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October 23, 1995

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HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RECEIVED

OCT 23 1995

Oil Conservation Division

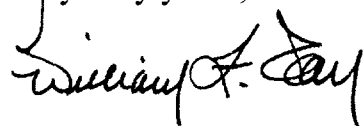
Re: Application of Louis Dreyfus Natural Gas Corp., for an unorthodox oil well
location, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Louis Dreyfus Natural Gas Corp. in the above-referenced case as well as a copy of a legal advertisement. Louis Dreyfus Natural Gas Corp. requests that this matter be set for hearing before a Division Examiner on November 16, 1995.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR

WFC:mlh

Enclosures

cc: Carol Myers (w/enclosures)
District Landman
Louis Dreyfus Natural Gas Corp.
14000 Quail Spring Parkway
Oklahoma City, OK 73134

BEFORE THE
OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF LOUIS DREYFUS NATURAL GAS CORP. **RECEIVED**
FOR AN UNORTHODOX OIL WELL LOCATION,
EDDY COUNTY, NEW MEXICO. OCT 23 1995

CASE NO. _____

Oil Conservation Division

APPLICATION

COMES NOW LOUIS DREYFUS NATURAL GAS CORP., through its undersigned attorneys, and hereby makes application for an order approving an unorthodox oil well location, and in support thereof states:

1. Applicant is the operator of the NE/4 NE/4 of Section 32, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico and proposes to drill its E. V. "State" No. 3 Well in the Delaware formation, Happy Valley Delaware Pool, 1180 feet from the North line and 330 feet from the East line in Unit A of said Section 32.
2. Applicant seeks an exception to Rule 104 (B) of the General Rules and Regulations of the Oil Conservation Division to permit the drilling of said well in the Delaware formation at the above-described location.
3. A standard 40-acre spacing and proration unit comprised of the NE/4 NE/4 of said Section 32 should be dedicated to the well.

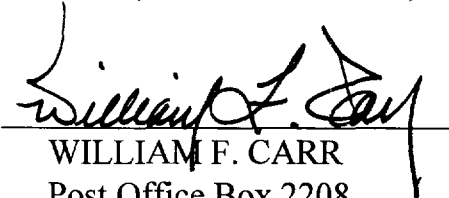
4. Approval of this application will afford Applicant the opportunity to produce its just and equitable share of the oil and gas from the Delaware formation and will otherwise be in the best interest of the conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Applicant requests that this matter be set for hearing before a duly appointed Examiner of the Oil Conservation Division on November 16, 1995, and after notice and hearing as required by law, the Division enter its Order granting this application and providing such other relief as is proper.

Respectfully submitted,

CAMPBELL, CARR & BERGE, P.A.

By:

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR LOUIS DREYFUS
NATURAL GAS CORP.

CASE _____: Application of Louis Dreyfus Natural Gas Corp., for an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks authorization to drill to the Delaware formation, Happy Valley Delaware Pool, its E. V. "State" No. 3 Well at an unorthodox location 1180 feet from the North line and 330 feet from the East line (Unit A) of Section 32, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. The NE/4 NE/4 of said Section 32 is to be dedicated to said well forming a standard 40-acre spacing and proration unit. Said unit is located approximately 5.3 miles southwest of Carlsbad, New Mexico.

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OCT 23 1995

Oil Conservation Division