

Jay Gabbard / Phone: 405-748-2759 / Fax: 405-751-5129

**Louis Dreyfus Natural
Gas Corporation**

Fax

To: Mike Stogner @ NMOCD

From: Jay Gabbard

Fax: 505-827-8177

Pages: 8

Phone: 505-827-8185

Date: February 24, 1997

Re: Application for Location Exception

CC:

☒ **Urgent**

☒ **For Review**

☐ **Please Comment**

☐ **Please Reply**

☐ **Please Recycle**

• **Comments:** If all pages are not received, please call 405-748-2759.

NSL - GAS. N9

Louis Dreyfus Natural Gas

14000 Quail Springs Parkway, Suite 800
Oklahoma City, Oklahoma 73134-2600
Phone: (405) 748-2759
Fax: (405) 751-5129

February 21, 1997

New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505
Fax: 505-827-8177

Attention: Mike Stogner, Examiner

Re: Application for Location Exception
W/2 320 Ac Spacing Unit
LDNGC Happy Valley Federal 4-22
Section 4 - T23S - R26E, 1650 FNL 1450 FWL
Eddy County, New Mexico
11750' Morrow

Dear Mr. Stogner:

Louis Dreyfus Natural Gas Corporation (LDNGC) attempted to locate the referenced well at 1650 FNL and 1650 FWL, but the BLM has rejected that location. The next best alternative site that met with the BLM's approval is our proposed location of 1650 FNL and 1450 FWL. LDNGC believes the proposed location will still allow us to test our geological objectives. Therefore, we are submitting this application for a location exception.

LDNGC and Santa Fe Energy Resources, Inc. jointly own the adjoining leases in section 5-T23S-26E that the proposed location is encroaching toward. Therefore, we ask that you approve our application administratively.

I have enclosed an APD, C-102 with plat, a topographic map with the location spot, a production map, and a geological map (structure and isopach) of our primary objective, the Lower Morrow.

If you require additional information or have questions, please call me at 405-748-2759.

Sincerely,

Jay M. Gabbard, P.E.
Reservoir Engineer

cc: Rusty Waters

Form 3160-3
(July 1992)SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐GAS WELL ☒

OTHER

SINGLE ZONE ☒MULTIPLE ZONE ☐

2. NAME OF OPERATOR

LOUIS DREYFUS NATURAL GAS CORP.

3. ADDRESS AND TELEPHONE NO.

14000 Quail Springs Parkway, Ste. 600, OKC, OK 73134

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1650' FNL & 1450' FWL

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

2.8 miles NE from Carlsbad

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drg. unit line, if any)

1450'

16. NO. OF ACRES IN LEASE

602.78

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

11,750'

20. ROTARY OR CABLE TOOL

Rotary

21. ELEVATIONS (Show whether DF, BT, GR, etc.)

3380' GL

22. APPROX. DATE WORK WILL START*

4/6/97

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	Conductor	N/A	40'	Cement to surface w/Redi mix
12-1/4"	J-55 9-5/8"	54.5#	500'	Circ. to surface (700 sx)
8-3/4"	N-80 7"	23# & 26#	9200'	900 sx circ. to surface
6-1/8"	N-80 4-1/2"	13.5#	11750'	175 sx

1. Drill 17-1/2" hole to 40'. Set 40' of 13-3/8" conductor pipe and cement to surf. w/ Redi-mix.
2. Drill 12-1/4" hole to 500'. Run and set 500' of 9-5/8" J-55 24# ST&C casing. Cement with 500 sx Halco Light + additives, tail in with 200 sx premium cement + 2% CaCl. Circulate cement to surface.
3. Drill 8-3/4" hole to 9200'. Run and set 9200' of 7" N-80 23# & 26# LT&C casing. Cement w/ 350 sx Poz "C". Tail in with 100 sx Class "H" neat. 2nd stage: cement with 150 sx 35/65 Poz "C". Tail in with 300 sx Self Stress + additives.
4. Drill 6-1/8" hole to 11,750'. Run and set 2800' of 4-1/2" N-80 13.5# STL liner. Cement with 175 sx Class "C".

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Raylene Smith

TITLE Regulatory Tech.

DATE 2/19/97

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
	HAPPY VALLEY FEDERAL 4-22	22
OGRID No.	Operator Name	Elevation
	LOUIS DREYFUS NATURAL GAS CORP.	3393.

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	4	23-S	26-E		1650	NORTH	1450	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

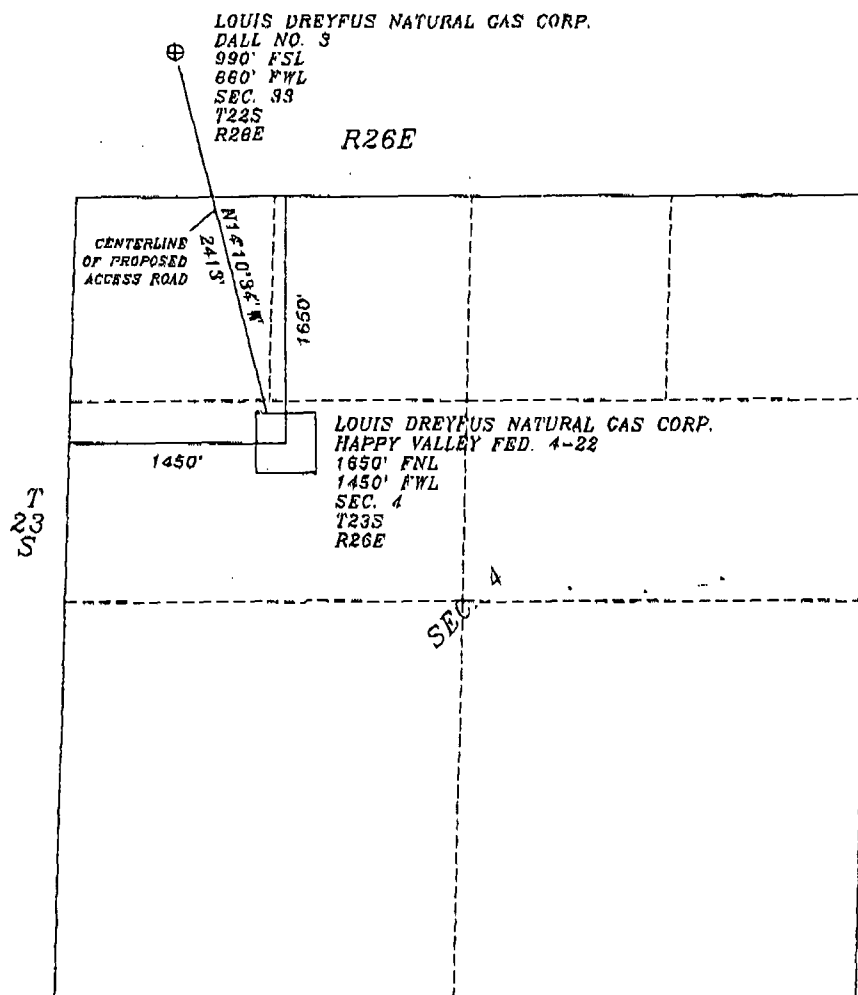
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
	Signature 	
	Printed Name Gene Simer	
	Title Production Foreman	
Date 2-4-97		¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
Date of Survey FEBRUARY 3, 1997		
Signature and Seal of Professional Surveyor 		
Certificate Number NM 1885 NO. 5412		

PROPOSED ROAD SKETCH



Scale 1" = 1000 ft

WELL LOCATION

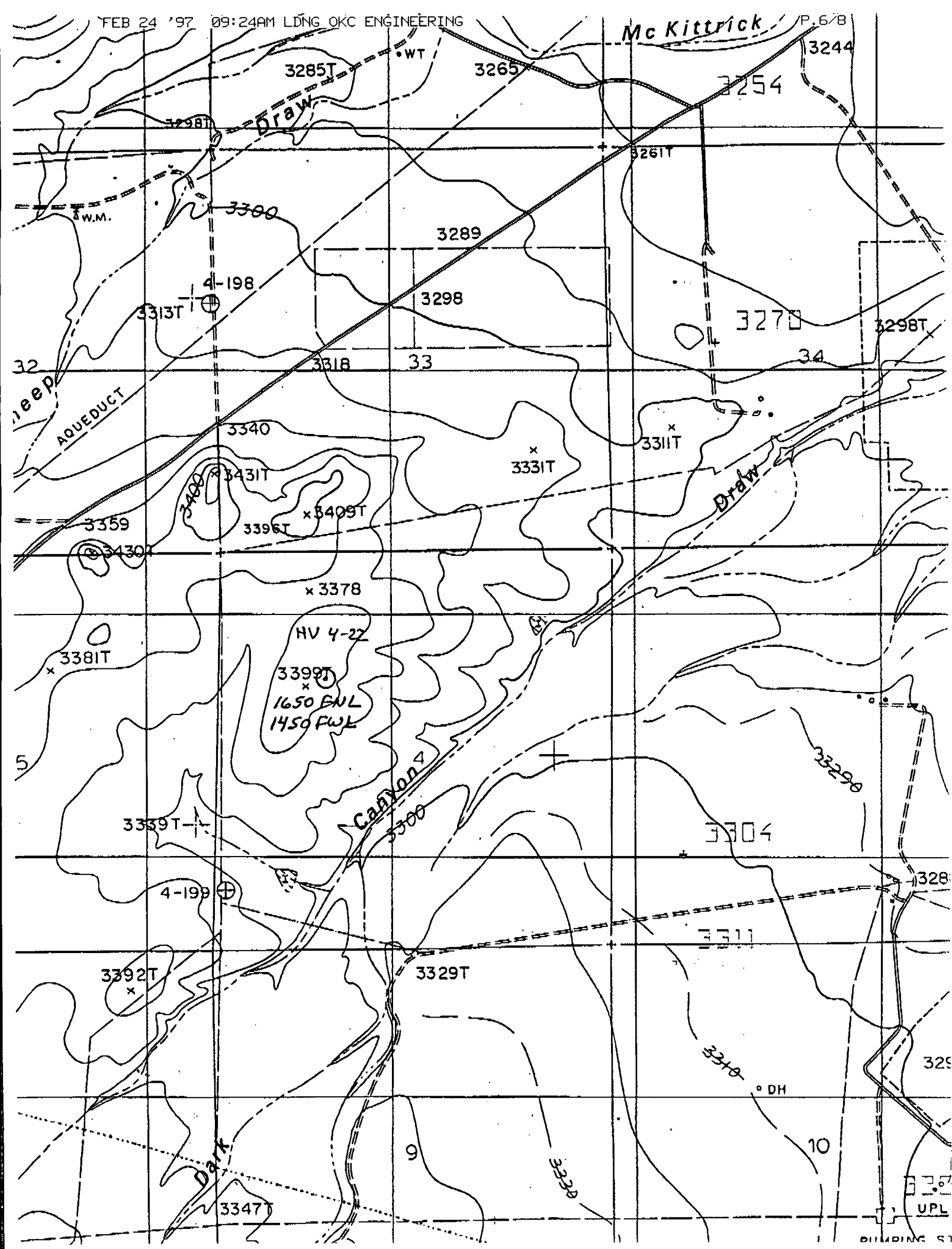
LAT. = 32°20'11"

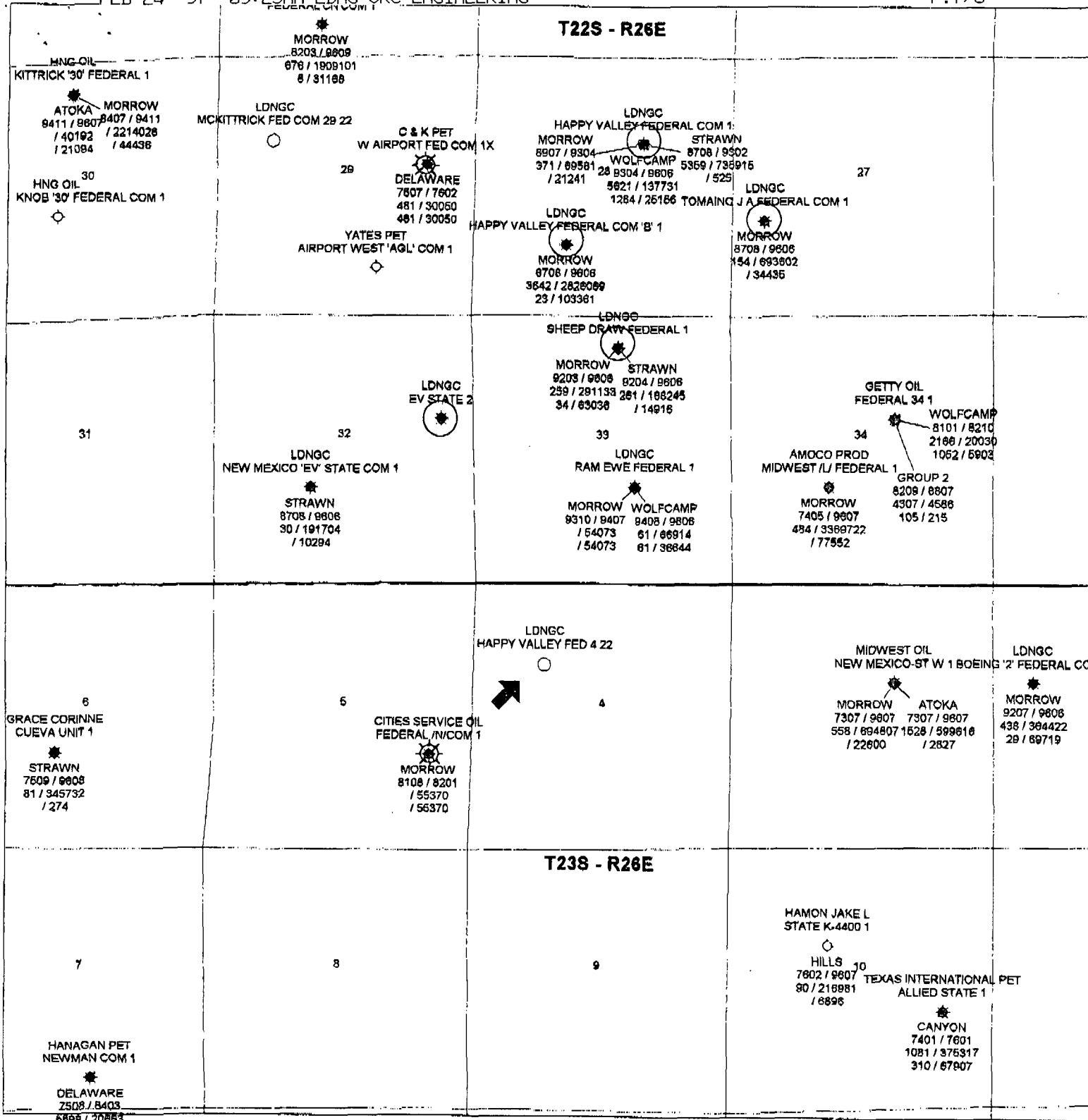
LONG = 104°18'05"

AS PICKED FROM USGS TOPOGRAPHIC MAP KITCHEN COVE, NEW MEXICO QUADRANGLE

PREPARED BY: DAN R. REDDY NMPE&PS

FEB. 4, 1997





MORROW PENETRATIONS ONLY PRODUCTION MAP

Operator
Well

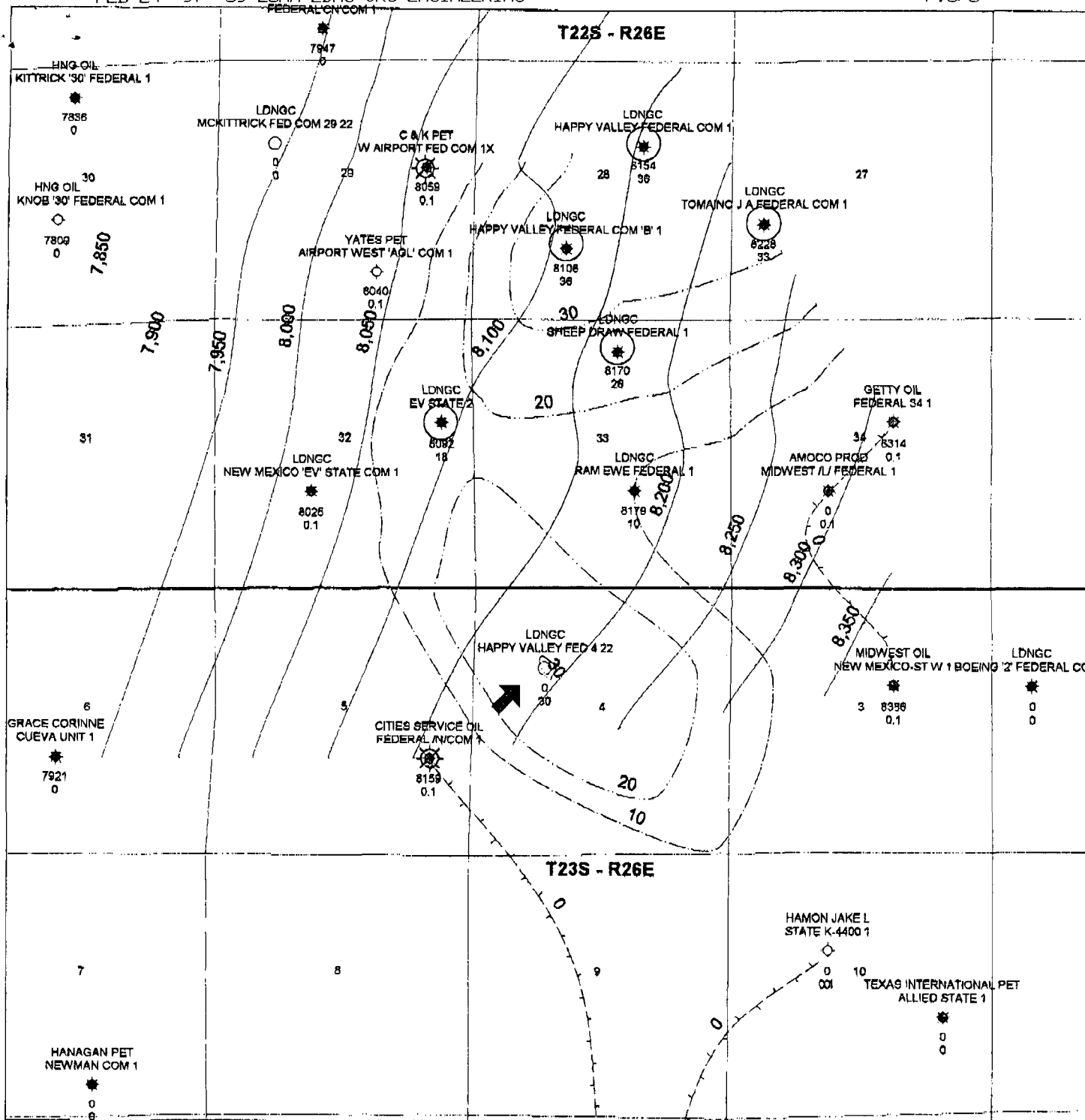
Large Circle Indicates L Morrow Production

Dates of First and Last Production: yr mo / yr mo

Cumulative Production: STB / MSCF

Last 12 Months Production: STB / MSCF

**LOUIS DREYFUS NATURAL GAS
HAPPY VALLEY FEDERAL 4-22
4-T23S-R26E 1650 FNL 1450 FWL
EDDY COUNTY, NEW MEXICO
W/2 320 ACRE SPACING UNIT
11750' MORROW**



MORROW PENETRATIONS ONLY
STRUCTURE: BASE OF LOWER MORROW SHALE
GROSS ISOPACH: LOWER MORROW SAND

LOUIS DREYFUS NATURAL GAS
HAPPY VALLEY FEDERAL 4-22
4-T23S-R26E 1650 FNL 1450 FWL
EDDY COUNTY, NEW MEXICO
W/2 320 ACRE SPACING UNIT
11750' MORROW

Operator
Well



Large Circle Indicates L Morrow Production

Structural Datum (0 - no pick)

Gross feet (0 - no pick; 0.1 = 0 feet of sand)

CMD.:
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/27/97 13:07:32
OGOMES -EMDY
PAGE NO: 1

Sec : 04 Twp : 23S Rng : 26E Section Type : NORMAL

4 40.96 Federal owned	3 40.93 Federal owned	2 40.89 Federal owned	1 40.86 Federal owned
E 40.00 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Federal owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

80.96

80.93 → 161.89
16
321.89

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/27/97 13:07:39
OGOMES -EMDY
PAGE NO: 2

Sec : 04 Twp : 23S Rng : 26E Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Federal owned	Federal owned	Federal owned	Federal owned
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned	Federal owned	Federal owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

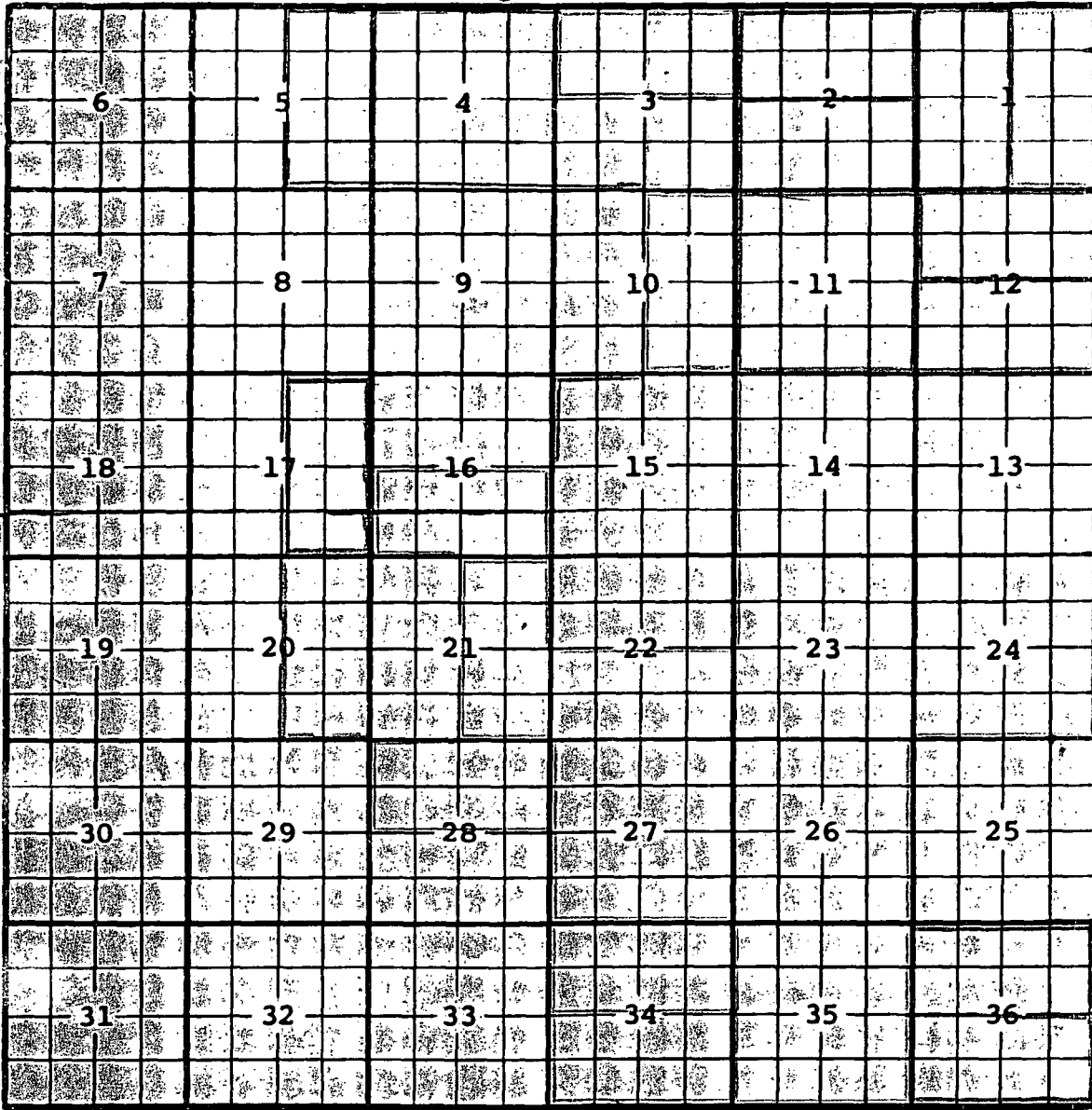
COUNTY Eddy

POOL South Carlsbad - Morrow Gas

TOWNSHIP 23 South

RANGE 26 East

NMPM



Description: $\frac{N}{2}$ Sec. 12 (R-3731, 5-1-69)

Ext: $\frac{W}{2}$ Sec. 1 (R-4032, 10-1-70) - All Sec. 11 (R-4080, 1-1-71) - $\frac{S}{2}$ Sec. 12 (R-4146, 6-1-71)
- $\frac{S}{2}$ Sec. 2 (R-4194, 10-1-71) - $\frac{N}{2}$ Sec. 2 (R-4279, 4-1-72)

Ext: $\frac{E}{2}$ Sec. 1, $\frac{N}{2}$ Sec. 3, All Sec. 13 & 14, $\frac{E}{2}$ Sec. 21, $\frac{S}{2}$ Sec. 22, All Sec. 23
All Sec. 23, 24, 26, 27 & 35 (R-4915, 12-1-74)

Ext: $\frac{S}{2}$ Sec. 16 (R-5015, 6-1-75) Ext: $\frac{E}{2}$ Sec. 10, $\frac{N}{2}$ Sec. 34 (R-5204, 5-1-76)

Ext: $\frac{S}{2}$ Sec. 34 (R-5456, 7-1-77) Ext: $\frac{N}{2}$ Sec. 28 (R-5876, 12-1-78)

Ext: $\frac{S}{2}$ Sec. 36 (R-6923, 3-9-82)

Ext: $\frac{S}{2}$ Sec. 3, All Sec. 4, $\frac{E}{2}$ Sec. 5 (R-7222, 2-25-83)

Ext: $\frac{N}{2}$ Sec. 36 (R-7279, 5-17-83) Ext: $\frac{E}{2}$ Sec. 17 (R-9096, 1-1-90)

Ext: All Sec. 15, $\frac{E}{2}$ Sec. 20, $\frac{W}{2}$ Sec. 21, $\frac{N}{2}$ Sec. 22 (R-9578, 9-10-91)