BDM SUBCONTRACT FACT SHEET

CONTRACT TITLE: Integrated Exploration Using 3-D Seismic and Surface Microbal Techniques - Aid to Independents

ID NUMBER: G4P60320 **Related WA #:** 95-A14	**CONTRACT PERFORMANCE PERIOD** 04/30/1996 to 04/06/1998
DOE MONITOR **NAME:** Betty J. Felber **PHONE:** (918) 699-2031	**PERFORMER** **COMPANY:** Double-Eagle Enterprises **CONTACT:** Stacy Clark
BDM TECHNICAL MANAGER **NAME:** Herbert B. Carroll **PHONE:** (918) 337-4558	**ADDRESS:** Double-Eagle Enterprises 324 E. Main Mall, Suite 400 Tulsa, OK 74103 **PHONE:** (918) 584-5429 **FAX:**

FUNDING (1000's)	BDM SHARE	OTHER SHARE	TOTAL
PRIOR FISCAL YRS	50	230	280
FISCAL YR 1998	0	0	0
FUTURE FUNDS	0	0	0
TOTAL EST'D FUNDS	50	230	280

PROJECT DESCRIPTION:

This project will conduct 3-D seismic surveys on areas identified by its subsurface studies. An are of 40 to 100 acres was to be surveyed. The company planned to use a dynamite energy source for collecting one set of data and a vibroseis energy source for the other set of data to compare data quality for each methodology.

Accomplishments:

Double-Eagle completed the 3-D Seismic Survey over the Hinton Prospect in Section 23, Township 29N, Range 1E, Kay County, Oklahoma. As outlined in the July 31, 1997, update letter covering the revised project, Double-Eagle has sent the data to Star Geophysical in Oklahoma City for processing. Interpretation of the Hinton data was completed in September. Permitting of the surface owners at the Sewell Prospect, Section 18, Township 29N, Range 2E was completed on August 18. Because of wet conditions over the Sewell Prospect, Nemaha Resources delayed shooting seismic until the first week of September. Data interpretation and drillsite selection on both prospects were completed by mid-October.

Also Double-Eagle completed the 3-D seismic survey and spudded a 4,200 ft. Arbuckle test well at a S/2 NW NW SW Sec. 17,T29N,R2E location. Parsons Engineering Corp., the operator, has signed a drilling contract with Mendenhall Drilling. Drilling on the Sewell Prospect began on Friday, March 6, 1998. Double-Eagle provided BDM with daily drilling reports and a technical summary of the well results. This combined with the previously provided technical reports covering the 3-D shooting results over the Hinton and Sewell prospects met BDM's final requirements of the contract.

Parsons Engineering did spud and drill a 4,000 ft. Wilcox test at S/2 NW NW SW Sec. 17, T29N, R2E in Kay County, Oklahoma. The Wilcox was wet, and the No. 1-17 Blanche well encountered an additional 100 ft. of Mississippian limestone section. Parsons Engineering, the operator, has subsequently plugged and abandoned the well as of March 22, 1998. Although the No. 1-17 Blanche well was structurally the highest well on top of the Mississippian, an unanticipated thickening of the Mississippian section caused the Wilcox sand (primary target) to be structurally flat and unfortunately wet. Because the Wilcox was low, drilling was discontinued at the base of the Wilcox sand. The Arbuckle, which needs to be structurally high to be productive, was not tested.

Although these results were disappointing for the investors, the 3-D seismic was very successful. Through the DOE cost-sharing contract, several small investor groups and independents were introduced to the power of 3-D seismic. After the drilling and log evaluation has been completed, the seismic data were revisited and found to suggest that the Mississippian section was thickening at the drill site, and the structure all thought they had been drilling may be only a seismic velocity pull-up. Several geophysicists had reviewed the Sewell database and missed this interpretation. This information can now be integrated into future drilling plans in Kay County.