



COMPENSATED Z-DENSILOGSM
COMPENSATED NEUTRON LOG
GAMMA RAY LOG

Baker Atlas

FILE NO: WD5162	COMPANY WELL FIELD COUNTY	TMBR/SHARP DRILLING, INC. BLUE FIN "25" #1 TOWNSEND; MISSISSIPPIAN, N. LEA STATE NEW MEXICO
API NO: 30-025-35865		
Ver. 3.81 FINAL PRINTS	LOCATION: 1913' FNL & 924' FWL SEC 25 TWP T-16-S RGE R-35-E	OTHER SERVICES DAL DLL/MLL
PERMANENT DATUM LOG MEASURED FROM DRILL. MEAS. FROM	GL KB KB	ELEVATION 3959 FT 19.25 FT ABOVE P.D.
		ELEVATIONS: KB 3978.25 FT DF 3977.25 FT GL 3959.00 FT

DATE	24-JUN-2002		
RUN	TRIP	1	1
SERVICE ORDER	373300		
DEPTH DRILLER	13100 FT		
DEPTH LOGGER	13095 FT		
BOTTOM LOGGED INTERVAL	13095 FT		
TOP LOGGED INTERVAL	100 FT		
CASING DRILLER	9.625 IN	@ 4957 FT	@
CASING LOGGER	4953 FT		
BIT SIZE	8.75 IN		
TYPE OF FLUID IN HOLE	BRINE/FLOWZAN		
DENSITY	VISCOSITY	3.9 LB/G	40 S
PH	FLUID LOSS	10	11 C3
SOURCE OF SAMPLE	CIRCULATION TANK		
RM AT MEAS. TEMP.	0.032 OHMM	@ 101 DEGF	@
RMF AT MEAS. TEMP.	0.032 OHMM	@ 101 DEGF	@
RMC AT MEAS. TEMP.	---	@ ---	@
SOURCE OF RMF	RMC	MEASURED	
RM AT BHT	0.017 OHMM	@ 197 DEGF	@
TIME SINCE CIRCULATION	8 HOURS		
MAX. RECORDED TEMP.	197 DEGF		
EQUIP. NO.	LOCATION	HL 6576	MIDLAND TX
RECORDED BY	RANDY RHODES		
WITNESSED BY	DALE LUBINSKI		



Baker Atlas

DUAL LATEROLOG MICRO LATEROLOG GAMMA RAY LOG

FILE NO: MD5162	COMPANY WELL	TMBR/SHARP DRILLING, INC. BLUE FIN "25" #1
API NO: 30-025-35865	FIELD COUNTY	TOWNSEND; MISSISSIPPIAN, N. LEA STATE NEW MEXICO

Ver. 3.81 FINAL PRINTS	LOCATION: 1913' FNL & 924' FWL SEC 25 TWP T-16-S RGE R-35-E	OTHER SERVICES CN/ZDL DAL
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PERMANENT DATUM	GL	ELEVATION	3959 FT	ELEVATIONS:
LOG MEASURED FROM	KB	19.25 FT	ABOVE P.D.	KB 3978.25 FT
DRILL. MEAS. FROM	KB			DF 3977.25 FT
				GL 3959.00 FT

DATE		24-JUN-2002		
RUN	TRIP	1		
SERVICE ORDER		373300		
DEPTH DRILLER		13100 FT		
DEPTH LOGGER		13095 FT		
BOTTOM LOGGED INTERVAL		13095 FT		
TOP LOGGED INTERVAL		4953 FT		
CASING DRILLER		9.625 IN	@ 4957 FT	@
CASING LOGGER		4953 FT		
BIT SIZE		8.75 IN		
TYPE OF FLUID IN HOLE		BRINE/FLOWZAN		
DENSITY	VISCOSITY	9.9 LB/3		
PH	FLUID LOSS	10	11.03	1
SOURCE OF SAMPLE		CIRCULATION TANK		
RM AT MEAS. TEMP.		0.032 OHMM	@ 101 DEGF	@
RMF AT MEAS. TEMP.		0.032 OHMM	@ 101 DEGF	@
RMC AT MEAS. TEMP.		---	@ ---	@
SOURCE OF RMF	RMC	MEASURED		
RM AT BHT		0.017 OHMM	@ 197 DEGF	@
TIME SINCE CIRCULATION		8 HOURS		
MAX. RECORDED TEMP.		197 DEGF		
EQUIP. NO.	LOCATION	HL 6576	MIDLAND TX	
RECORDED BY		RANDY RHODES		
WITNESSED BY		DALE LUBINSKI		

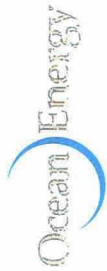


DIGITAL ACOUSTILOG GAMMA RAY LOG

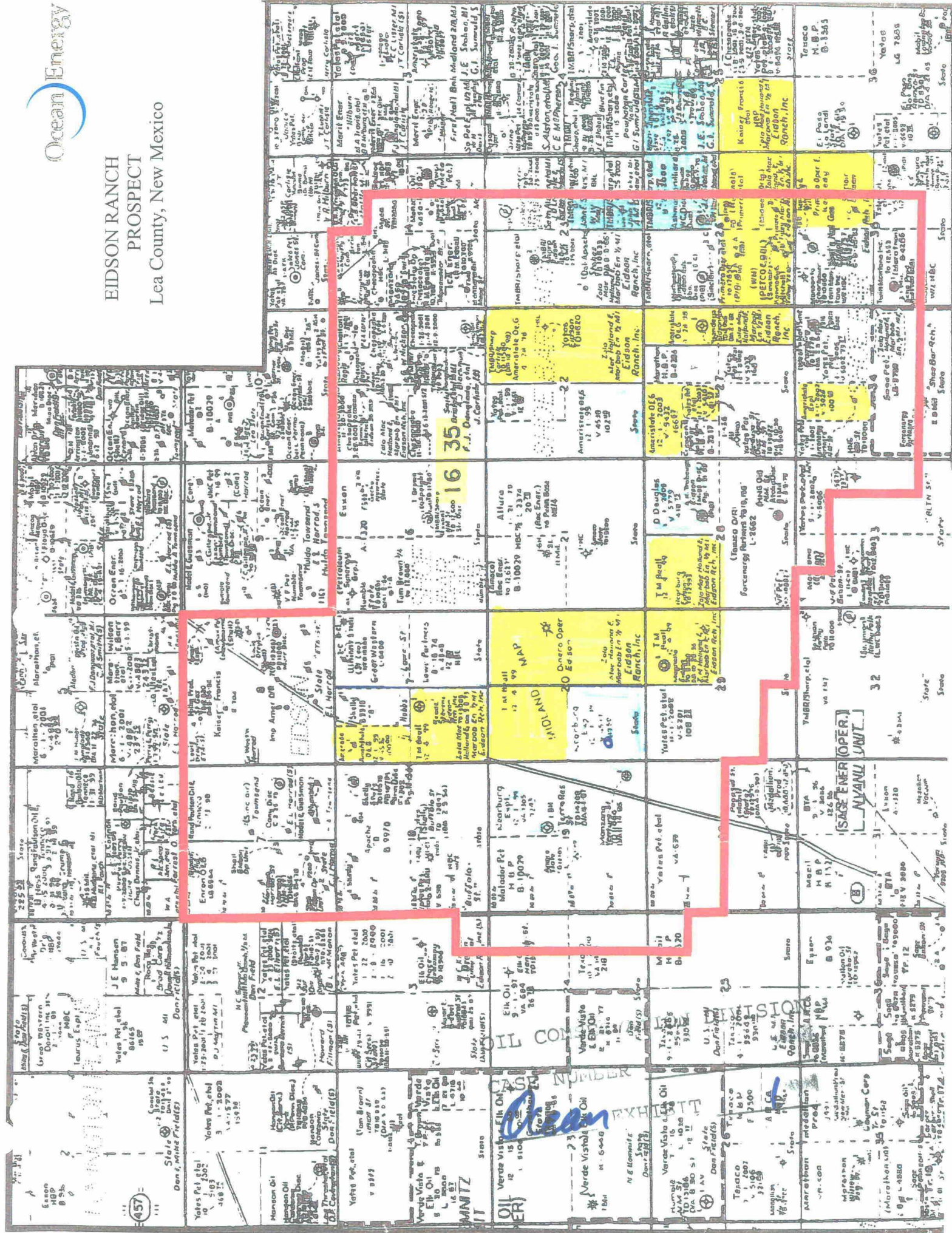
Baker Atlas

FILE NO: WD5162	COMPANY WELL FIELD COUNTY	TMBR/SHARP DRILLING, INC. BLUE FIN "25" #1 TOWNSEND; MISSISSIPPIAN, N. LEA STATE NEW MEXICO
API NO: 30-025-35865	Ver. 3.81 FINAL PRINTS	LOCATION: 1913' FNL & 924' FWL SEC 25 TWP T-16-S RGE R-35-E
OTHER SERVICES CN/ZDL DLL/MLL		
PERMANENT DATUM LOG MEASURED FROM DRILL. MEAS. FROM	GL KB KB	ELEVATION 3959 FT 19.25 FT ABOVE P.D.
ELEVATIONS: KB 3978.25 F DF 3977.25 F GL 3959.00 F		

DATE	24-JUN-2002			
RUN	TRIP	1	1	
SERVICE ORDER	373300			
DEPTH DRILLER	13100 FT			
DEPTH LOGGER	13095 FT			
BOTTOM LOGGED INTERVAL	13095 FT			
TOP LOGGED INTERVAL	4600 FT			
CASING DRILLER	9.625 IN	@ 4957 FT		@
CASING LOGGER	4953 FT			
BIT SIZE	8.75 IN			
TYPE OF FLUID IN HOLE	BRINE/FLOWZAN			
DENSITY	VISCOSITY	9.9 LB/G	40 S	
PH	FLUID LOSS	10	11 C3	
SOURCE OF SAMPLE	CIRCULATION TANK			
RM AT MEAS. TEMP.	0.032 OHMM	@ 101 DEGF		@
RMF AT MEAS. TEMP.	0.032 OHMM	@ 101 DEGF		@
RMC AT MEAS. TEMP.	---	@ ---		@
SOURCE OF RMF	RMC	MEASURED		
RM AT BHT	0.017 OHMM	@ 197 DEGF		@
TIME SINCE CIRCULATION	8 HOURS			
MAX. RECORDED TEMP.	197 DEGF			
EQUIP. NO.	LOCATION	HL 6576	MIDLAND TX	
RECORDED BY	RANDY RHODES			
WITNESSED BY	DALE LUBINSKI			



EIDSON RANCH
PROSPECT
Lea County, New Mexico



03/27/01	Called Andy Grooms with Primero Operating (Brannex) and began negotiations to acquire farmin/term assignment.
04/25/01	Sent first proposal letter.
05/18/01	Sent second proposal letter.
06/12/01	Received counter proposal letter from Primero.
07/23/01	Final agreement sent to all parties.
08/14/01	1 st amendment changes date agreement must be accepted.
11/30/01	2 nd amendment changes language so well did not have to be on farmout lands and contract depth from 12,500' to 13,200'

OIL CONSERVATION *COMMISSION*
[REDACTED]
CASE NUMBER _____
Ocean EXHIBIT *2*

January 25, 2002

Ocean Energy

Ameristate Oil & Gas, Inc.
P. O. Box 341449
Austin, Texas 78734

Attention: Mr. Mark Nearburg

Re: Triple Hackle Dragon "25" #1
1815' FNL and 750' FWL
W/2 Section 25, T16S, R35E
Lea County, New Mexico

OIL CONSERVATION

COMMISSION

CASE NUMBER

Ocean

EXHIBIT

3A

Gentlemen:

Ocean Energy Inc. hereby proposes to drill a 13,200' Mississippian Test at a location 1815' FNL and 750' FWL of Section 25, T16S, R35E, Lea County, New Mexico. Based upon our most current title information, Ameristate Oil & Gas, Inc. appears to own leasehold interest in the NW/4 of said Section 25. Please advise if this is incorrect.

Ocean respectfully requests that Ameristate Oil & Gas, Inc. participate for its proportionate interest in the proposed well. Enclosed for your review and execution are two (2) copies of the AFE for the above captioned well. Should Ameristate Oil & Gas, Inc. elect to participate in the proposed well, please execute and return one (1) copy of this letter and one (1) AFE well cost estimate. An Operating Agreement will be forwarded for your review and approval if you elect to participate in the proposed well. Also, please provide your well information requirements and the names of personnel to receive reports.

If Ameristate Oil & Gas, Inc. is not interested in participating in drilling the proposed well, please call me at 713-265-6897 to discuss other alternatives.

Thank you for your consideration of this proposal.

Yours very truly,

OCEAN ENERGY, INC.



Derold Maney
Senior Land Advisor

_____ AMERISTATE OIL & GAS, INC. ELECTS TO PARTICIPATE in the Triple Hackle Dragon "25" #1 Well.

_____ AMERISTATE OIL & GAS, INC. ELECTS NOT TO PARTICIPATE in the Triple Hackle Dragon "25" #1 Well.

By: _____
Title: _____
Date: _____



January 25, 2002

TMBR/Sharp Drilling, Inc.
P. O. Drawer 10970
Midland, Texas 79702

Attention: Mr. Jeff Phillips

Re: Triple Hackle Dragon "25" #1
1815' FNL and 750' FWL
W/2 Section 25, T16S, R35E
Lea County, New Mexico

Gentlemen:

Ocean Energy Inc. hereby proposes to drill a 13,200' Mississippian Test at a location 1815' FNL and 750' FWL of Section 25, T16S, R35E, Lea County, New Mexico. Based upon our most current title information, TMBR/Sharp Drilling, Inc. appears to own leasehold interest in the NW/4 of said Section 25. Please advise if this is incorrect.

Ocean respectfully requests that TMBR/Sharp Drilling, Inc. participate for its proportionate interest in the proposed well. Enclosed for your review and execution are two (2) copies of the AFE for the above captioned well. Should TMBR/Sharp Drilling, Inc. elect to participate in the proposed well, please execute and return one (1) copy of this letter and one (1) AFE well cost estimate. An Operating Agreement will be forwarded for your review and approval if you elect to participate in the proposed well. Also, please provide your well information requirements and the names of personnel to receive reports.

If TMBR/Sharp Drilling, Inc. is not interested in participating in drilling the proposed well, please call me at 713-265-6897 to discuss other alternatives.

Thank you for your consideration of this proposal.

Yours very truly,

OCEAN ENERGY, INC.

A handwritten signature in cursive script, reading "Derold Maney".

Derold Maney
Senior Land Advisor

_____ TMBR/SHARP DRILLING, INC. ELECTS TO PARTICIPATE in the Triple Hackle Dragon "25" #1 Well.

_____ TMBR/SHARP DRILLING, INC. ELECTS NOT TO PARTICIPATE in the Triple Hackle Dragon "25" #1 Well.

By: _____
Title: _____
Date: _____



January 25, 2002

Fuel Products, Inc.
P. O. Box 3098
Midland, Texas 79702

Attention: Mr. Tom Beall

Re: Triple Hackle Dragon "25" #1
1815' FNL and 750' FWL
W/2 Section 25, T16S, R35E
Lea County, New Mexico

Gentlemen:

Ocean Energy Inc. hereby proposes to drill a 13,200' Mississippian Test at a location 1815' FNL and 750' FWL of Section 25, T16S, R35E, Lea County, New Mexico. Based upon our most current title information, Fuel Products, Inc. appears to own leasehold interest in the NW/4 of said Section 25. Please advise if this is incorrect.


Ocean respectfully requests that Fuel Products, Inc. participate for its proportionate interest in the proposed well. Enclosed for your review and execution are two (2) copies of the AFE for the above captioned well. Should Fuel Products, Inc. elect to participate in the proposed well, please execute and return one (1) copy of this letter and one (1) AFE well cost estimate. An Operating Agreement will be forwarded for your review and approval if you elect to participate in the proposed well. Also, please provide your well information requirements and the names of personnel to receive reports.

If Fuel Products, Inc. is not interested in participating in drilling the proposed well, please call me at 713-265-6897 to discuss other alternatives.

Thank you for your consideration of this proposal.

Yours very truly,

OCEAN ENERGY, INC.


Derold Maney
Senior Land Advisor

_____ FUEL PRODUCTS, INC. ELECTS TO PARTICIPATE in the Triple Hackle Dragon "25" #1 Well.

_____ FUEL PRODUCTS, INC. ELECTS NOT TO PARTICIPATE in the Triple Hackle Dragon "25" #1 Well.

By: _____
Title: _____
Date: _____

January 25, 2002



Mr. Louis Mazzullo
P. O. Box 66657
Albuquerque, New Mexico 87193

Re: Triple Hackle Dragon "25" #1
1815' FNL and 750' FWL
W/2 Section 25, T16S, R35E
Lea County, New Mexico

Dear Mr. Mazzullo,

Ocean Energy Inc. hereby proposes to drill a 13,200' Mississippian Test at a location 1815' FNL and 750' FWL of Section 25, T16S, R35E, Lea County, New Mexico. Based upon our most current title information, you appear to own leasehold interest in the NW/4 of said Section 25. Please advise if this is incorrect.

Ocean respectfully requests that you participate for your proportionate interest in the proposed well. Enclosed for your review and execution are two (2) copies of the AFE for the above captioned well. Should you elect to participate in the proposed well, please execute and return one (1) copy of this letter and one (1) AFE well cost estimate. An Operating Agreement will be forwarded for your review and approval if you elect to participate in the proposed well. Also, please provide your well information requirements and the names of personnel to receive reports.

If you are not interested in participating in drilling the proposed well, please call me at 713-265-6897 to discuss other alternatives.

Thank you for your consideration of this proposal.

Yours very truly,

OCEAN ENERGY, INC.

A handwritten signature in cursive script that reads "Derold Maney".

Derold Maney
Senior Land Advisor

_____ LOUIS MAZZULLO ELECTS TO PARTICIPATE in the Triple Hackle Dragon "25" #1 Well.

_____ LOUIS MAZZULLO ELECTS NOT TO PARTICIPATE in the Triple Hackle Dragon "25" #1 Well.

By: _____
Title: _____
Date: _____



January 25, 2002

David H. Arrington Oil & Gas, Inc.
P. O. Box 2071
Midland, Texas 79702

Attention: Mr. David H. Arrington

Re: Triple Hackle Dragon "25" #1
1815' FNL and 750' FWL
W/2 Section 25, T16S, R35E
Lea County, New Mexico

Gentlemen:

Ocean Energy Inc. hereby proposes to drill a 13,200' Mississippian Test at a location 1815' FNL and 750' FWL of Section 25, T16S, R35E, Lea County, New Mexico. Based upon our most current title information, David H. Arrington Oil & Gas, Inc. appears to own leasehold interest in the NW/4 of said Section 25. Please advise if this is incorrect.

Ocean respectfully requests that David H. Arrington Oil & Gas, Inc. participate for its proportionate interest in the proposed well. Enclosed for your review and execution are two (2) copies of the AFE for the above captioned well. Should David H. Arrington Oil & Gas, Inc. elect to participate in the proposed well, please execute and return one (1) copy of this letter and one (1) AFE well cost estimate. An Operating Agreement will be forwarded for your review and approval if you elect to participate in the proposed well. Also, please provide your well information requirements and the names of personnel to receive reports.

If David H. Arrington Oil & Gas, Inc. is not interested in participating in drilling the proposed well, please call me at 713-265-6897 to discuss other alternatives.

Thank you for your consideration of this proposal.

Yours very truly,

OCEAN ENERGY, INC.

A handwritten signature in cursive script that reads "Derold Maney".

Derold Maney
Senior Land Advisor

_____ DAVID H. ARRINGTON OIL & GAS, INC. ELECTS TO PARTICIPATE in the Triple Hackle Dragon "25" #1 Well.

_____ DAVID H. ARRINGTON OIL & GAS, INC. ELECTS NOT TO PARTICIPATE in the Triple Hackle Dragon "25" #1 Well.

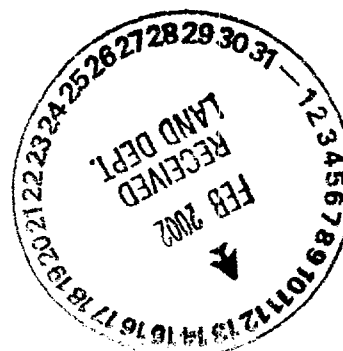
By: _____
Title: _____
Date: _____

January 25, 2002

Ocean Energy

Louis Mazzullo, INC.
Mr. Louis Mazzullo
P. O. Box 66657
Albuquerque, New Mexico 87193

Re: Triple Hackle Dragon "25" #1
1815' FNL and 750' FWL
W/2 Section 25, T16S, R35E
Lea County, New Mexico



Dear Mr. Mazzullo,

Ocean Energy Inc. hereby proposes to drill a 13,200' Mississippian Test at a location 1815' FNL and 750' FWL of Section 25, T16S, R35E, Lea County, New Mexico. Based upon our most current title information, you appear to own leasehold interest in the NW/4 of said Section 25. Please advise if this is incorrect.

Ocean respectfully requests that you participate for your proportionate interest in the proposed well. Enclosed for your review and execution are two (2) copies of the AFE for the above captioned well. Should you elect to participate in the proposed well, please execute and return one (1) copy of this letter and one (1) AFE well cost estimate. An Operating Agreement will be forwarded for your review and approval if you elect to participate in the proposed well. Also, please provide your well information requirements and the names of personnel to receive reports.

If you are not interested in participating in drilling the proposed well, please call me at 713-265-6897 to discuss other alternatives.

Thank you for your consideration of this proposal.

Yours very truly,

OCEAN ENERGY, INC.

Derold Maney
Derold Maney
Senior Land Advisor

OIL CONSERVATION *COMMISSION*
CASE NUMBER *[REDACTED]*
Ocean EXHIBIT *3B*

☐ LOUIS MAZZULLO ELECTS TO PARTICIPATE in the Triple Hackle Dragon "25" #1 Well.

☒ LOUIS MAZZULLO ELECTS NOT TO PARTICIPATE in the Triple Hackle Dragon "25" #1 Well.

By: *Louis Mazzullo*
Title: *President*
Date: *2/6/02*

OCEAN ENERGY, INC		DEVELOPMENT DRILLING & COMPLETION	
REGION:	Permian	AFE NO:	NA
FIELD:	Other Permian - 5620	EST. START DATE	04/01/02
PROSPECT:	Eidson Ranch	WORK TYPE:	Development Drill & Complete
COUNTY/STATE:	Lea Co., New Mexico	ORIG. DEPT:	Drilling
PROPERTY NO.:	NA	SURFACE LOC:	1,815' FNL & 750' FWL
OPERATOR:	Ocean Energy Inc.	BTM HOLE LOC:	Same
LEGAL DESCRIPTION:	Section 25, T16S, R35E	DEPTH:	13200' MD 13200' TVD
		GEOLOGIC OBJECTIVE:	Strawn, Brunson, Morrow, Mesa
		COORDINATOR:	RG Trueheart

Drill and complete the Eidson 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 13-3/8" 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
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
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			\$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
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	SIZE	DEPTH	FOOTAGE			
		Caisson		\$0	\$0	\$0
	0.000	0	0	\$0	\$0	
	20.000	60	60	\$2,100	\$0	
	0.000	0	0	\$0	\$0	
	13.375	500	500	\$8,400	\$0	
	8.625	5000	5000	\$72,300	\$0	
	0.000	0	0	\$0	\$0	
	0.000	0	0	\$0	\$0	
226 - 010	TUBULARS - DRILLING			\$82,800	\$0	\$82,800
	0.000	0	0		\$0	
	5.500	13200	13200		\$110,200	
	2.375	13200	13100		\$36,500	
227 - 010	TUBULARS - COMPLETION				\$146,700	\$146,700
226 / 227 - 020	WELLHEAD EQUIPMENT			\$18,000	\$0	\$18,000
226 / 227 - 030	DOWNHOLE EQUIPMENT			\$3,000	\$0	\$19,500
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

DRILL 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

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

Approval	Company Name or Individual (PLEASE PRINT)	Date
ELECT TO PARTICIPATE AND DO NOT ACCEPT THE WELL CONTROL INSURANCE COVERAGE.		
COMMISSION		
Approval	Company Name or Individual (PLEASE PRINT)	
OIL CONSERVATION		
CASE NUMBER		
EXHIBIT 4		

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

Reserves Ownership Map

(Based on Blue Fin 25 Decline Curve)

Unit Net Reserves	
OEI	943 MMCFG
DHA	404 MMCFG
TMBR/Sharp	1,348 MMCFG
BF 25 Decline Curve	2,695 MMCFG

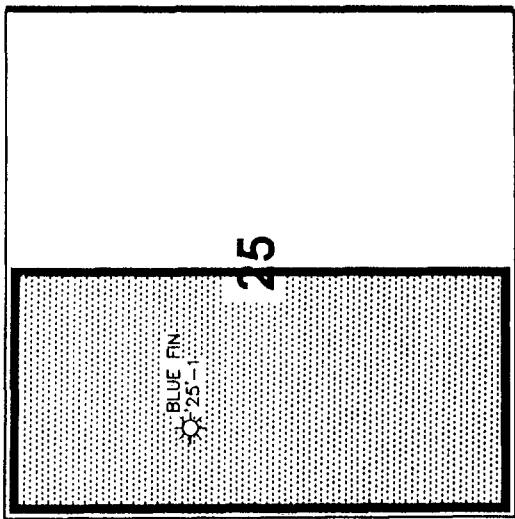
Volumetric Net Reserves	
OEI	1,150 MMCFG
DHA	492 MMCFG
TMBR/Sharp	1,643 MMCFG
	3,285 MMCFG

SW4 has only

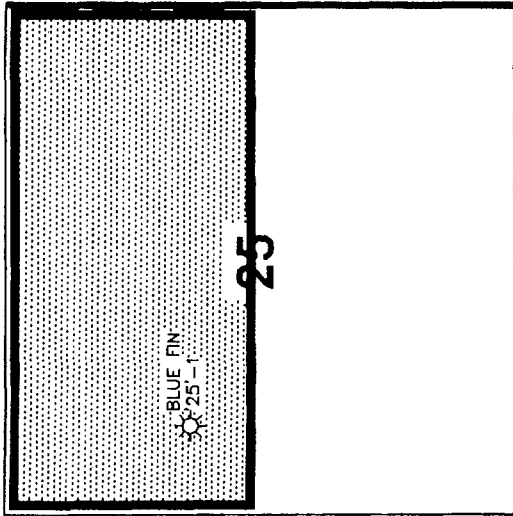
59,0 MMCFG Avail Not Economic to drill an additional well in SW4

Unit Net Reserves based on EUR of Blue Fine 25-1 (EUR = 2,695 MMCFG)
Volumetric Reserves based on owner share of the volumetric reserves underlying the proposed unit.

Standup 320 Acre Unit



Laydown 320 Acre Unit



Blue Fin 25 Decline Curve

Unit Net Reserves (Based on Decline Curve)	
DHA	420 MMCFG
TMBR/Sharp	2,275 MMCFG
BF 25 Decline Curve	2,695 MMCFG

Volumetric Net Reserves	
DHA	234 MMCFG
TMBR/Sharp	1,273 MMCFG
	1,507 MMCFG
	45%

OIL CONSERVATION DIVISION

CASE NUMBER

Ocean

EXHIBIT *6*

VOLUMETRIC RESERVES BY QTR SECTION
SEC 24 & 25, T16S, R35E, LEA COUNTY, NM

SECTION	QTR	AC-FT	BHP/Z	BHP/Z	POR	SW	RECOVERABLE (MMCFG)	WELLS LOCATED IN QTR SECT	EUR (MMCFG)	% RECOVERABLE FROM QTR SECTION
23	SE/4	636	5,688	530	13%	20%	824			
24	SW/4	753	5,688	530	13%	20%	975	BF 24-1	3,790	389%
25	NW/4	1,147	5,688	530	13%	20%	1,487	BF 25-1	2,695	181%
25	NE/4	16	5,688	530	13%	20%	20			
25	SW/4	1,387	5,688	530	13%	20%	1,798			
25	SE/4	92	5,688	530	13%	20%	119			
26	NE/4	196	5,688	530	13%	20%	254			
36	NW/4	36	5,688	530	13%	20%	47			

TOTAL 4,262

5,524

NOTE:

1. POROSITY CALCULATED FROM LOWER ZONE
2. WATER SATURATION CALCULATED FROM OPEN HOLE LOGS ON 25-1
3. RESERVOIR TEMPERATURE 180 DEG F

% of
 Ac-Ft Total MMCF
 Sec 23 = 636 15% @ 24
 Sec 24 = 753 17.7% @ 25
 Sec 25 = 2642 62% @ 24
 Sec 26 = 196 4.6% @ 25
 Sec 36 = 36 0.8%
 4263 5524 MMCF

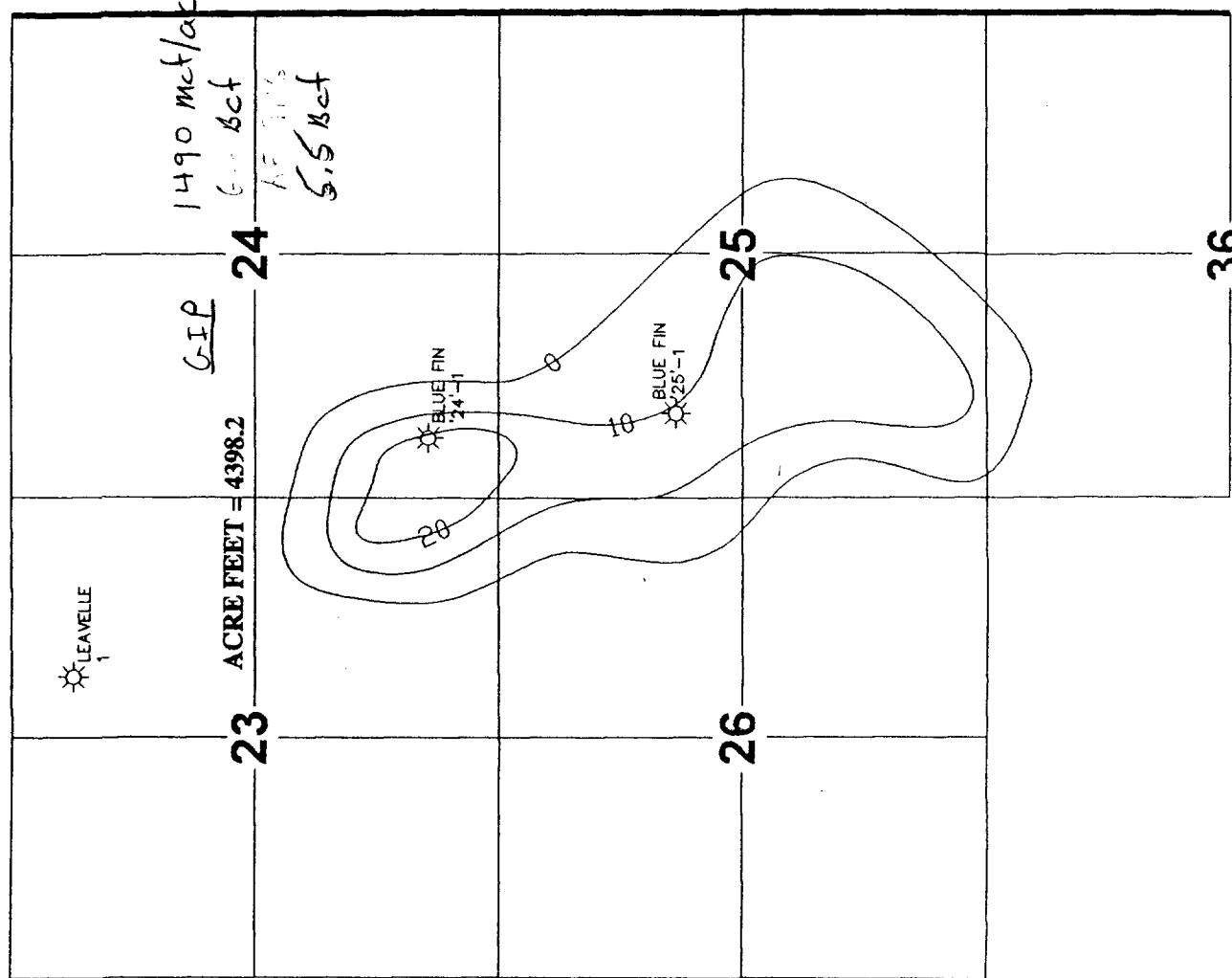
Sec 25- 2642 ac-ft

W/2- 1147 + 1387 = 2,534 ac-ft

95.9% of Reservoir in Sec 25 is
in the West half of Sec 25.

Lower Austin Net Pay Map

Showing 160 Acre Volumes



23

24

26

25

36

36

ACRE FEET = 752.545
Volumetric Reserves = 975 MMCFG
Blue Fin 24-1
EUR = 3,790 MMCFG
24-1 to Produce
389% of SW/4 Reserves

ACRE FEET = 636.027
Volumetric Reserves = 824 MMCFG

Decline Curve
BF 24-1 = 3.8 Bcf
BF 25-1 = 2.7 Bcf
6.5 Bcf

ACRE FEET = 195.743
Volumetric Reserves = 254 MMCFG

ACRE FEET = 1147.13
Volumetric Reserves = 1,487 MMCFG
Blue Fin 25-1
EUR = 2,695 MMCFG
25-1 to Produce
181% of NW/4 Reserves

ACRE FEET = 1387.18
Volumetric Reserves = 1,798 MMCFG

ACRE FEET = 36.32
Volumetric Reserves = 47 MMCFG

ACRE FEET = 15.65
Volumetric Reserves = 20 MMCFG

ACRE FEET = 91.90
Volumetric Reserves = 119 MMCFG

Sec
Sec 25 = 55%

Entity: BLUE FINN 25 - 1

Field: OTHER PERMIAN
Resv: BRUNSON/ATOKA
Category: GSPEC
Oper: TIMBERSHARP
Co / St: LEA , NM

DAILY OIL

WATER - B/D
Oil/Cond - B/D
Gas - MCFD

1000
1000
10000

100
100
1000

10
10
100

1
1
10

0.1
0.1
1

Sep Oct Nov Dec Jan Feb Mar Apr May
2002 2003

Gas - MCFD
Qual= OEI
Ref= 2/2003
Cum= 72550
Rem= 2622244
EUR= 2694794
Yrs= 50.329
Qref= 737.0
De= 24.638558
b= 0.999800
Qab= 19.7

Oil/Cond - B
Qual= OEI
Ref= 2/2003
Cum= 4103
Rem= 20359
EUR= 24462
Yrs= 24.159
Qref= 17.2
De= 59.660380
b= 1.500000
Qab= 1.0

WATER - B/D
Ref= 2/2003
Cum= 0

(5)

TD: 13200 PERFS: 12429 to 12466
PROD: 09/01/2001 to 01/01/2002



Oil, bbl/D	FORC	Gas, mcf/D	Water, bbl/D	Yield, b/mm
Qual=	11/2002	Qual=	11/2002	Qual=
Ref=	22145	Ref=	552001	Ref=
Cum=	37965	Cum=	3238426	Cum=
Rem=	60110	Rem=	3790427	Rem=
EUR=	46.578	EUR=	46.578	EUR=
Yrs=	34.5	Yrs=	2083.9	Yrs=
Qref=	0.000000	Qref=	50.001932	Qref=
De=	0.000000	De=	0.99980	De=
b=	0.0	b=	26.3	b=
Qab=		Qab=		Qab=

OCEAN ENERGY INC.
ESTIMATED FUTURE RESERVES & CASH FLOW

----- PROPERTY -----	----- DESCRIPTION -----	----- DATES -----	----- SETTINGS -----
Lease : BLUE FIN 25-2	RSV_CAT : 4PROB SEQ# : 16328	AS OF: 01/2003	DBS : TOTAL ONSHORE
Field : PRIMERO	Operator : OCEAN	PROD : 11/2003	SETTINGS: BUD2003-YR
CO ST : LEA NM		DATE : 03/12/2003	SCENARIO: BW_Bud03
Area : PERMIAN		TIME : 14:37:21	

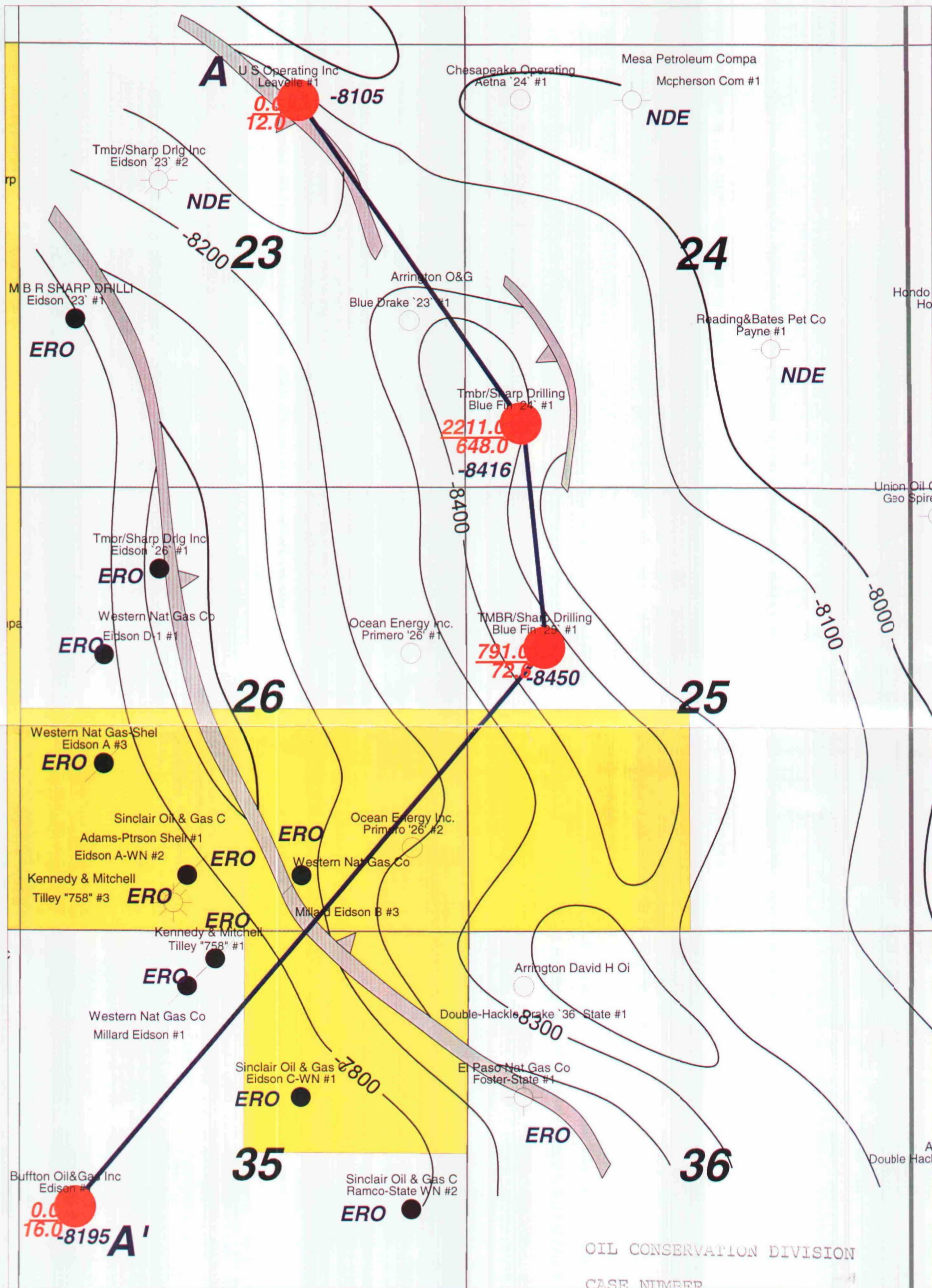
----- INTERESTS -----	----- NPV TABLE -----	----- BFIT PROFIT INDICATORS -----
WI : 100.000 100.000 5.	NPV DISC NPV DISC NPV	ROR % : 3.23 DISC RATE %: 10.00
NRI-OIL : 75.000 75.000 8.	-109.2 25. -636.8	UNDISC PO YRS : 8.98 LIFE YRS : 16.58
NRI-GAS : 75.000 75.000 10.	-243.0 30. -690.3	DPI : 0.81 BTU FACTOR : 1098.00
NRI-NGL : 75.000 75.000 12.	-316.8 40. -757.9	DEV CST \$/MCFE : 2.58 POS % : 100.00
REV DATE : 15.	-380.6 50. -793.1	CUM OIL MBO : 0.0 CUM GAS MMF: 0.00
	-460.9 60. -809.4	EUR OIL MBO : 7.2 EUR GAS MMF: 879.01
	-563.2 70. -814.5	

MO-YEAR	WLS	GROSS PRODUCTION				NET SALES PRODUCTION				PRICES			
		OIL MBBLS	NGL MBBLS	GAS MMCF		OIL MBBLS	NGL MBBLS	GAS MMCF	EQUIV MBOE	EQUIV MMCFE	OIL \$/BBL	NGL \$/BBL	GAS \$/MCF
12-2003	1.0	0.4	0.0	36.5		0.3	0.0	27.4	4.8	29.0	24.320	0.000	3.662
12-2004	1.0	1.6	0.0	164.8		1.2	0.0	123.6	21.8	130.7	24.320	0.000	3.662
12-2005	1.0	1.2	0.0	133.8		0.9	0.0	100.3	17.6	105.9	24.320	0.000	3.662
12-2006	1.0	0.9	0.0	108.7		0.7	0.0	81.5	14.3	85.7	24.320	0.000	3.662
12-2007	1.0	0.7	0.0	88.2		0.5	0.0	66.2	11.6	69.4	24.320	0.000	3.662
12-2008	1.0	0.6	0.0	71.7		0.4	0.0	53.7	9.4	56.3	24.320	0.000	3.662
12-2009	1.0	0.4	0.0	58.2		0.3	0.0	43.6	7.6	45.6	24.320	0.000	3.662
12-2010	1.0	0.3	0.0	47.3		0.2	0.0	35.4	6.2	36.9	24.320	0.000	3.662
12-2011	1.0	0.3	0.0	38.4		0.2	0.0	28.8	5.0	29.9	24.320	0.000	3.662
12-2012	1.0	0.2	0.0	31.2		0.1	0.0	23.4	4.0	24.3	24.320	0.000	3.662
12-2013	1.0	0.2	0.0	25.3		0.1	0.0	19.0	3.3	19.7	24.320	0.000	3.662
12-2014	1.0	0.1	0.0	20.5		0.1	0.0	15.4	2.7	15.9	24.320	0.000	3.662
12-2015	1.0	0.1	0.0	16.7		0.1	0.0	12.5	2.2	12.9	24.320	0.000	3.662
12-2016	1.0	0.1	0.0	13.6		0.1	0.0	10.2	1.7	10.5	24.320	0.000	3.662
12-2017	1.0	0.1	0.0	11.0		0.0	0.0	8.3	1.4	8.5	24.320	0.000	3.662
S-TOT	1.0	7.1	0.0	865.7		5.3	0.0	649.2	113.5	681.2	24.320	0.000	3.662
AFTER	1.0	0.1	0.0	13.4		0.0	0.0	10.0	1.7	10.3	24.320	0.000	3.662
TOTAL	1.0	7.2	0.0	879.0		5.4	0.0	659.3	115.2	691.5	24.320	0.000	3.662

MO-YEAR	NET REVENUE					OPERATING EXPENSE							
	OIL M\$	NGL M\$	GAS M\$	OTHER M\$	TOTAL M\$	DIR M\$	LOE M\$	TRANS M\$	WORKOVER M\$	OTHER M\$	COPAS M\$	TOTAL M\$	OPEX \$/MCFE
12-2003	6.6	0.0	100.2	0.0	106.9		3.0	0.7	0.0	0.0	0.0	3.7	0.13
12-2004	29.0	0.0	452.5	0.0	481.5		18.0	3.0	0.0	0.0	0.0	21.0	0.16
12-2005	22.4	0.0	367.5	0.0	389.8		18.0	2.4	0.0	0.0	0.0	20.4	0.19
12-2006	17.2	0.0	298.4	0.0	315.6		18.0	2.0	0.0	0.0	0.0	20.0	0.23
12-2007	13.2	0.0	242.3	0.0	255.6		18.0	1.6	0.0	0.0	0.0	19.6	0.28
12-2008	10.2	0.0	196.8	0.0	207.0		18.0	1.3	0.0	0.0	0.0	19.3	0.34
12-2009	7.9	0.0	159.8	0.0	167.7		18.0	1.0	0.0	0.0	0.0	19.0	0.42
12-2010	6.0	0.0	129.8	0.0	135.8		18.0	0.9	0.0	0.0	0.0	18.9	0.51
12-2011	4.7	0.0	105.4	0.0	110.0		18.0	0.7	0.0	0.0	0.0	18.7	0.62
12-2012	3.6	0.0	85.6	0.0	89.2		18.0	0.6	0.0	0.0	0.0	18.6	0.77
12-2013	2.8	0.0	69.5	0.0	72.3		18.0	0.5	0.0	0.0	0.0	18.5	0.94
12-2014	2.1	0.0	56.4	0.0	58.6		18.0	0.4	0.0	0.0	0.0	18.4	1.15
12-2015	1.6	0.0	45.8	0.0	47.5		18.0	0.3	0.0	0.0	0.0	18.3	1.42
12-2016	1.3	0.0	37.2	0.0	38.5		18.0	0.2	0.0	0.0	0.0	18.2	1.74
12-2017	1.0	0.0	30.2	0.0	31.2		18.0	0.2	0.0	0.0	0.0	18.2	2.14
S-TOT	129.5	0.0	2377.4	0.0	2507.0		255.0	15.6	0.0	0.0	0.0	270.6	0.40
AFTER	1.1	0.0	36.7	0.0	37.8		28.5	0.2	0.0	0.0	0.0	28.7	2.79
TOTAL	130.6	0.0	2414.1	0.0	2544.7		283.5	15.8	0.0	0.0	0.0	299.3	0.43

MO-YEAR	STATE TAXES					OPER		CAPITAL		BFIT	
	OIL SEV M\$	NGL SEV M\$	GAS SEV M\$	ADVAL M\$	TOTAL M\$	INCOME M\$	INVEST M\$	P&A/SALV M\$	TOTAL M\$	CASHFLOW M\$	NPV M\$
12-2003	0.0	0.5	0.0	8.6	2.0	11.0	92.2	1783.5	0.0	1783.5	-1583.4
12-2004	0.0	2.1	0.0	38.9	8.8	49.8	410.8	0.0	0.0	410.8	356.8
12-2005	0.0	1.6	0.0	31.6	7.1	40.3	329.1	0.0	0.0	329.1	259.9
12-2006	0.0	1.2	0.0	25.7	5.8	32.7	263.0	0.0	0.0	263.0	188.8
12-2007	0.0	0.9	0.0	20.8	4.7	26.5	209.5	0.0	0.0	209.5	136.7
12-2008	0.0	0.7	0.0	16.9	3.8	21.4	166.3	0.0	0.0	166.3	98.6
12-2009	0.0	0.6	0.0	13.7	3.1	17.4	131.2	0.0	0.0	131.2	70.8
12-2010	0.0	0.4	0.0	11.2	2.5	14.1	102.9	0.0	0.0	102.9	50.5
12-2011	0.0	0.3	0.0	9.1	2.0	11.4	79.9	0.0	0.0	79.9	35.6
12-2012	0.0	0.3	0.0	7.4	1.6	9.2	61.4	0.0	0.0	61.4	24.9
12-2013	0.0	0.2	0.0	6.0	1.3	7.5	46.3	0.0	0.0	46.3	17.1
12-2014	0.0	0.2	0.0	4.9	1.1	6.1	34.1	0.0	0.0	34.1	11.4
12-2015	0.0	0.1	0.0	3.9	0.9	4.9	24.2	0.0	0.0	24.2	7.4
12-2016	0.0	0.1	0.0	3.2	0.7	4.0	16.2	0.0	0.0	16.2	4.5
12-2017	0.0	0.1	0.0	2.6	0.6	3.2	9.8	0.0	0.0	9.8	2.5
S-TOT	0.0	9.2	0.0	204.5	45.9	259.5	1976.9	1783.5	0.0	1783.5	-318.0
AFTER	0.0	0.1	0.0	3.2	0.7	3.9	5.1	0.0	0.0	5.1	1.2
TOTAL	0.0	9.3	0.0	207.6	46.6	263.4	1982.0	1783.5	0.0	1783.5	-316.8

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE



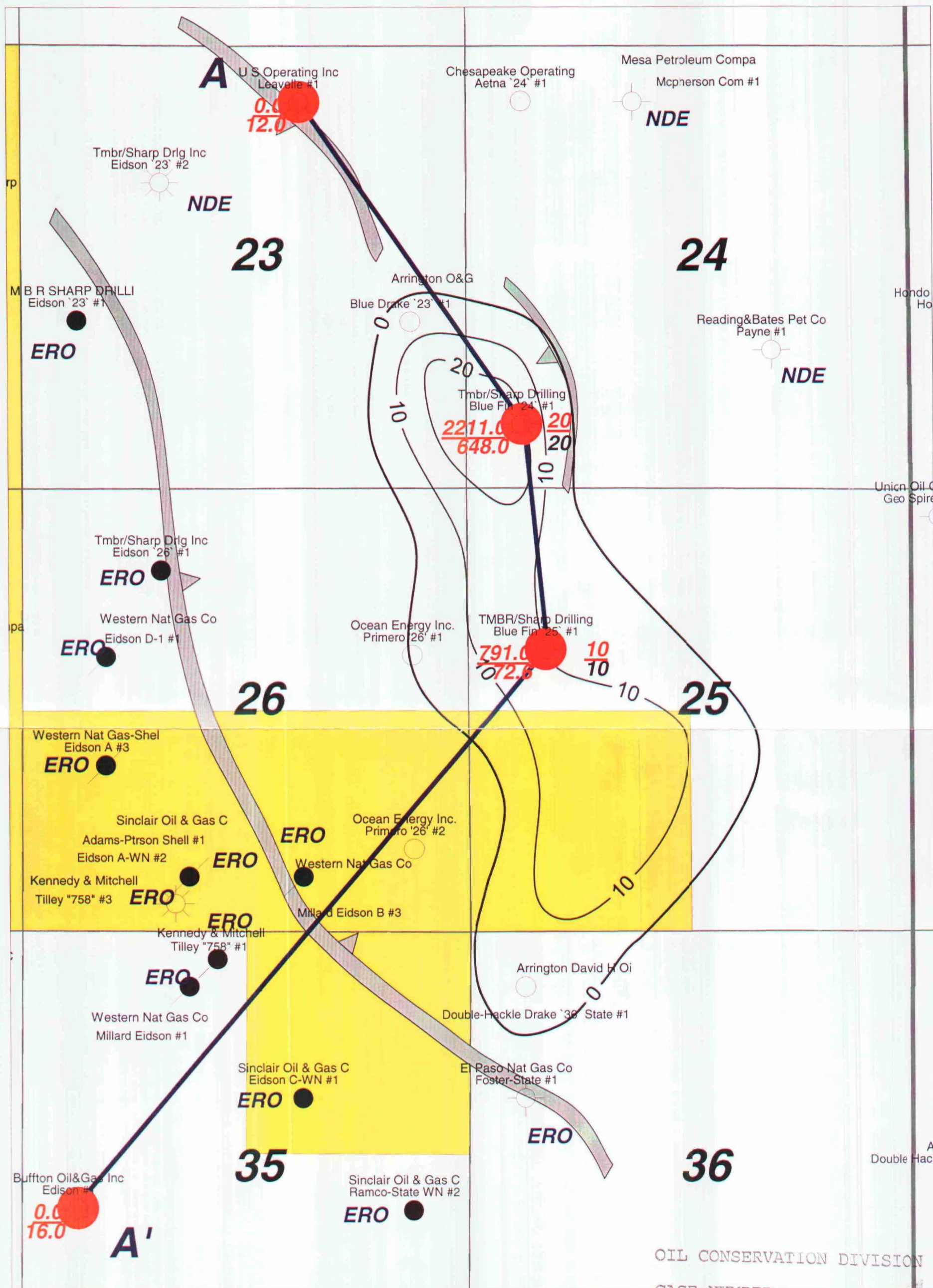
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Austin Daily Gas Production (Mcf/d)
Austin Cumulative Production (Mmcf)



Top Subsea Austin

OCEAN ENERGY INC.		
PRIMERO PROSPECT, LEA COUNTY NEW MEXICO Structure Map Top Austin		
Author: Frank Messa	Date: 12 March, 2003	
Contour interval = 100 ft	Scale: 1:13599	



OIL CONSERVATION DIVISION

CASE NUMBER

Ocean EXHIBIT 9



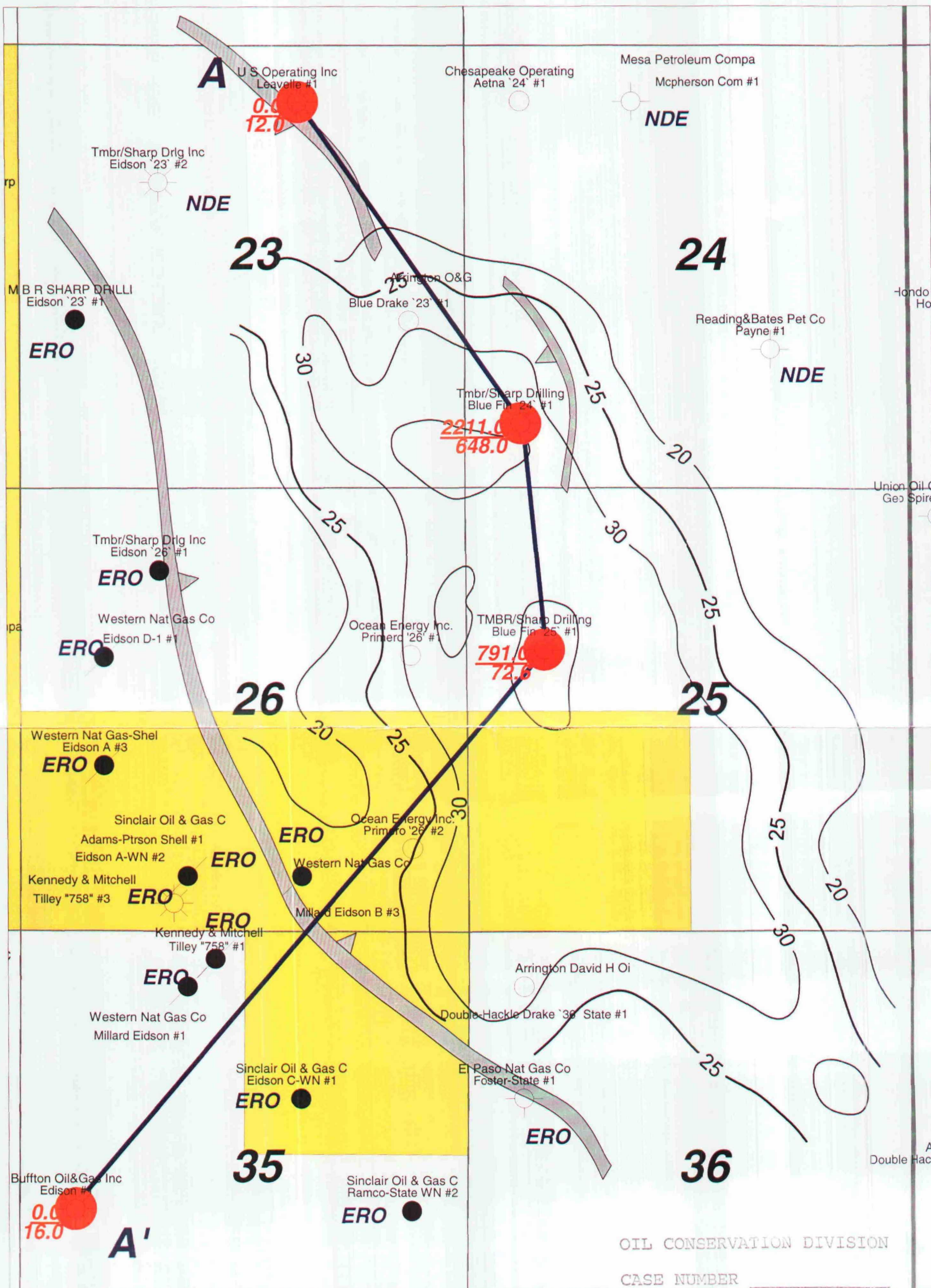
0.2500 0 0.2500 0.5000 mi

Austin Daily Gas Production (Mcfd)
Austin Cumulative Production (Mmcf)



Net Pay Lower Austin
Gross Thickness Lower
Austin Pay

OCEAN ENERGY INC.		
PRIMERO PROSPECT, LEA COUNTY NEW MEXICO Net Isopach Lower Austin Pay		
Author: Frank Messa	Date: 12 March, 2003	
Contour interval = 10 ft	Scale: 1:13599	



OIL CONSERVATION DIVISION

CASE NUMBER

Ocean EXHIBIT *10*



0.2500 0 0.2500 0.5000 mi

Austin Daily Gas Production (Mcf)
Austin Cumulative Production (Mmcf)



OCEAN ENERGY INC.

PRIMERO PROSPECT, LEA COUNTY NEW MEXICO
Seismic Isochron Map Morrow - Austin

Author: Bob Silver, Frank Messa	Date: 12 March, 2003
Contour interval = 5 ms	Scale: 1:13599

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE