(June 1990) DEPARTN /T C	DISTATES N.M. DIV-	8216xpires: March 31, 1993
SUNDRY NOTICES AND Do not use this form for proposals to drill or Use "APPLICATION FOR PE	to deepen or reenter a different reservoir.	 Lease Designation and Serial No. NM-33277 If Indian, Allottee or Tribe Name
SUBMIT IN T	RIPLICATE	7. If Unit or CA, Agreement Designation
1. Type of Well		8. Well Name and No.
Oil X Gas Other	type other description or delete	Derrick Federal Com. #3
	RECEIVED	9. API Well No. 30-015-31440
2. Name of Operator Ocean Energy, Inc.	OCD - ARTESIA	10. Field and Pool, or Exploratory Area
3. Address and Telephone No.		Diamond Mound Morrow
1001 Fannin , Suite 1600, Houston, Te	xas 77002 (713) 265-6834 21	11. County or Parish, State
4. Location of Well (Footage, Sec., T., R., M., or Surve 3300' FSL, 1980' FWL, Sec. 5, T16S, R		Eddy County, NM
12. CHECK APPROPRIATE	BOX(es) TO INDICATE NATURE OF NOTIC	E, REPORT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
work. If well is directionally drilled, give subsurfac	e locations and measured and true vertical depths	and Log form.) ites, including estimated date of starting any proposed
14. I hereby certify that the foregoing is true an Signed <u>Alame McMilla</u> (This space for Federal or State office use) Approved by	· · · · · · · · · · · · · · · · · · ·	LES BABYAK PETROLEUM ENGINEER
Conditions of approval, if any: Title 18 U.S.C. Section 1001, makes it a crime for any person representations as to any matter within its jurisdiction.	knowingly and willfully to make to any department or agency i	of the United States any false, fictitious or fraudulent statements or

Derrick Federal Com #3 3300' FSL & 1980' FWL Sec. 5, T-16-S, R-28-E Eddy Co., NM

February 5, 2002 Recomplete in the Morrow

Current Production: Morrow (9106-18') Avg rate 130 Mcfpd (liquid loading) Proposed Perfs: Morrow: 9018-22' & 9042-45' (6spf)

- 1) Test anchors. Send test results to Midland office for well file. Record SITP, production, intermediate and surface casing pressures.
- 2) MIRU completion rig. Kill well if necessary w/2% KCl water. ND tree and NU BOP's. Test BOP's to 3000 psi.
- 3) Release Arrowset pkr at 9,026' and POOH w/2-3/8" tbg. LD pkr and TCP assy (guns were shifted off).
- 4) MIRU WL unit. NU lubricator and test to 3000 psi. TIH w/4-3/4" GR/junk basket to approximately 9100'. POOH and PU 5-1/2" 17# CIBP and set same at 9100'. Dump bail 15' of cmt on top of CIBP.

a) Depth reference: Computalog CBL/GR/CCL, Run #1, 9/19/00.

- 5) MU no-go on 2-3/8" tbg and TIH w/tbg open-ended to 9150'. Pump a Mr. Clean job consisting of 200 gals of xylene followed by 5 bbl 2% KCl followed by 500 gals of 7-1/2% inhibited HCL. Reverse circulate the job. Displace w/clean 2% KCl water.
- 6) RU swab and swab FL to 2500'. POOH w/tbg.
- 7) MU 3-3/8" casing guns w/CCL and perforate the Morrow from 9018-22' and 9042-45' (0.37" hole dia, 60 degree phasing). Report pressure response after perforating each interval. ND lubricator and RD WL unit. Report overnight SICP.
 - a) Depth reference: Computalog CBL/GR/CCL, Run #1, 9/19/00. The CBL is on depth with the open hole logs. There is a short joint at 8724' for depth correlation.
 - b) Remove all non-essential personnel prior to making up perf guns.
- 8) Make up on/off tool and Arrowset packer on 2-3/8" tbg. TIH w/packer to 8950'. Set pkr and test annulus to 1500 psi.
- 9) RU swab and swab test Morrow.
- 10) RU BJ Services. Lay treating line. NU flow back manifold. Lay flare/bleed down line to pit and stake it securely. Test all lines to 8000 psi. Break down perfs and acidize Morrow w/1000 gals of 7-1/2% NEFE Morrow acid. Do not energize acid with nitrogen. Pump into perfs at as high a rate as possible. Displace acid in tbg w/2% KCI water. RD BJ.
 - a) Record ISIP as well as 5, 10 and 15 minute leakoff pressures. This data will be used to refine the frac design.
- 11) RU swab and swab back acid load. Flow well to pit and allow it to clean up thoroughly. Report rates and pressures during clean up.
- 12) Kill well w/clean 2% KCL water. Release pkr and POOH w/tbg.
- 13) Spot one clean frac tank and fill w/365 bbls 2% KCl water and 65 bbls of Methanol. Spot 2 CO2 portables containing a total of 100 tons of CO2.

- 14) MIRU BJ Services frac equipment. NU frac stack and 5-1/2" csg saver. NU flowback/test equipment. Hold safety meeting. Test all lines to 10,000 psi. Apply 1000 psi to 5-1/2" X 8-5/8" annulus and monitor casing pressure throughout frac treatment.
- 15) Load the casing and ramp the rate up to 20 bpm. Frac the Morrow down 5-1/2" casing at a rate of 20 bpm using 42,000 gals of 65 quality binary foam carrying 41,500# of 20/40 Interprop. See BJ Services proposal 180652939A for pumping schedule. Do not exceed a maximum surface treating pressure of 7000 psi during treatment. Flush to top perf. SD pumps. Record ISIP and monitor leakoff for 15 minutes. *Hold safety meeting prior to rigging down.* Bleed pressure from 5-1/2" X 8-5/8" annulus. RD BJ and ND tree saver.
- 16) Open the well on a 10/64" choke initially and allow well to clean up to pit. Adjust choke size to maximize fluid recovery and minimize sand flowback. When fluid volumes diminish, put well through test separator and report well tests while cleaning up.
- 17) When well has recovered frac load, or has stopped producing fluid, SI well. Release test equipment. MIRU WL unit. NU 5M lubricator. Test lubricator to 3000 psi. RIH w/5-1/2" Arrowset 1X pkr w/Weatherford T-2 on/off tool with 1.875" Baker "F" profile (1.87" FSG blanking plug in place). Run 10' of tailpipe with WL entry guide. Set pkr at 8,950'. POOH w/WL. ND lubricator and RD WL unit.
 - a) Note FL while TIH w/pkr. If no FL was tagged, pump 50 bbls of 2% KCl water down casing prior to RIH w/tbg.
- 18) ND frac stack. MU on/off tool receptacle and RIH on 2-3/8", 4.7# L-80 EUE 8rd tbg. Reverse circulate hole clean and pump 160 bbls of pkr fluid. Engage on/off tool. Land tbg and test annulus to 1500 psi. ND BOP's and NU tree. Test tree flange to 5000 psi.
- 19) Swab FL down to at least 3000'.
- 20) RU SL unit. RIH and pull equalizing prong from blanking plug at +/-8,949'. Allow tbg pressure to stabilize. TIH w/fishing tool and pull blanking plug. RD SL unit. Unload well to pit. Swab if necessary.
- 21) Obtain gas and condensate samples for analysis when CO2 concentrations diminish.
- 22) RD and release workover rig. Turn well over to Production personnel.



PBTD: 9250 PBTD: 9217' (Tbg tally)



TD: 9250' PBTD: 9217' (Tbg tally)