



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

May 14, 1999



Louis Dreyfus Natural Gas Corporation
14000 Quail Springs Parkway - Suite 600
Oklahoma City, Oklahoma 73134-2600

Attention: Joe W. Hammond

Re Application dated April 30, 1999 for an unorthodox oil well location within the Bone Spring formation for its existing White Wing "22" Federal Com. Well No. 23 (API No. 30-015-29833) located 1980 feet from the South line and 2635 feet from the West line of Section 22, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. A standard 40-acre oil spacing and proration unit comprising the NE/4 SW/4 (Unit K) of Section 22 is the proposed acreage to be dedicated to this well.

Dear Mr. Hammond:

Please provide the Division with detailed breakouts of the mineral interests ownership (royalty, over ride royalty, and working) in both the NW/4 SE/4 (Unit J) of Section 22 and the NE/4 SW/4 (Unit K) of Section 22 as to the Bone Spring formation. Also, the attached "Division of Interest" was submitted with this application, what area does this cover?

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
Jim Bruce, Legal Counsel for Louis Dreyfus Natural Gas Corporation in Division
Case 11858 - Santa Fe

DIVISION OF INTEREST

For all depths from the surface to 10,600 feet subsurface, before payout of any interests or penalties described herein:

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| United States of America | | .1250000 RI |
| Heirs or Devisees of Buck Russell and wife, Emma T. Russell, both deceased | | .0030000 PPI |
| Hanson-McBride Petroleum Company | | .0135000 PPI |
| Paul Slayton, whose wife is Patricia Slayton | | .0135000 PPI |
| Paul Slayton, whose wife is Patricia Slayton | | .0062500 ORI |
| Fisco, Inc. | | .0062500 ORI |
| Marshall & Winston, Inc. | | .0075000 ORI |
| Fasken Land and Minerals, Ltd. | (21.5715% x .095) | .0204929 ORI |
| Tom Brown, Inc. | | .0021875 ORI |
| Charles B. Read | (3.31473% x .845) plus (3.0% x .8104588) | .0523232 WI |
| Norman L. Stevens, whose wife is Dolores B. Stevens | (3.31473% x .845) | .0280095 WI |
| Stanley Tyler, Agent | (1.60417% x .845) | .0135552 WI |
| Paul Ray, whose wife is Sarah Ray | (.45833% x .845) | .0038729 WI |
| S. P. Yates, whose wife is Estelle Yates | (.42535% x .845) | .0035942 WI |
| Sharbro Oil Ltd. Co., a New Mexico Limited Liability Company | (.21268% x .845) | .0017971 WI |
| Frank Yates, Jr., S. P. Yates and B. W. Harper, personal representatives of the Estate of Lillie M. Yates | (.21268% x .845) | .0017971 WI |
| Texaco Exploration and Production Inc. | Force Pooled | -0- |
| Union Pacific Resources Company | Force Pooled | -0- |
| Brooks Oil & Gas Interests, a Texas General Partnership | (.4421% x .845) | .0037358 WI |
| Chi Energy, Inc. | 9.0% x .8104588 | .0729413 WI |
| Great Western Drilling Company | 25.0% x .8104588 | .2026147 WI |

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| Louis Dreyfus Natural Gas Corp. | 27.23458% x .8104588 plus 21.5715% x .75 plus 4.20914% x .845 | .4180786 WI |
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