Drill and complete the Dirt Devil "8" State Com #1 to 12,800' TVD/MD as a Brunson Atoka producer. The primary target objective is the Brunson Atoka, with a secondary objective in the Austin. The well plan calls for drilling a 17-1/2" hole to 500' and setting 13-3/8" casing. Then an 11" hole will be drilled to 4750' and 8-5/8" casing set. A 7-7/8" production hole will be drilled to TD. The well will be evaluated by mud logs and wireline logs and, if successful, 5-1/2" casing will be set. The mud logger will be operational below the intermediate casing point. The well will be completed conventionally with a packer and tubing after stimulation.

ESTIMATED INTANGIBLE EXPENSES

ACCOUNT	DESCRIPTION	DRILL	Supplement	COMPLETE	Supplement	TOTAL
221 / 222 - 010	LOCATION COSTS	\$73,000	\$0	\$1,400	\$0	\$74,400
221 / 222 - 020	RIG COSTS	\$262,500	\$0	\$63,000	\$0	\$325,500
221 / 222 - 025	MOB / DEMOB RIG COSTS	\$92,500	\$0	\$0	\$0	\$92,500
221-027	TURNKEY	\$0	\$0			\$0
221 / 222 - 030	SHOREBASE SERVICES	\$0	\$0	\$0	\$0	\$0
221 / 222 - 040	FUEL / LUBE / POWER / WTR	\$70,000	\$0	\$4,000	\$0	\$74,000
221-050	DIRECTIONAL SERVICES	\$0	\$0			\$0
222 - 060	DOWNHOLE COMPLETION SERVICES			\$215,200	\$0	\$215,200
221 / 222 - 070	FISHING	\$0	\$0	\$0	\$0	\$0
221 / 222 - 080	CEMENT AND SERVICES	\$25,500	\$0	\$15,000	\$0	\$40,500
222 / 222 - 090	FORMATION EVALUATION	\$15,400	\$0	\$10,300	\$0	\$25,700
221 - 093	OPEN HOLE LOG / LWD	\$57,100	\$0			\$57,100
221 / 222 - 097	CASED HOLE LOG / MECH WIRELINE	\$0	\$0	\$11,000	\$0	\$11,000
221 / 222 - 100	TRANSPORTATION - LAND	\$16,300	\$0	\$12,500	\$0	\$28,800
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	\$53,000	\$0	\$650	\$0	\$53,650
221 / 222 - 120	EQUIPMENT RENTAL	\$73,700	\$0	\$83,500	\$0	\$157,200
221 / 222 - 130	MUD / FLUIDS / CHEMICALS	\$55,000	\$0	\$2,800	\$0	\$57,800
221 / 222 - 140	CONTRACT LABOR	\$48,000	\$0	\$38,100	\$0	\$86,100
221 / 222 - 160	COMMUNICATIONS	\$5,300	\$0	\$500	\$0	\$5,800
221 / 222 - 170	OVERHEAD	\$11,600	\$0	\$6,000	\$0	\$17,600
221 / 222 - 180	INSURANCE	\$7,200	\$0	\$0	\$0	\$7,200
221 / 222 - 185	CASING / TUBING / HMR / EQ & SERVICE	\$11,000	\$0	\$10,000	\$0	\$21,000
221 / 222 - 200	MISCELLANEOUS	\$2,000	\$0	\$2,000	\$0	\$4,000
221 - 210	P&A EXPENSE	\$0	\$0			\$0
221 / 222 - 220	COMPANY LABOR	\$0	\$0	\$0	\$0	\$0
221 / 222 - 230	ENVIRONMENTAL	\$16,000	\$0	\$2,800	\$0	\$18,800
221 - 240	DRILL SITE G&G	\$0	\$0	\$0	\$0	\$0
221 / 222 - 250	WEATHER DELAY	\$0	\$0	\$0	\$0	\$0
	SUB-TOTAL INTANGIBLE	\$895,100	\$0	\$478,750	\$0	\$1,373,850
5100995	CONTINGENCIES	\$0	\$0	\$0	\$0	\$0
TOTAL INTANGIBLES:		\$895,100	\$0	\$478,750	\$0	\$1,373,850

ESTIMATED TANGIBLE EXPENSES

TUBULARS	SIZE	DEPTH	FOOTAGE				
		Caisson		\$0	\$0	\$0	\$0
	0.000	0	0	\$0	\$0		
	20.000	40	40	\$1,400	\$0		
	0.000	0	0	\$0	\$0		
	13.375	500	500	\$6,900	\$0		
	8.625	4750	4750	\$64,000	\$0		
	0.000	0	0	\$0	\$0		
	0.000	0	0	\$0	\$0		
226 - 010	TUBULARS - DRILLING:			\$72,300	\$0		\$72,300
	0.000	0	0		\$0	\$0	
	5.500	12800	12800		\$105,900	\$0	
	2.375	0	12800		\$37,400	\$0	
227 - 010	TUBULARS - COMPLETION				\$143,300	\$0	\$143,300
226 / 227 - 020	WELLHEAD EQUIPMENT			\$14,000	\$0	\$19,100	\$33,100
226 / 227 - 030	DOWNHOLE EQUIPMENT			\$5,000	\$0	\$13,300	\$18,300
227 - 050	LEASE SURFACE EQUIPMENT				\$60,000	\$0	\$60,000
227 - 080	VALVES, PIPES AND FITTINGS				\$0	\$0	\$0
227 - 100	ARTIFICIAL LIFT				\$0	\$0	\$0
227 - 200	MISCELLANEOUS				\$0	\$0	\$0
227 - 210	RECOMPLETION TANGIBLES				\$0	\$0	\$0
TOTAL TANGIBLES:				\$91,300	\$0	\$235,700	\$327,000

DRY HOLE AND COMPLETION COSTS	\$986,400	\$0	\$714,450	\$0	\$1,700,850
TIME AND COST TO P&A:	1 days	\$50,000	P&A time and cost not included in DHC estimate above		
ESTIMATED DRILLING DAYS	35	COST/DAY	\$28,183	COST/FT	\$77
ESTIMATED COMPLETION DAYS	2	COST/DAY	\$357,225	COST/FT	\$55.82

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.

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