

Bureau of Land Management  
FORM 1000-10  
(December 1990)  
MAY 26 2000  
Carlsbad Field Office  
Carlsbad, N.M.

30-015-31770  
SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires December 31, 1991

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐  
1b. TYPE OF WELL OIL ☐ GAS ☒ OTHER ☐  
SINGLE ZONE ☐ MULTIPLE ZONE ☒  
2. NAME OF OPERATOR Ocean Energy, Inc. 169355  
3. ADDRESS OF OPERATOR 4305 N. Garfield, Suite 200A, Midland, TX 79705  
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)  
At Surface 3300 FSL, 1980 FWL, Sec 5, T-16S, R-28E  
At proposed Prod. Zone same Let 14 Eddy Co, NM  
5. LEASE DESIGNATION AND SERIAL NO. NM-33277  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
7. UNIT AGREEMENT NAME 23453  
8. FARM OR LEASE NAME Derrick Federal Com  
9. WELL NO. 3  
10. FIELD AND POOL OR WILDCAT MOUND; Diamond Morrow  
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 5 T-16S-R28E  
12. COUNTY OR PARISH Eddy County 13. STATE NM  
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\* 10 miles northeast of Artesia  
15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1980'  
16. NO. OF ACRES IN LEASE 805.75  
17. NO. OF ACRES ASSIGNED TO THIS WELL 320 270.20  
18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT. 9250  
19. PROPOSED DEPTH 9250  
20. ROTARY OR CABLE TOOLS Rotary  
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3655 GR  
22. APPROX. DATE WORK WILL START\* July 15, 2000

| PROPOSED CASING AND CEMENTING PROGRAM |                |             |               |                      |
|---------------------------------------|----------------|-------------|---------------|----------------------|
| SIZE OF HOLE                          | SIZE OF CASING | WEIGHT/FOOT | SETTING DEPTH | QUANTITY OF CEMENT   |
| 36"                                   | 20             | 60          | 40'           | ready-mix to surface |
| 17 1/2"                               | 13 3/8         | 48          | 500'          | 400sx                |
| 11"                                   | 8 5/8          | 32          | 2000'         | 600sx                |
| 7 7/8"                                | 4 1/2          | 13.5        | 9250'         | 500sx                |

1. Drill 36" hole to 40'. Set 40' of 20" conductor and cement to surface with ready-mix.
2. Drill 17 1/2" hole to 500'. Run & set 500' of 13 3/8" H-40, 48# ST&C csg cement with 400sx of Class "C" cement + 2% CaCL<sub>2</sub>, circulate to surface.
3. Drill 11" hole to 2000'. Run & set 2000' of 8 5/8" K-55, 32# LT&C csg. Cement with 600sx 35/65 POZ Class "C" + 6% gel + 5% salt tail in with 400sx of Class "C" cement + 2% CaCL<sub>2</sub>, circulate to surface.
4. Drill 7 7/8" hole to 9250'. If logs indicate commercial production, run & set 9250' of 4 1/2" 13.5# LT&C csg. Cement with 500sx of Class "C" 35/65 POZ + additives, tail in with 190sx of 50/50 POZ Class "H" + 10% salt + .25% dispersant + 2% gel. Estimated top of cement 500' above uppermost productive interval. Cement volumes will be adjusted based on open-hole caliper log.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 preventer program, if any.

SIGNED James H. Helle TITLE Prod. Analyst DATE May 23, 2000

(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 (ORIG. SGD.) ARMANDO A. LOPEZ

Acting Assistant Field Manager,  
Lands And Minerals

DATE

JUL 06 2000

\*See Instructions On Reverse Side

APPROVED 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.

R-11446

(S.D.)

DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Artec, 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                        | Pool Name          |
| Property Code | Property Name<br>DERRICK FEDERAL | Well Number<br>3   |
| OGRID No.     | Operator Name<br>OCEAN ENERGY    | Elevation<br>3655' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| LOT 14        | 5       | 16 S     | 28 E  |         | 3300          | SOUTH            | 1980          | WEST           | EDDY   |

Bottom Hole Location If Different From Surface

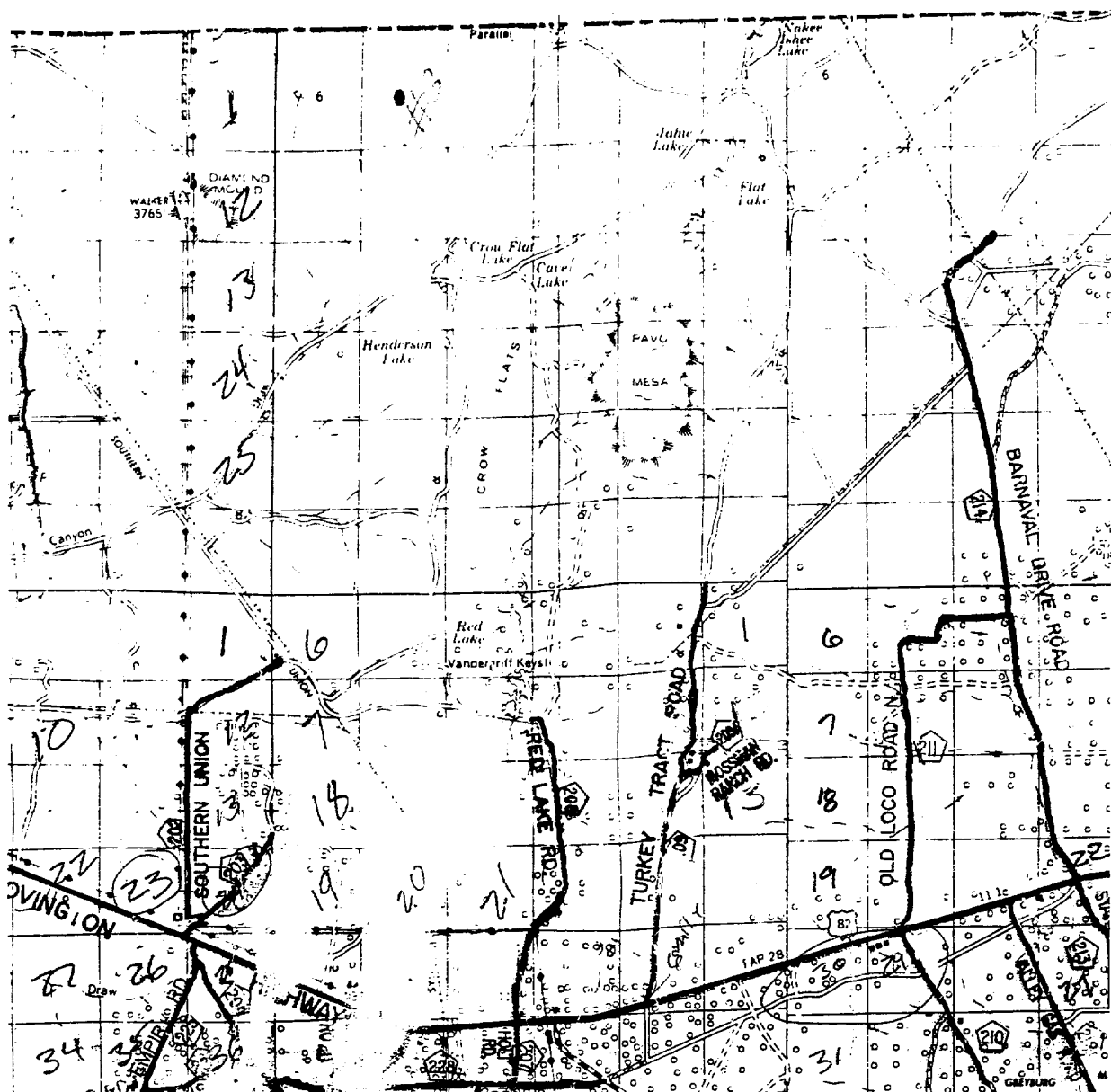
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                           |                 |                    |           |
|---------------------------|-----------------|--------------------|-----------|
| Dedicated Acres<br>270.20 | 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>LOT 12      LOT 11      LOT 10      LOT 9</p> <p>LOT 13      LOT 14      LOT 15      LOT 16</p> <p>3651.0'      3663.8'</p> <p>1980'</p> <p>LAT - N32°52'57.3"</p> <p>LONG - W104°13'13.2"</p> <p>3650.1'      3656.5'</p> <p>3300'</p> <p>1/4 COR. L K J I 1/4 COR.</p> <p>m N P</p> <p>VERIFIED BY<br/>GARY L JONES<br/>7977</p> <p>CONFIRMED</p>  |  |  |  | <p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Janice Holley</i><br/>Signature</p> <p>Janice Holley<br/>Printed Name</p> <p>Production Analyst<br/>Title</p> <p>5-23-00<br/>Date</p> |
| <p><b>SURVEYOR CERTIFICATION</b></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>March 30, 2000</p> <p>Date Surveyed</p> <p>Signature of Gary L Jones<br/>Professional Surveyor</p> <p>NEW MEXICO<br/>7977<br/>W.O. No. 01574</p> <p>Certificate No. Gary L Jones 7977<br/>PROFESSIONAL LAND SURVEYOR</p> |  |  |  |  |

# VICINITY MAP



**DERRICK FEDERAL #3**  
 Located at 3300' FSL and 1980' FWL  
 Section 5, Township 16 South, Range 28 East,  
 N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**  
 focused on excellence  
 in the oilfield

P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

W.O. Number: 0157AA - KJG #122

Survey Date: 03-30-2000

Scale: 1" = 2 MILES

Date: 03-31-2000

**OCEAN ENERGY**

# APPLICATION TO DRILL

OCEAN ENERGY, INC.  
DERRICK FEDERAL #3  
LOT 14 SECTION 5  
T16S-R28E EDDY CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location: 3300' FSL & 1980 FWL Sec. 5 T16S-28E Eddy Co. NM

2. Elevation above Sea Level: 3655' GR

3. Geologic name of surface formation:

4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.

5. Proposed drilling depth: 9,250'

6. Estimated tops of geological markers:

|           |       |            |       |
|-----------|-------|------------|-------|
| Queen     | 1070' | Cisco Ls   | 7260' |
| Grayburg  | 1400' | Cisco Sh   | 7895' |
| Glorietta | 3090' | Strawn     | 8190' |
| Tubb      | 4440' | Morrow     | 8910' |
| Abo       | 5220' | Morrow "A" | 8930' |
| Wolfcamp  | 6530' | Morrow "B" | 8990' |

7. Possible mineral bearing formation:

|          |     |          |     |
|----------|-----|----------|-----|
| Queen    | Oil | Strawn   | Gas |
| Grayburg | Oil | Morrow   | Gas |
| Wolfcamp | Oil | Morrow A | Gas |
| Cisco Ls | Oil | Morrow B | Gas |

8. Casing program:

| Hole size | Interval | OD of casing | Weight | Thread | Collar | Grade     |
|-----------|----------|--------------|--------|--------|--------|-----------|
| 36"       | 0-40'    | 20"          | 60     | NA     | NA     | Conductor |
| 17-1/2"   | 0-500'   | 13-3/8"      | 48     | 8-R    | ST&C   | H-40      |
| 11"       | 0-2000'  | 8-5/8"       | 32     | 8-R    | ST&C   | K-55      |
| 7-7/8"    | 0-9250'  | 4-1/2"       | 13.5   | 8-R    | LT&C   | N-80      |

9. Cementing and setting depth:

|         |              |   |
|---------|--------------|---|
| 20"     | Conductor    | Set 40' of 20" conductor pipe and cement to surface with Redi-mix.  |
| 13-3/8" | Surface      | Set 500' of 13-3/8" H-40, 48# ST&C csg. Cement with 400 sx of Class "C" cement + 2% CaCl <sub>2</sub> , circulate to surface.   |
| 8-5/8"  | Intermediate | Set 2000' of 8-5/8" K55 32# LT&C csg. Cement with 600 sx of 35/65 POZ Class "C" + 6% Gel + 5% salt tail in with 400 sx of Class "C" cement + 2% CaCl <sub>2</sub> , circulate cement to surface.  |
| 4-1/2"  | Production   | Set 9250' of 4-1/2" 13.5# LT&C csg. Cement with 500 sx of Class "C" 35/65 POZ + additives, tail in with 190 sx of 50/50 POZ Class "H" + 10% Salt + .25% Dispersant + 2% Gel. Estimate top of cement 500' above uppermost productive interval. Cement volumes will be adjusted based on open-hole caliper log. |

## APPLICATION TO DRILL

OCEAN ENERGY, INC.  
DERRICK FEDERAL #3  
LOT 14 SECTION 5  
T16S-R28E EDDY CO. NM

10. Pressure control equipment: Exhibit "E". A Series 1500 5000-PSI working pressure B.O.P. consisting of a double ram type preventor with a bag type annular preventor. BOP unit will be hydraulically operated. Exhibit "E-1". Choke manifold and closing unit. BOP will be nipped up on 13-3/8" casing and will be operated at least once each 24 hr. period while drilling and blind rams will be operated when out of hole during trips. Flow sensor, PVT, full opening stabbing valve and upper kelly cock will be utilized from 7000' to TD. No abnormal pressure or temperature is expected while drilling

11. Proposed mud circulating system:

|           |           |                |                        |   |
|-----------|-----------|----------------|------------------------|---|
| 40-500'   | 8.4-9.0   | 32-36          | NC                     | Fresh water mud use paper to control seepage add Bentunite/ Soda Ash for Viscosity.                       |
| 500-2000  | 10.1-10.5 | 32-38          | NC                     | Brine water Salt-Gel add paper to control seepage, high viscosity sweeps to clean hole.                   |
| 2000-8000 | 8.4-8.8   | 32-38          | NC                     | Fresh water use caustic soda to maintain pH @ 9.5-10.5 high viscosity sweeps to clean if necessary.       |
| 8000-9250 | 8.8-9.2   | 34-38<br>40-45 | 8-10cc<br>6-10 for DST | Fresh water Polymer maintain pH with Caustic Soda @ 9.5-10.5 high viscosity sweeps to clean if necessary. |

Sufficient mud materials will be kept on location or available at the nearest stocking points at all times in order to combat lost circulation and unexpected kicks. In order to run DST's, open hole logs and casing the viscosity and water loss may have to be adjusted to meet these needs.

12. Testing, logging and casing program:

- A. Open hole logs: Fluid caliper from 500-2000'.
  - B. CNL/Gamma Ray with caliper from TD to surface.
  - C. Dual Induction, Dual Induction, Compensated Sonic, Gamma Ray from TD to 3000'.
  - D. Cement Bond Log Gamma Ray and CCL TD to top of cement.
  - E. Mud logger on at 6000' to TD.
- DST's as warranted in Bone Spring, Atoka, and Morrow.

13. Potential hazards:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered; H<sub>2</sub>S detectors will be in place to detect any presence after setting the intermediate casing. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 4200 PSI, estimated BHT 170°.

14. Anticipated starting date and duration of operation:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 30 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15. Other facets of operations:

After running casing, cased hole gamma ray cement bond and collar logs will be run from total depth over possible pay intervals. The Morrow pay will be perforated and stimulated. The well will be swab tested and potential as a gas well.

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H<sub>2</sub>S Safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems.
  - D. Principle and operation of H<sub>2</sub>S detectors, warning system and briefing areas.
  - E. Evacuation procedure, routes and first aid.
  - F. Proper use of 30-minute demand air pack.
2. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
  - A. Windsock at mud pit area should be high enough to be visible.
  - B. Winsock at briefing area should be high enough to be visible.
  - C. There should be a windsock at entrance to location.
4. Condition Flags and signs
  - A. Warning signs on access road to location.
  - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H<sub>2</sub>S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
  - A. See exhibit "E" and "E-1"
6. Communication
  - A. While working under masks chalkboards will be used for communication.
  - B. Hand signals will be used where chalkboard is inappropriate.
  - C. Two-way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
  - A. Exhausts will be watered.
  - B. Flare line will be equipped with an electric ignitor or propane pilot light in case gas reaches the surface.
  - C. If location is near any dwelling a closed D.S.T. will be performed.

8. Drilling contractor supervisor will be required to be familiar with the effects  $H_2S$  has on tubular goods and other mechanical equipment.
9. If  $H_2S$  is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with  $H_2S$  scavengers if necessary.

## SURFACE USE PLAN

OCEAN ENERGY, INC.  
DERRICK FEDERAL #3  
LOT 14 SECTION 5  
T16S-R28E EDDY CO. NM

### 1. Existing roads:

Area maps, Exhibit "B" is a reproduction of Eddy Co. General Highway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing existing roads and proposed roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.

- A. Exhibit "A" shows the proposed well site as staked.
- B. Directions to location from the Junction of US Hwy 82 and County Road 202, north on C.R. 202 approximately 3.5 miles to lease road; north on lease road approximately 8 miles to a point which lies approximately 1 mile from the proposed well location.
- C. Lay 3" pipelines and construct power lines along existing roads and pipeline R-O-W's necessary to produce this well. (w/ Sundry Notice only 150' radius)

### 2. Planned access roads:

Approximately 1500' of new road will be constructed.

- A. The access road will be crowned and ditched to a 12'00" wide travel surface with a 40' right-of-way.
- B. Gradient on all roads will be less than 5.00%.
- C. No turnouts will be necessary.
- D. If needed, road will be surfaced with a minimum of 4" of caliche.
- E. Centerline for the new access road has been flagged. Earthwork will be as required by field conditions.
- F. Culverts in the access road will not be used. The road will be constructed to utilize low water crossings for drainage as required by the Topography.

### 3. Location of existing wells in a one-mile radius Exhibit "A-1"

- |                    |                           |
|--------------------|---------------------------|
| A. Water wells     | None known                |
| B. Disposal wells  | None known                |
| C. Drilling wells  | None known                |
| D. Producing wells | As shown on Exhibit "A-1" |
| E. Abandoned wells | As shown on Exhibit "A-1" |

4. If, upon completion this well is a producer OCEAN ENERGY, INC. will furnish maps and/or plats showing on site facilities or off site facilities if needed. This will be accompanied with a Sundry Notice.

### 5. Location and type of water supply:

Water will be purchase locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.

### 6. Source of construction material:

If possible construction will be obtained from the excavation of drill site, if additional material is needed it will be purchased from a local source and transported over the access route as shown on Exhibit "C".



## SURFACE USE PLAN

OCEAN ENERGY, INC.  
DERRICK FEDERAL #3  
LOT 14      SECTION 5  
T16S-R28E      EDDY CO. NM

### 7. Methods of handling waste material:

- A. Drill cuttings will be disposed of in the reserve pit.
- B. All trash junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary landfill.
- C. Salts remaining after completion of well will be picked up by supplier including broken sacks.
- D. Sewage from living quarters will drain into holes with a minimum depth of 10'. These holes will be covered during drilling and will be back filled upon completion. A Porta-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for breaking out. In the event that drilling fluids do not evaporate in a reasonable time they will be hauled off by transports and be disposed of at a state approved disposal facility. Later pits will be broken out to speed drying. Water produced during testing will be put in reserve pits. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

### 8. Ancillary facilities:

- A. No camps or airstrips to be constructed.

### 9. Well site layout:

- A. Exhibit "D" shows location and rig layout.
- B. This exhibit indicates proposed location of reserve and trash pits; and living facilities.
- C. Mud pits in the active circulating system will be steel pits and the reserve pit is proposed to be lined.
- D. The reserve pit is to be lined with PVC or polyethylene liner. The pit liner will be 6 mils thick. Pit liner will extend a minimum, 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The forth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

### 10. Plans for restoration of surface:

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

## SURFACE USE PLAN

OCEAN ENERGY, INC.  
DERRICK FEDERAL #3  
LOT 14 SECTION 5  
T16S-R28E EDDY CO. NM

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be recountered to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas, which are not required for production facilities.

### 11. Other information:

- A. Topography consists of sand dunes, sandy soils with native grasses consisting Sand Sage, Scrub Oak Snakeweed and mesquite. Drainage is westerly toward the Querecho Plains.
- B. The surface is owned by The Bureau of Land Management, U.S. Department of Interior.
- C. An archaeological survey will be conducted and the results will be submitted to the Bureau of Land Management, Carlsbad, New Mexico.
- D. No dwellings within one mile of location.

### 12. Operators representative:

Field representative to contact regarding compliance with Application to Drill and surface Use Plan is:

#### Before APD is approved:

OCEAN ENERGY, INC.  
4305 N. Garfield, Suite 200A  
Midland, Texas 79705  
John Stinson  
Office phone 915-683-3003

#### Before APD is approved:

OCEAN ENERGY, INC.  
4305 N. Garfield, Suite 200A  
Midland, Texas 79705  
John Stinson  
Office phone 915-683-3003

### 13. Certification:

I herby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by OCEAN ENERGY, INC., its contractors/subcontractors in conformity with this plan and the terms and the conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for filing a false statement.

DATE: May 23, 2000

NAME: Janice Holley

TITLE: Production Analyst



SECTION 5, TOWNSHIP 16 SOUTH, RANGE 28 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.

#1  
2160 FNL  
1980 FWL

Existing Lease Rd.

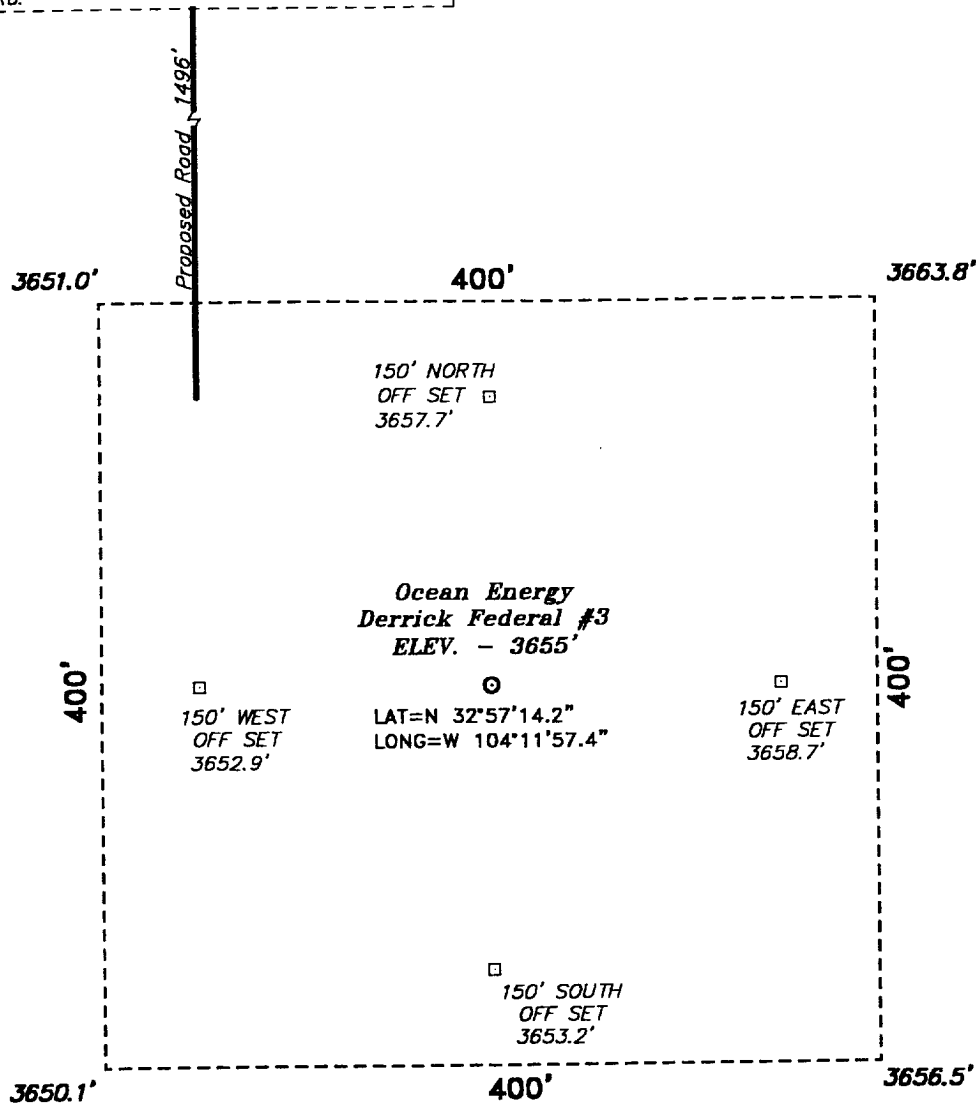
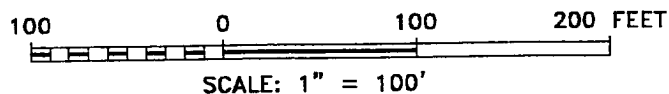


EXHIBIT "A"

OCEAN ENERGY, INC.  
DERRICK FEDERAL #3  
UNIT "14" SECTION 5  
T-16S-R28E EDDY CO. NM

DIRECTIONS TO LOCATION:

FROM THE JUNCTION OF US HWY 82 AND CO. RD. 202, NORTH ON CO. RD. 202 APPROX. 3.5 MILES TO LEASE ROAD; THENCE NORTH ON LEASE ROAD APPROX. 8 MILES TO A POINT WHICH LIES APPROX. 1 MILE FROM THE PROPOSED WELL LOCATION.



**BASIN SURVEYS** P.O. BOX 1786—HOBBS, NEW MEXICO

W.O. Number: 0157

Drawn By: K. GOAD

Date: 03-31-2000

Disk: KJG #122 - 0157A.DWG

Survey Date: 03-30-2000

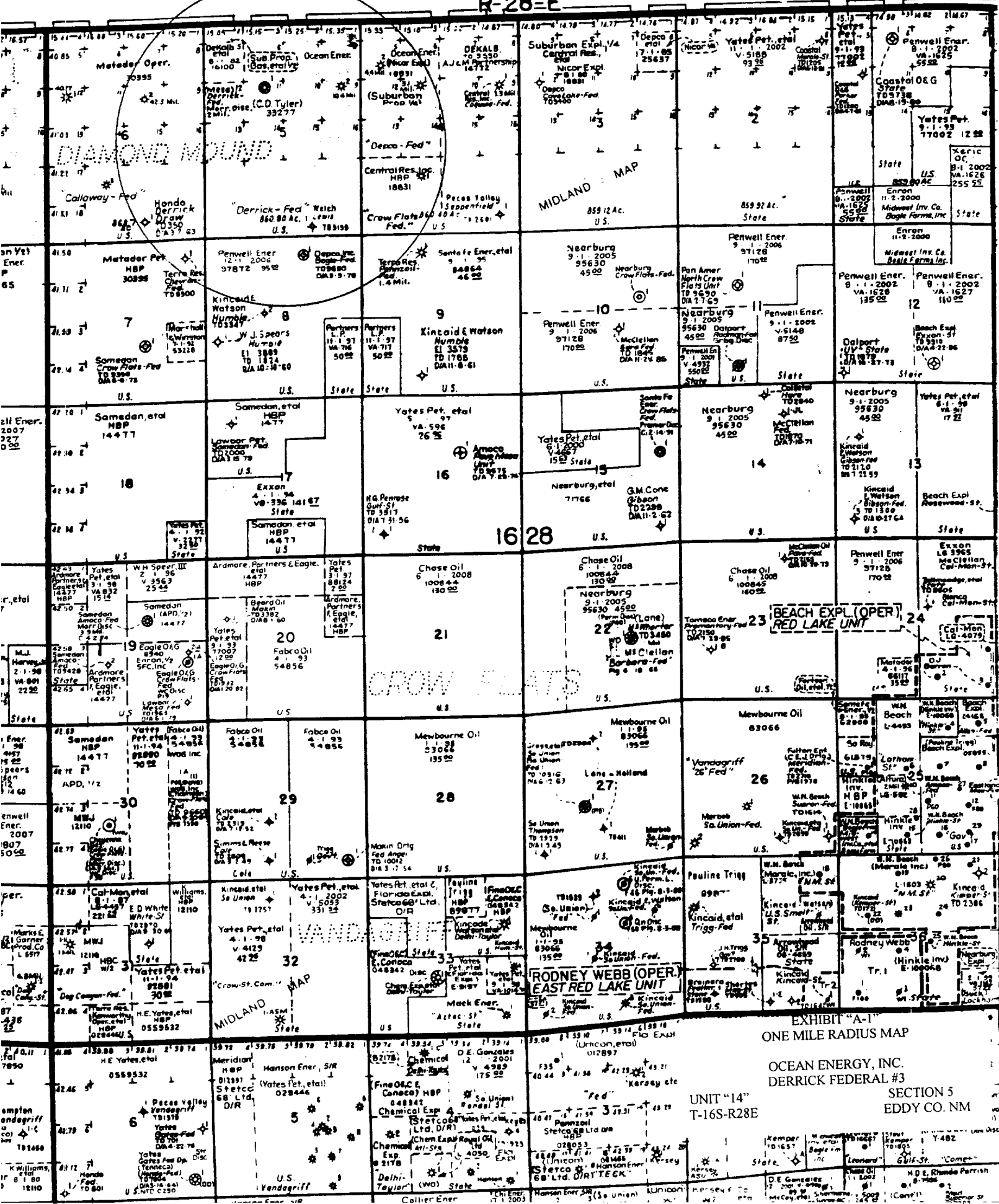
Sheet 1 of 1 Sheets

**Ocean Energy**

REF: Derrick Federal No. 3 / Well Pad Topo

THE DERRICK FEDERAL No. 3 LOCATED 3300' FROM THE SOUTH LINE AND 1980' FROM THE WEST LINE OF SECTION 5, TOWNSHIP 16 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

R-28-E



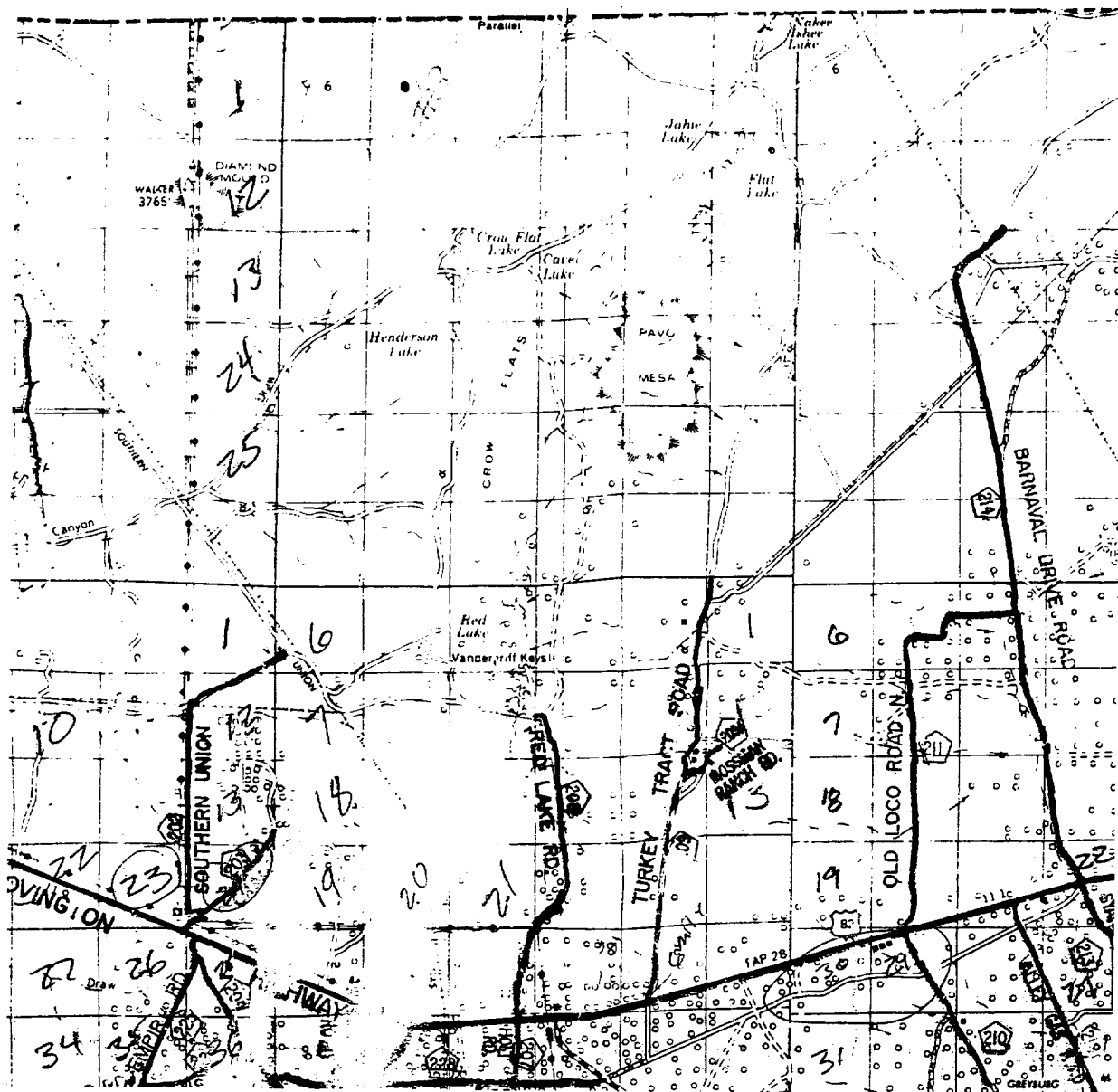


EXHIBIT "B"  
LOCATION & ACCESS ROAD MAP

OCEAN ENERGY, INC.  
DERRICK FEDERAL #3

UNIT "14"  
T-16S-R28E

SECTION 5  
EDDY CO. NM

**DERRICK FEDERAL #3**  
Located at 3300' FSL and 1980' FWL  
Section 5, Township 16 South, Range 28 East,  
N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**  
focused on excellence  
in the oilfield

P.O. Box 1786  
1120 N. West County Rd.  
Hobbs, New Mexico 88241  
(505) 393-7316 - Office  
(505) 392-3074 - Fax  
basinsurveys.com

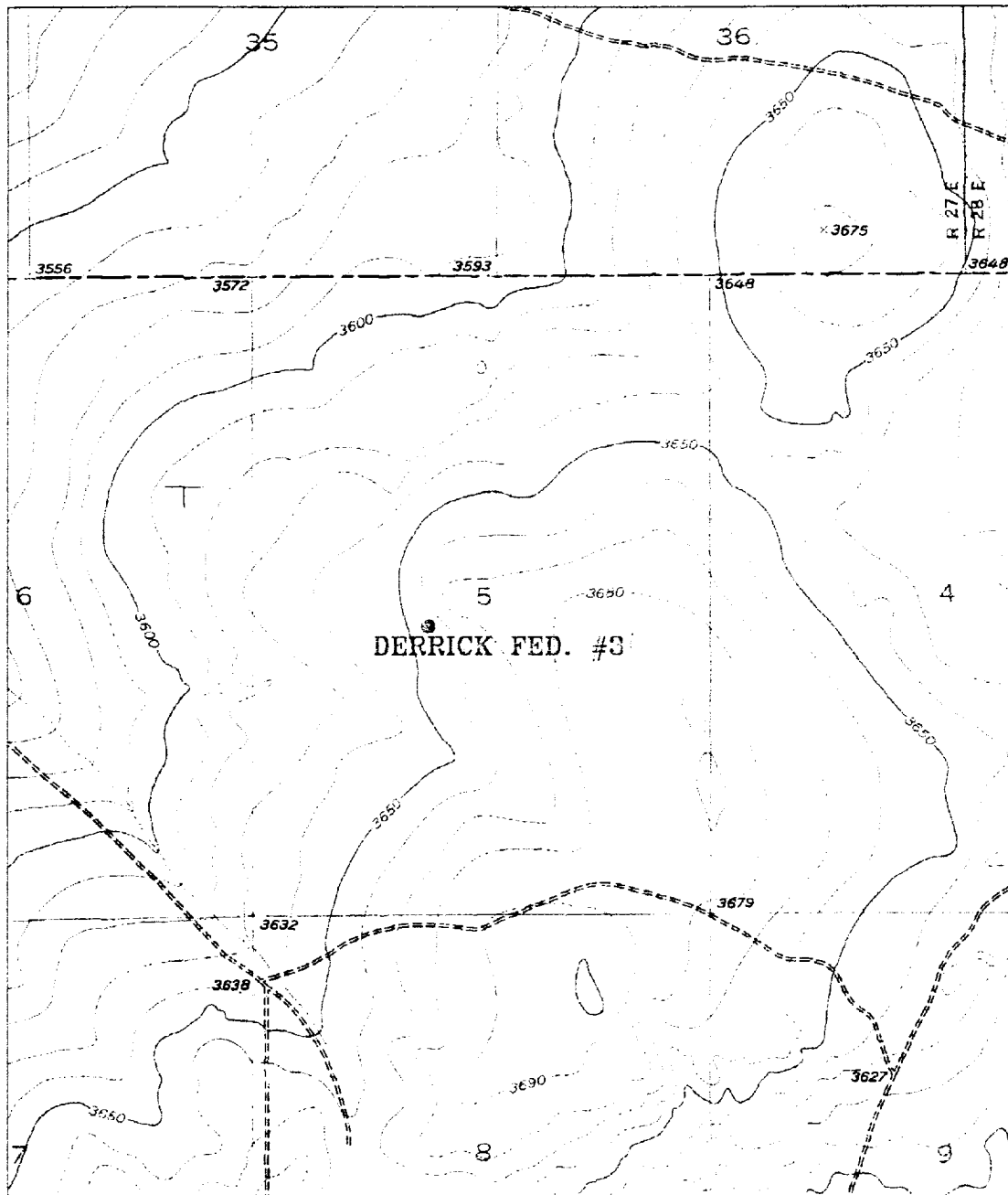
W.O. Number: 0157AA - KJG #122

Survey Date: 03-30-2000

Scale: 1" = 2 MILES

Date: 03-31-2000

**OCEAN ENERGY**



**DERRICK FEDERAL #3**  
Located at 3300' FSL and 1980' FWL  
Section 5, Township 16 South, Range 28 East,  
N.M.P.M., Eddy County, New Mexico.

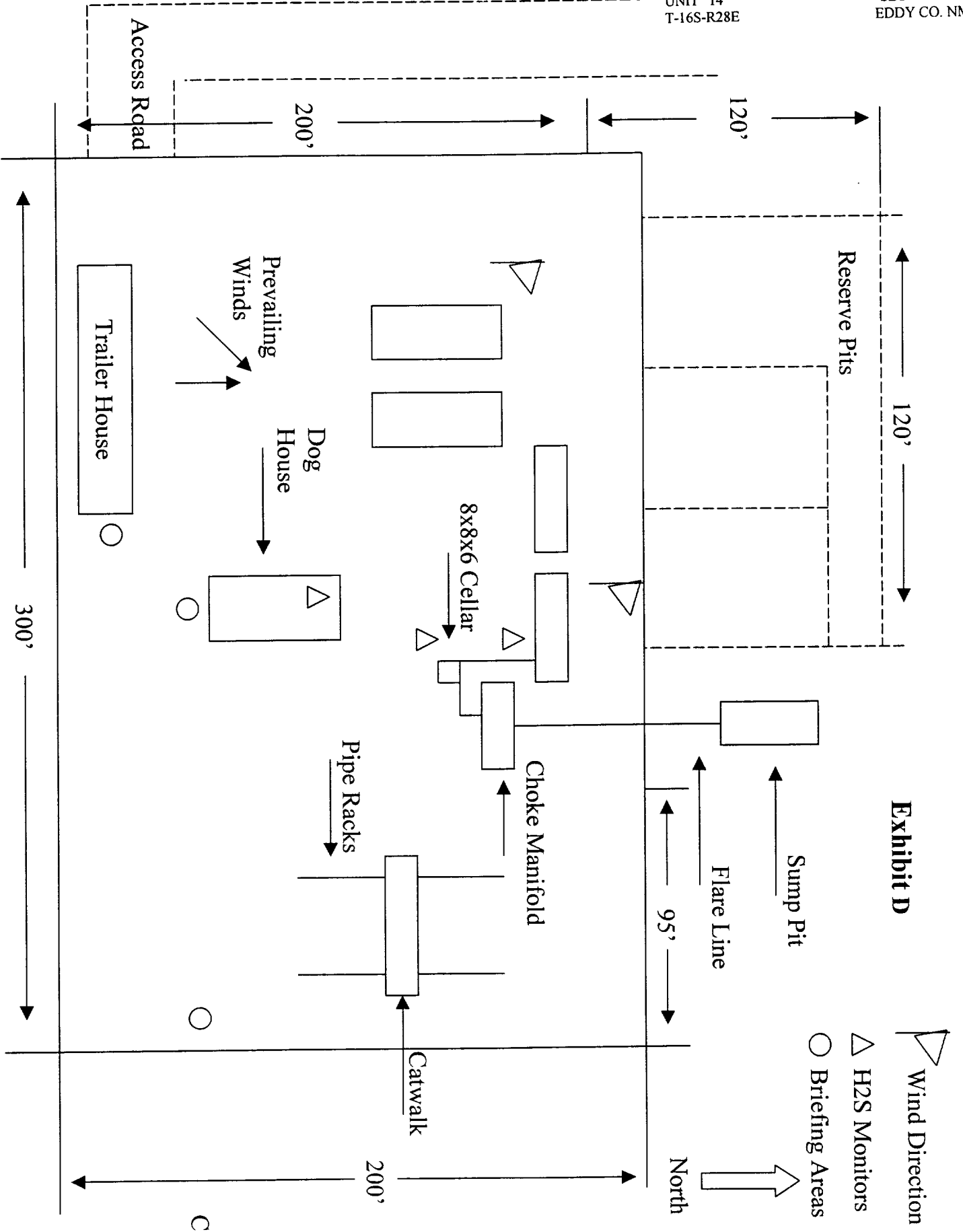
**basin  
surveys**  
focused on excellence  
in the oilfield

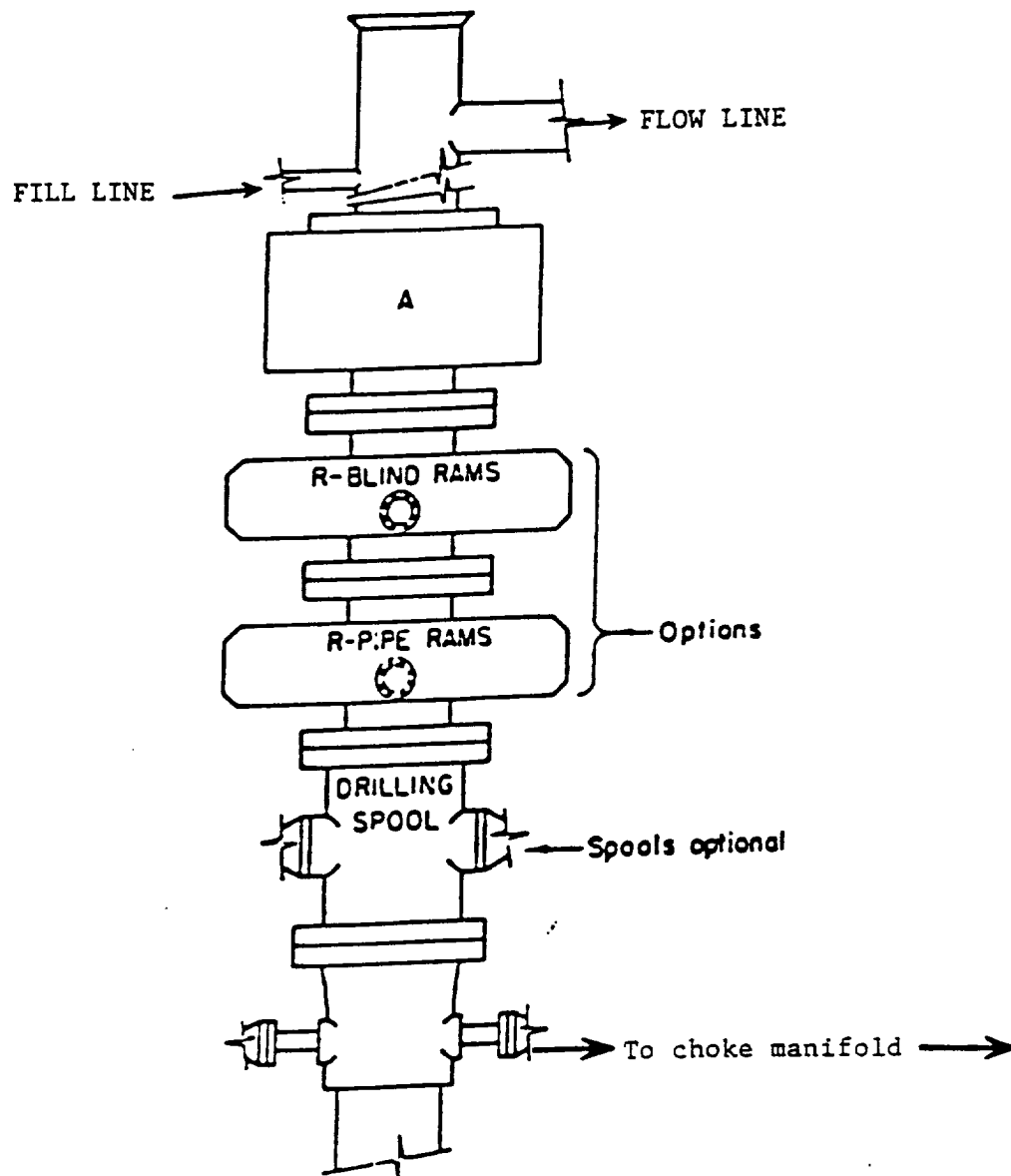
P.O. Box 1786  
1120 N. West County Rd.  
Hobbs, New Mexico 88241  
(505) 393-7316 - Office  
(505) 392-3074 - Fax  
basinsurveys.com

|                                |
|--------------------------------|
| W.C. Number: 0157AA - KJG #122 |
| Survey Date: 03-30-2000        |
| Scale: 1" = 2000'              |
| Date: 03-31-2000               |

**OCEAN ENERGY**

UNIT "14"  
T-16S-R28E





# **ARRANGEMENT SRRA**

1500 Series  
5000 PSI WP

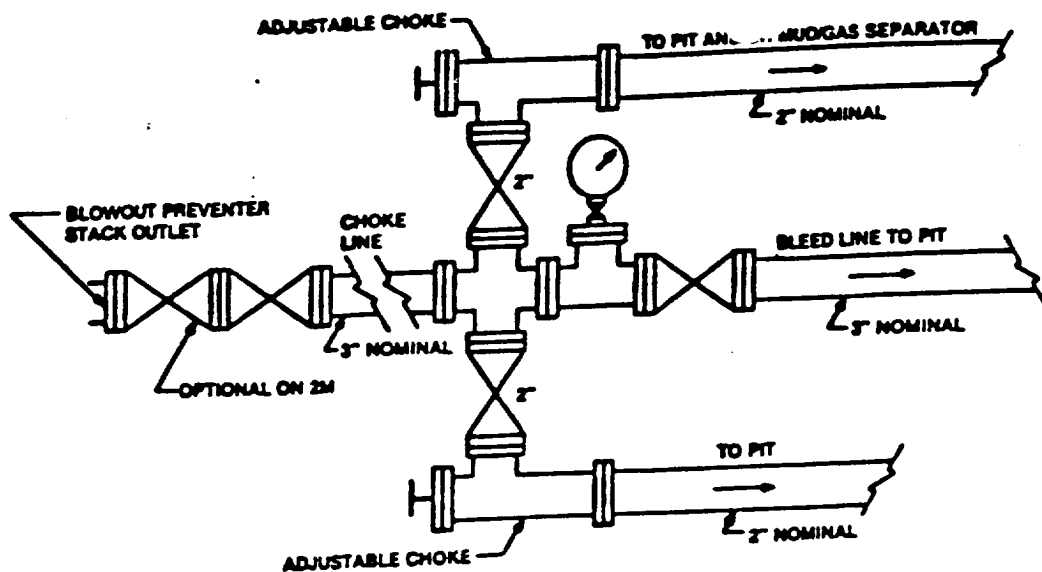
EXHIBIT "E"  
SKETCH OF B.O.P. TO BE USED ON

OCEAN ENERGY, INC.  
DERRICK FEDERAL #3

UNIT "14"  
T-16S-R28E

SECTION 5  
EDDY CO. NM





Typical choke manifold assembly for 3M WP system

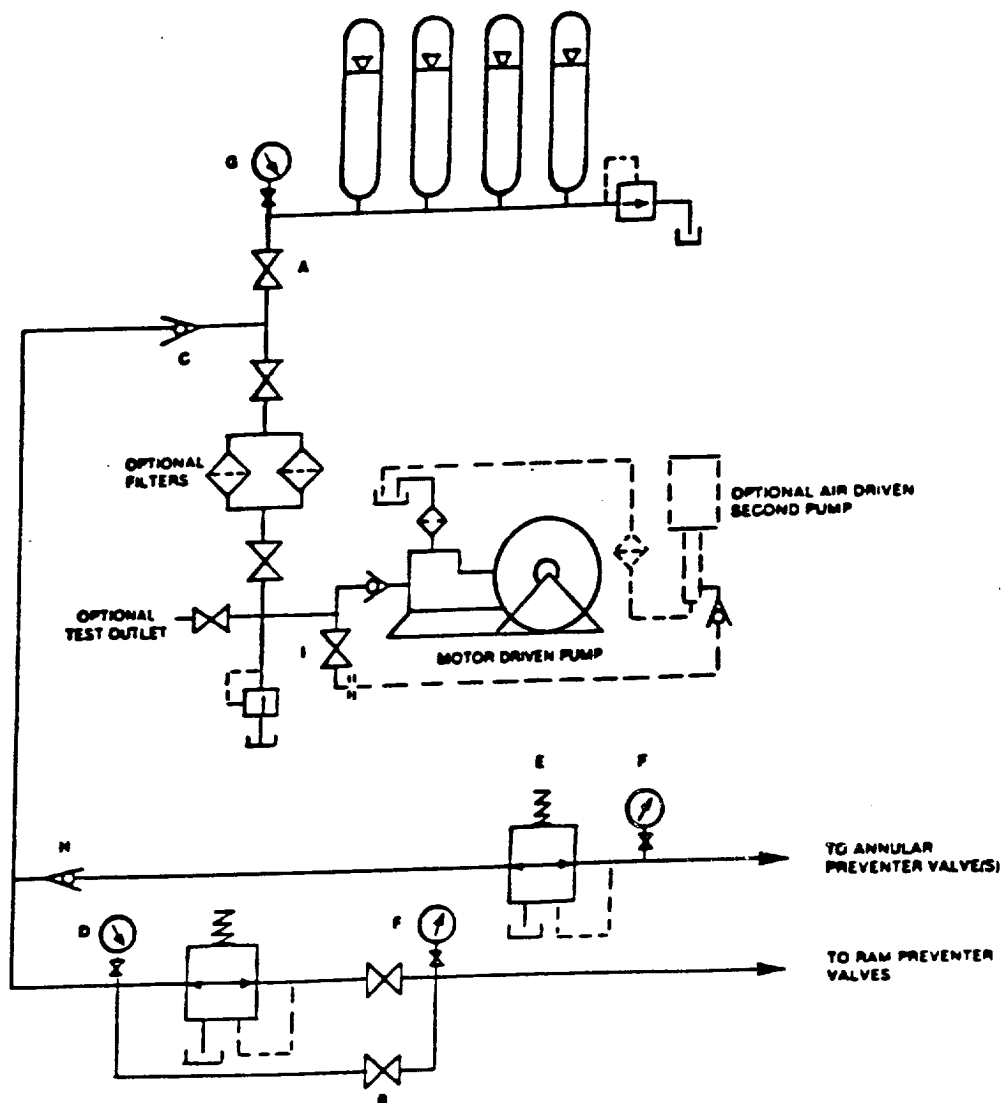


EXHIBIT "E-1"  
CHOKE MANIFOLD & CLOSING UNIT

OCEAN ENERGY, INC.  
DERRICK FEDERAL #3

UNIT "14"  
T-16S-R28E

SECTION 5  
EDDY CO. NM

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                        | Pool Name          |
| Property Code | Property Name<br>DERRICK FEDERAL | Well Number<br>3   |
| GRID No.      | Operator Name<br>OCEAN ENERGY    | Elevation<br>3655' |

Surface Location

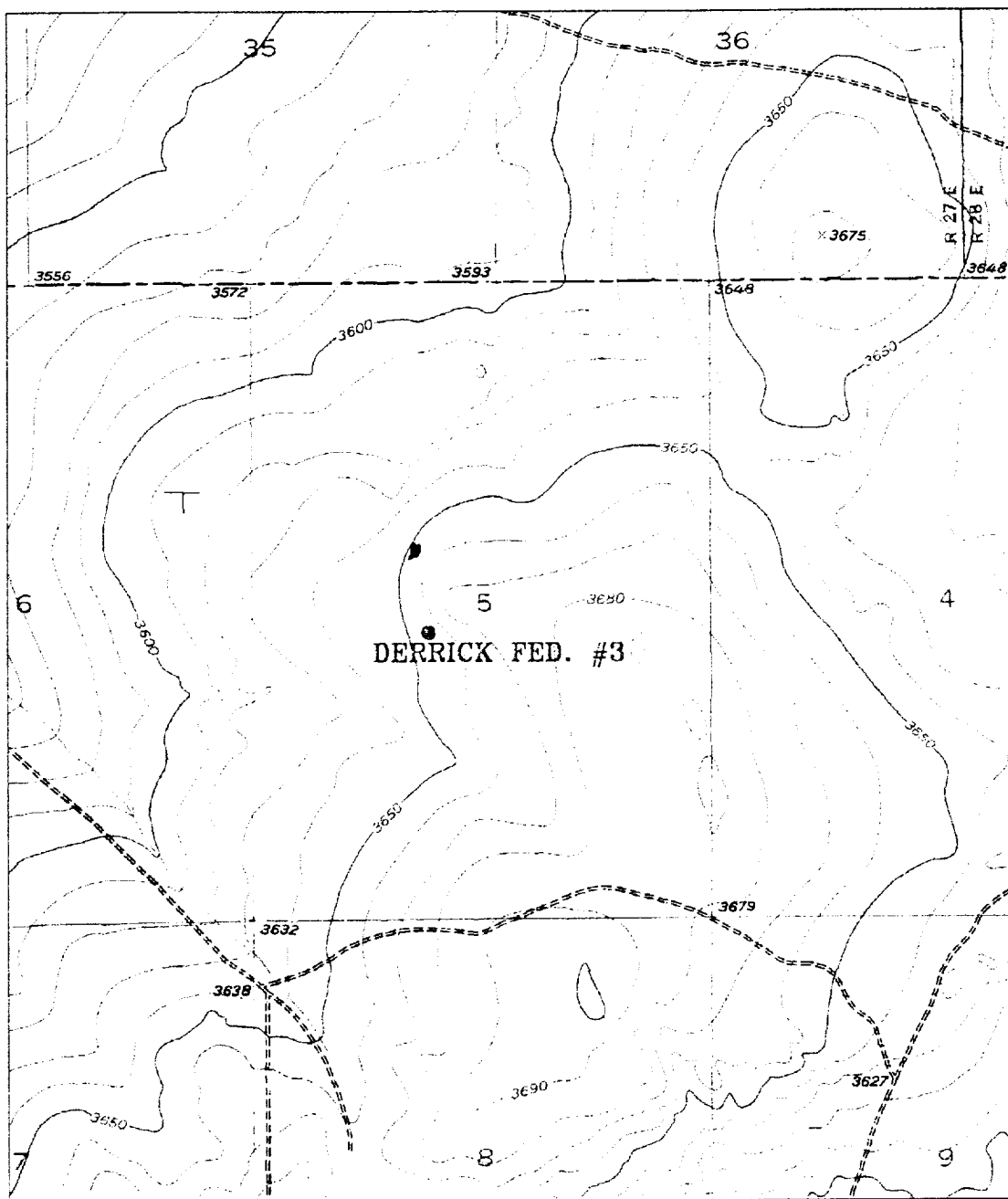
|               |         |          |       |         |               |                  |               |                |        |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| LOT 14        | 5       | 16 S     | 28 E  |         | 3300          | SOUTH            | 1980          | WEST           | EDDY   |

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 | 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>LOT 12      LOT 11      LOT 10      LOT 9</p> <p>LOT 13      LOT 14      LOT 15      LOT 16</p> <p>← 1980' →</p> <p>LAT - N32°52'57.3"<br/>LONG - W104°13'13.2"</p> <p>3651.0'   3663.8'</p> <p>3650.1'   3656.5'</p> <p>3300'</p> <p>1/4 COR.      1/4 COR.</p>  |  |  |  | <p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Janice Holley</i><br/>Signature</p> <p>Janice Holley<br/>Printed Name</p> <p>Production Analyst<br/>Title</p> <p>5-23-00<br/>Date</p> |
| <p><b>SURVEYOR CERTIFICATION</b></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>March 30, 2000<br/>Date Surveyed</p> <p><i>GARY L. JONES</i><br/>Signature &amp; Seal of Professional Surveyor</p> <p>7977<br/>No. 0157A</p> <p>Certificate No. 7977</p> <p>BASIN SURVEYS</p> |  |  |  |  |



**DERRICK FEDERAL #3**  
 Located at 3300' FSL and 1980' FWL  
 Section 5, Township 16 South, Range 28 East,  
 N.M.P.M., Eddy County, New Mexico.

**basin**  
**surveys**  
 focused on excellence  
 in the oilfield

P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
[basinsurveys.com](http://basinsurveys.com)

W.O. Number: 0157AA - KJG #122

Survey Date: 03-30-2000

Scale: 1" = 2000'

Date: 03-31-2000

**OCEAN ENERGY**

5 6 7

**MESA**

R 27 E  
35 |

AMOCO

৬৩

CHAVES CO.

EDDY CO. DEPCO

540.

