

APPLICATION FOR INITIAL PARTICIPATING AREA "B"
STRAWN FORMATION
BURTON FLAT DEEP UNIT AGREEMENT
EDDY COUNTY, NEW MEXICO

TO: Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88201

Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504

OIL CONSERVATION DIVISION

CASE NUMBER 12932

Ocean EXHIBIT 7

Ocean Energy, Inc., Unit Operator of the Unit Agreement for the Development and Operation of the Burton Flat Deep Unit Area, requests approval, pursuant to Section 11 of the Unit Agreement, of the selection of the following described lands to constitute the initial participating area "B" for the Strawn formation:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, N.M.P.M.
Section 28: SE $\frac{1}{4}$

The subject lands are indicated on the land ownership plat attached hereto as Exhibit "A." The initial participating area "B" contains 160 acres. The schedule of lands attached hereto as Exhibit "B" describes the lands within the initial participating area "B" for the Strawn formation, and indicates the participation of each lease and tract within the area.

The initial participating area "B" for the Strawn formation is predicated upon information obtained by the recompletion on May 24, 2001 of Burton Flat Deep Unit Well No. 13, located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 28, Township 20 South, Range 28 East, N.M.P.M. The well has been placed in the Saladar-Strawn Gas Pool, which is spaced on 320 acres under regulations of the New Mexico Oil Conservation Division. The initial potential of the well was 576 MCF/day from the Strawn formation at a depth of 10,578-10,588 feet subsurface. Under Section 11 of the Unit Agreement, the effective date of the initial participating area "B" for the Strawn formation is May 24, 2001.

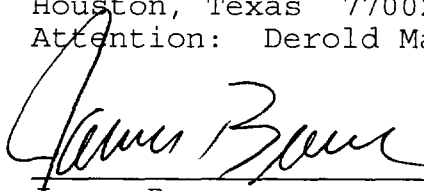
Enclosed herewith in support of the application are (1) a copy of the completion report for the Burton Flat Deep Unit Well No. 13, (2) a production plat of the Burton Flat Deep Unit Well No. 13, showing that the well is commercial in the Strawn formation, (3) a net isopach of the Strawn sand, and (4) a cross section.

Your approval is requested for the selection of the lands indicated on attached Exhibits "A" and "B" as the initial participating area "B" for the Strawn formation as of May 24, 2001.

Dated: October 18, 2001.

Ocean Energy, Inc.
Suite 1600
1001 Fannin
Houston, Texas 77002
Attention: Derold Maney

By:


James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504

Attorney for Ocean Energy, Inc.

APPROVED this _____ day of _____,
2001, subject to approval by the Commissioner
of Public Lands.

Bureau of Land Management
United States Department of Interior

APPROVED this _____ day of _____,
2001, subject to approval by the Bureau of
Land Management.

Commissioner of Public Lands