

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834
FORM APPROVED
Budget Bureau No. 1004-0135
March 31, 1993
5. Lease Designation and Serial No.
NM-8436-A

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other type other description or delete

2. Name of Operator

Ocean Energy Inc. ✓

3. Address and Telephone No.

1001 Fannin, Suite 1600, Houston, TX 77002 (713) 265-6834

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FSL & 660' FWL NWSW Sec. 1, T16S, R27E

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Diamond Mound Fed. #1

9. API Well No.

30-015-22419

10. Field and Pool, or Exploratory Area

Atoka

11. County or Parish, State

Eddy Co., NM

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☒ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other
☒ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Attempt recompletion to the Atoka, per the attached procedure.
Copies of current and proposed schematics attached.

14. I hereby certify that the foregoing is true and correct

Signed Janie McMillan

Title Regulatory Specialist

Date 01/29/01

(This space for Federal or State office use)

Approved by ORIG. SGD LES BABYAK

Title PETROLEUM ENGINEER

Date JAN 31 2001

Conditions of approval, if any:

Diamond Mound Federal #1
1980' FSL & 660' FWL
Sec. 1, T-16-S, R-27-E
Eddy Co., NM

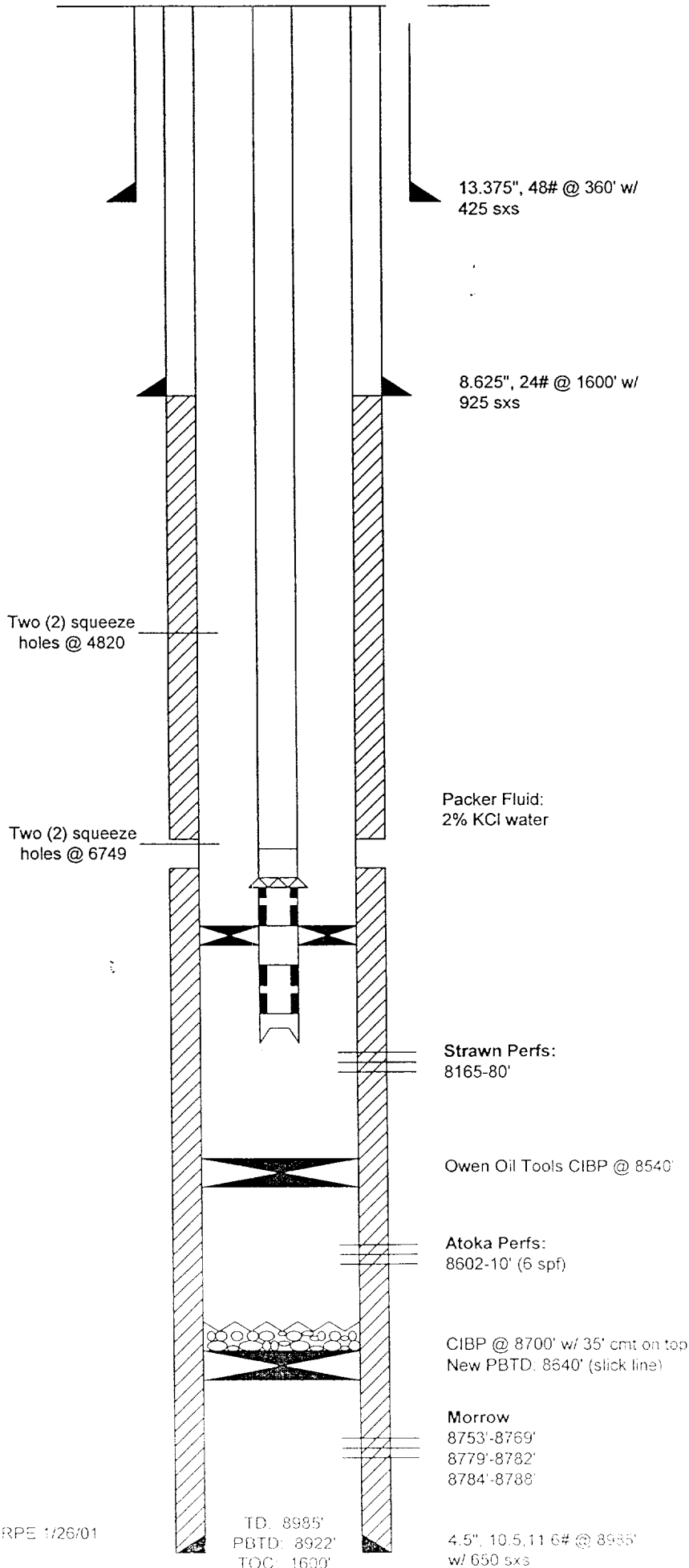
January 23, 2001
Recomplete to the Atoka

Current Production: Well TA'd
Proposed Perfs: Atoka 8602-10'
Anticipated Production Rate: 200 mcfpd

- 1) MIRU workover rig.
- 2) Kill well w/2% KCl water. ND tree and NU BOP's.
- 3) Release 4-1/2" Arrowset l pkr at 8063' & POOH w/tbg. Send pkr in for redress.
- 4) TIH w/tbg open-ended. Wash sand to CIBP at 8540'. Reverse circulate hole clean.
- 5) RU swab and swab fluid level down to 6000'. POOH w/tbg. RU choke manifold in flow line to frac tank.
- 6) RU sand line drill, or sand line wedge, and TIH. Knock out CIBP at 8540'. Chase junk to new PBTD at 8640'. POOH w/sand line drill.
 - a) May be underbalanced. Be sure to have enough lubricator for tool string.
 - b) Possible tight spots at 5089' and 5374'.**
- 7) While diverting gas, TIH w/redressed pkr and on/off tool w/tailpipe as run before. Space out for 10-12 pts compression and set pkr at +8560'.
- 8) Test the Atoka. Swab for one day if necessary.
- 9) If the Atoka flows at commercial rates, load the annulus w/2% KCl packer fluid. ND BOP's and NU tree. RD workover rig and turn well over to Production. Obtain a gas sample for analysis and test well for State potential test.

Current Configuration

Diamond Mound Federal 1
Sec 1-T16S-R27E
1980' FSL, 660' FWL
Eddy County, NM
Elevation: 3597' GL, 3612' KB
API #: 30-015-22419



Completion

Mar-1978 - Perfed 8753-8788 (2 spf). RIH w/ production equipment. Dropped bar to rupture PACT tool and had GTS 2.5 min, FTS 6 min on 1/2" choke. FTP stabilized @ 1125 psi w/ estimated rate of 6.4 mmcfpd

Jan-1981 - Workover to locate holes in casing, squeeze cement holes, & bring cement up to intermediate casing. Perfed 2 holes @ 6749' & squeezed w/ 400 sxs. Perfed 2 holes @ 4820' & squeezed w/ 1000 sxs. RTP

Nov-1989 - Swabbed well and recovered water. RTP.

Feb-1990 - Acidized Morrow w/ 3000 gal 7.5% acid & N2. RTP.

Mar-1990 - Reperfed Morrow 8753-69, 8784-88. Added new perfs 8779-82. Acidized w/ 3000 gal 7.5% MOD-101 w/ 700 scf/bbl N2. FTP 250 psi @ 35 mcfpd.

Aug-1990 - Treated Morrow w/ 10 tons CO2, 2000 gal 10% methanol w/ 500 scf/gal CO2. Flow test.

Sep-1994 - Treated Morrow w/ 2000 gal methanol w/ 500 scf/bbl CO2.

Dec-1994 - Reperfed Morrow. RTP.

Mar-1998 - TA well. CIBP @ 8700' w/ 35' cmt on top.

Sep - 1999 - Perfd Atoka 8602-10'. Frac'd w/28,260# 20/40 Interprop. Flowed at 450 mcfpd on 48/64" ck, 25 psi. Set CIBP @ 8540' and perfd Strawn 8165-80'. Frac'd w/35,250# 20/40 Interprop. IPF 60 mcfpd (Strawn).

DST #1: 8554-8650 (Atoka)

Times: 30-60-90-180

Opened w/ fair blow increasing to

strong blow @ end of flow period.

Reopened on FF w/ no blow, no GTS.

Recovered 330' DM & 15' cuttings

IF: 245-402

FF: 227-490

ISI: 402 FSI: 560

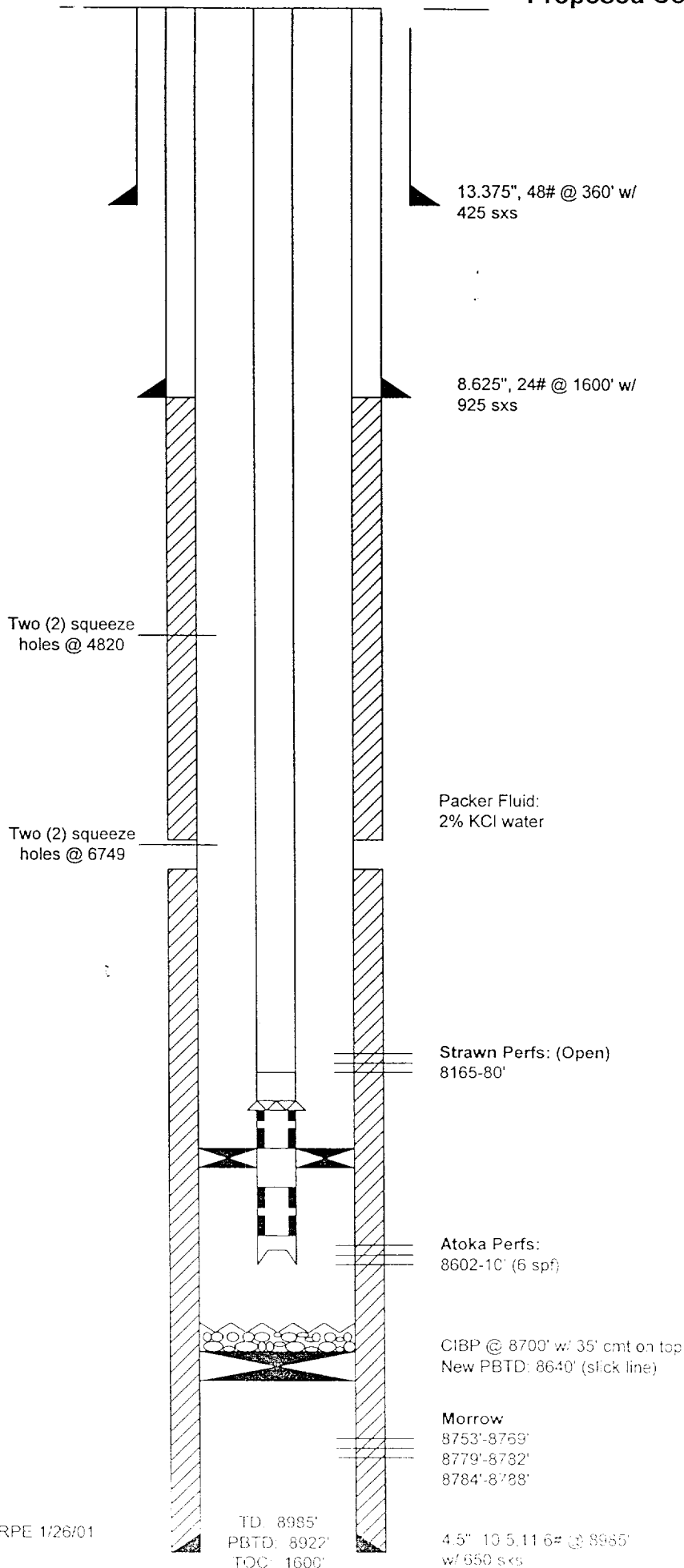
IH: 4233 FH: 4216

Tubing Tally:

| Description | Tops |
|----------------------------------|----------|
| 247 jts 2-3/8" L-80 EUE 8rd tbg | 12.00' |
| On/Off tool w/1,875" "F" profile | 8048.82' |
| 10K Arrowset l pkr | 8063.00' |
| 2-3/8" N-80 tbg EUE 8rd sub | 8069.24' |
| 1.875" "R" nipple | 8079.39' |
| Wireline entry guide | 8080.34' |
| End of tubing | 8080.74' |

Proposed Configuration

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| End of tubing | 8581.00' |