

2/13/98

3/5/98

MS

MV

NSL

ABOVE THIS LINE FOR DIVISION USE ONLY

## NEW MEXICO OIL CONSERVATION DIVISION

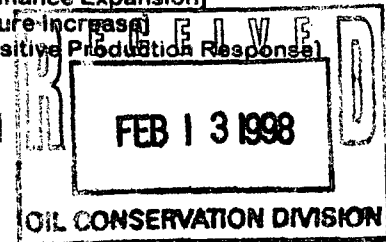
- Engineering Bureau -

## ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

## Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]  
 [DD-Directional Drilling] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]



## [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling  
☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
 [B] ☒ Offset Operators, Leaseholders or Surface Owner  
 [C] ☐ Application is One Which Requires Published Legal Notice  
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F] ☐ Waivers are Attached

## [3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

JAMES BRUCE  
 P.O. BOX 1056  
 SANTA FE, NM 87504

Print or Type Name

Signature

Title

Date

2/13/98

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

SUITE B  
612 OLD SANTA FE TRAIL  
SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

February 13, 1998

**Hand Delivered**

Michael E. Stogner  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2) and Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, Louis Dreyfus Natural Gas Corp. hereby applies for administrative approval of an unorthodox gas well location for the following well:

Fed "32" Well No. 21

990 feet FNL & 1840 feet FWL

★ W½ S32, Township 27 North, Range 11 West, NMPM  
San Juan County, New Mexico

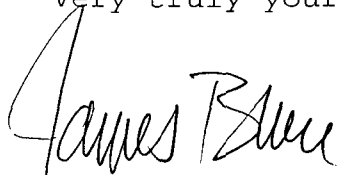
The well was originally drilled to and completed in the West Kutz-Pictured Cliffs Pool (See Exhibit A), and applicant proposes to recomplete the well in the Basin-Fruitland Coal Gas Pool. Current and proposed wellbore sketches are attached hereto as Exhibits B and C. The well is unorthodox because it is the first coal gas well in the unit, but it is not in the SW¼ of Section 32, as required by Order No. R-8768, as amended.

Attached as Exhibit D is a land plat of the area, identifying wells and operators surrounding the entire well unit. This information is current and correct. The offset operators or lessees entitled to receive notice of this application are listed on Exhibit E. These persons have been notified of this application by certified mail. A copy of the notice letter is attached hereto as Exhibit F.

This application is submitted in duplicate. Please call me if you need anything further on this matter.

Coal/07

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Louis Dreyfus  
Natural Gas Corp.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

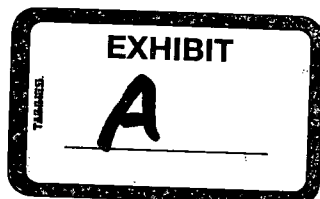
(See other instructions on reverse side)

Form approved,  
Budget Bureau No. 42-8771A

WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

1a. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____		12. COUNTY OR PARISH San Juan		13. STATE NM																									
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PART. REVS. <input type="checkbox"/> Other _____		14. PERMIT NO. 30-045-24793		DATE ISSUED 1-13-81																									
2. NAME OF OPERATOR DEPCO, Inc.		15. DATE SPUN 3-20-81		16. DATE T.D. REACHED 3-22-81																									
3. ADDRESS OF OPERATOR 1000 Petroleum Building - Denver, CO 80202		17. DATE COMPLETION (Ready to prod.) 8-17-81		18. ELEVATIONS (OF, RIG, RT, GR, ETC.) 6148' GR 6160' KB 6149'																									
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 990' FNL, 1840' FWL (NE/4 NW/4) At top prod. interval reported below Same At total depth Same		20. TOTAL DEPTH, MD & TVD 1875' KB		21. PLUG, BACK T.D., MD & TVD 1840' KB																									
5. FIELD AND POOL, OR WILDCAT W. Kutz, P.C.		22. IF MULTIPLE COMPLETION, HOW MANY? --		23. INTERVALS DRILLED BY 0-TD																									
6. IF INDIAN, ALLOTTEE OR TRIBE NAME --		24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 1670-96' Pictured Cliffs		25. WAS DIRECTIONAL SURVEY MADE No																									
7. UNIT AGREEMENT NAME --		26. TYPE ELECTRIC AND OTHER LOGS RUN DIL and CNL/TDC w/GR-Caliper		27. WAS WELL Cased No																									
8. FARM OR LEASE NAME Federal 32		28. CASING RECORDED (Report all strings set in well)																											
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>CASING SIZE</th> <th>WEIGHT, LB/FT</th> <th>DEPTH SET (MD)</th> <th>HOLE SIZE</th> <th>CEMENTING RECORD</th> <th>AMOUNT CEMENTED</th> </tr> </thead> <tbody> <tr> <td>8-5/8"</td> <td>24</td> <td>142' KB</td> <td>12-1/4"</td> <td>110 sx "B" Reg, 3% CaCl<sub>2</sub></td> <td>None</td> </tr> <tr> <td>4-1/2"</td> <td>10.5</td> <td>1859' KB</td> <td>7-7/8"</td> <td>275 sx 65/35 Poz, 12% gel</td> <td>None</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>100 sx "B" Reg</td> <td></td> </tr> </tbody> </table>						CASING SIZE	WEIGHT, LB/FT	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT CEMENTED	8-5/8"	24	142' KB	12-1/4"	110 sx "B" Reg, 3% CaCl <sub>2</sub>	None	4-1/2"	10.5	1859' KB	7-7/8"	275 sx 65/35 Poz, 12% gel	None					100 sx "B" Reg	
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				100 sx "B" Reg																									
29. LINER RECORD																													
SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)																									
None																													
30. TUBING RECORD																													
SIZE	DEPTH SET (MD)	PACKER SET (MD)																											
1" NUE	1673' KB	None																											
1.7# CW55																													
31. PERFORATION RECORD (Interval, size and number)																													
1672'-82' Pictured Cliffs 2 JSPP																													
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.																													
DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED																											
1672-82' KB		250 gal 7 1/2% HCL, 27,500 gal FCL wtr, 35,000# GJ, 214,500 SCF-N2																											
33. PRODUCTION																													
DATE FIRST PRODUCTION 9-25-81		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing			WELL STATUS (Producing or shut-in) SI																								
DATE OF TEST 8-25-81	HOURS TESTED 3	CHOKER SIZE 3/4"	FLOW, FOR TEST PERIOD -->	OIL—BBL. 65.75	GAS—MCF. -																								
WATER—BBL. -	GAS-OIL RATIO -																												
FLOW, TUBING PRESS. -	CASING PRESSURE 299 psi	CALCULATED 24-HOUR RATE -->	OIL—BBL. -	GAS—MCF. 526	WATER—BBL. -																								
OIL GRAVITY-API (CORR)					-																								
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Waiting on pipeline connection					TEST WITNESSED BY F. P. Crum																								
35. LIST OF ATTACHMENTS Well logs sent under separate cover																													
36. I hereby certify that the information furnished hereon is complete and correct as determined from all available records																													
SIGNED [Signature]		TITLE FIELD PROD. Supt. - So. Rockies		DATE August 31, 1981																									

\*(See Instructions and Spaces for Additional Data on Reverse Side)



## Current Wellbore Schematic

### Federal # 32-21

Property Number: 402165.001

API Number: 30-045-24793

Sec. 32, T27N, R11W

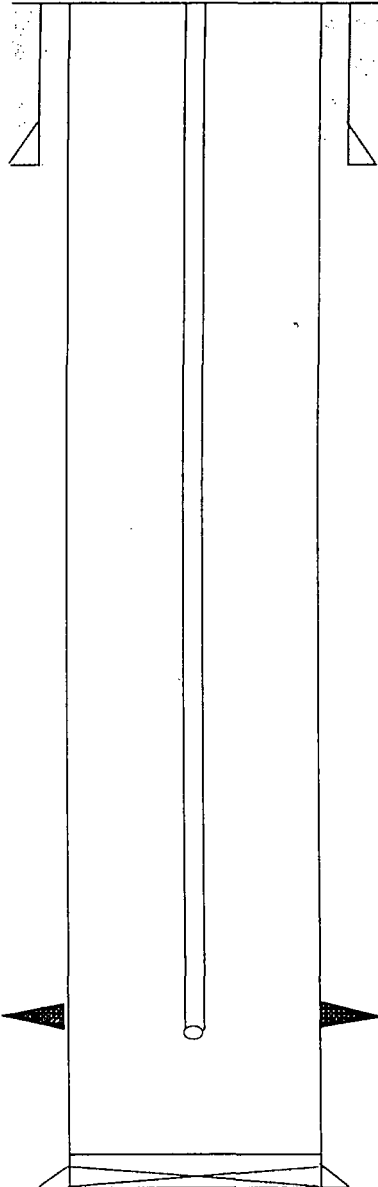
W. Kutz Field

San Juan County, NM

Elevations : 6148 ft GR 6160 ft KB

Depths reported at KB

Spud Date 3-20-81



Date: 3-22-81

PBTD : 1,840 ft  
TD: 1,875 ft

#### SURFACE CASING

8-5/8" @ 142 ft

#### TUBING STRING (7-14-81)

50 jts. 1" @ 1663 ft.

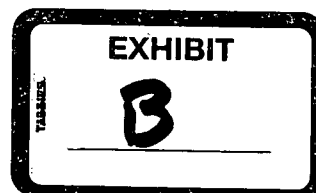
#### PICTURED CLIFFS

1,672 - 1,682 ft. (2 spf)

Fraced w/ 70Q N2 FOAM - 35,000 # sand & 214,500 scf N2  
20 BPM @ 1280 psi avg

Production Casing: 4-1/2", 10.5# , K-55 @ 1,859 ft.

Cemented w/ 275 sx. 65-35 poz w/12% Gel and 100 sx. Class B  
(circulated to surface)



# Proposed Wellbore Schematic

## Federal # 32-21

Property Number: 402165.001

API Number: 30-045-24793

Sec. 32, T27N, R11W

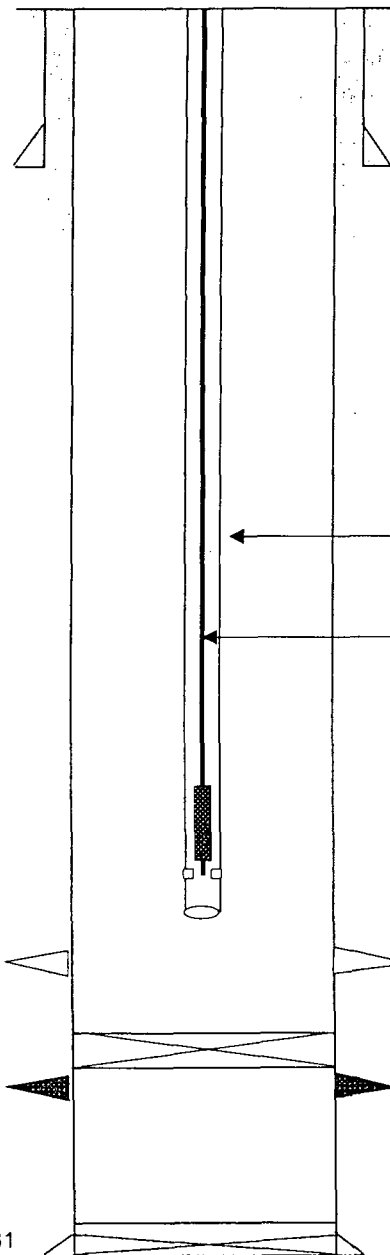
W. Kutz Field

San Juan County, NM

Elevations : 6148 ft GR 6160 ft KB

Depths reported at KB

Spud Date 3-20-81



### SURFACE CASING

8-5/8" @ 142 ft

### TUBING STRING

2-3/8" , 4.7# , J-55

### ROD STRING

3/4" rods

1-1/4" BHP

### FRUITLAND COAL 'Potential Perfs'

1,599 - 1,612 ft. (2 spf)

1,638 - 1,640 ft. (4 spf)

1,642 - 1,649 ft. (4 spf)

### PICTURED CLIFFS

1,672 - 1,682 ft. (2 spf)

Fraced w/ 70Q N2 FOAM - 35,000 # sand & 214,500 scf N2

20 BPM @ 1280 psi avg

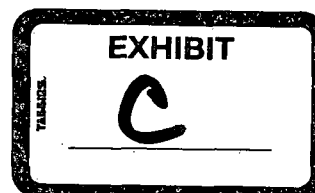
TD Date: 3-22-81

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Production Casing: 4-1/2", 10.5# , K-55 @ 1,859 ft.

Cemented w/ 275 sx. 65-35 poz w/12% Gel and 100 sx. Class B  
(circulated to surface)



Offset Operators and Owners of undrilled tracts:

Conoco, Inc.  
10 Desta Drive  
#100 - W  
Midland, TX 79705

Marathon Oil Company  
P.O. Box 552  
Midland, TX 79702-0552

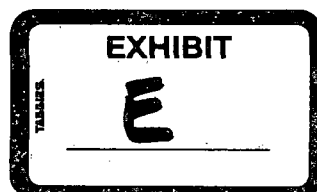
Beta Development Company  
P.O. Box 1659  
Midland, TX 79702

Dugan Production Corporation  
P.O. Box 420  
Farmington, NM 87499

Amax Petroleum Corporation  
P.O. Box 42806  
Houston, TX 77042-2806

Carlisle Blalock  
7011 Desco Dr.  
Dallas, TX 75225-1720

Universal Resources Corp.  
1331 17th Street  
Denver, Colorado 80202



**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
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SANTA FE, NEW MEXICO 87501

(505) 982-2043  
(505) 982-2151 (FAX)

February 13, 1998

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

To: Persons Listed on Exhibit A

Dear Sirs:

Louis Dreyfus Natural Gas Corp. has filed an administrative application for an unorthodox gas well location with the New Mexico Oil Conservation Division regarding the W $\frac{1}{4}$  of Section 32, Township 27 North, Range 11 West, San Juan County, New Mexico (Federal "32" Well No. 21). A copy of the application is enclosed. If you have an objection to the application, you must notify the Division in writing no later than March 5, 1998. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505 (Attention: Michael E. Stogner).

Very truly yours,



James Bruce

Attorney for Louis Dreyfus  
Natural Gas Corp.





Offset Operators and Owners of undrilled tracts:

Conoco, Inc.  
10 Desta Drive  
#100 - W  
Midland, TX 79705

Marathon Oil Company  
P.O. Box 552  
Midland, TX 79702-0552

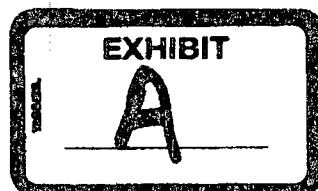
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Houston, TX 77042-2806

Carlisle Blalock  
7011 Desco Dr.  
Dallas, TX 75225-1720

Universal Resources Corp.  
1331 17th Street  
Denver, Colorado 80202



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Louis Dreyfus Natural Gas Corp

3. Address and Telephone No.

14000 Quail Springs Parkway, Suite 600 Phone (405) 749-1300

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

990' FNL & 1840' FWL  
NE NW Sec. 32-27N-11W

5. Lease Designation and Serial No.

NMSF-078896

6. If Indian, Allottee, or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Federal 32-21

9. API Well No.

30-045-24793

10. Field and Pool, or Exploratory Area

West Kutz, P.C.

11. County or Parish, State

San Juan Co., NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION		TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans	RECEIVED BUREAU OF LAND MANAGEMENT ARLSDAD RESOURCE 1991 OCT 22 A 10:56
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing	
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off	
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection	
	<input type="checkbox"/> Other	<input type="checkbox"/> Dispose Water	
		(Note: Report results of multiple completions, well Completion or Recompletion Report and Log Entry)	

13. Describe Proposed Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Recomplete to Fruitland Coal, as follows:

- A. MIRU WOU. Load hole w/2% KCL water. ND WH & NU BOPs TOH w/1" tbg & LD. RU WL. PU & RIH w/4-1/2" CIBP & set @ 1667'. Load csg & test to 3000 psi. RIH w/csg gun to perforate the Fruitland Coal 1599-1612', 2 spf; 1638-40' 4 spf; 1642-49' 4 spf; Total 65 holes.
- B. RD WL. RU BJ. Acidize/balloff perfs w/500 gals 15% HCL acid & 95 - 7/8" 1.3 SG ballsealers. Pump via csg @ 8- 10 BPM & estimated 1000 psi. Surge balls & allow to fall below perfs. Prepare to frac. Treat via 4-1/2" casing @ 40 BPM & estimated 1800 psi. Pump  $\pm$  45,000 gals 70Q N@ foam (30# linear gel) &  $\pm$  90,000# 20/40 Brady sand. RD BJ. Wait 2 hours & start fluid recovery on choke.
- C. Clean-up frac load. Swab and/or CO as needed.
- D. PU & RIH w/2-3/8" tbg w/production assembly. Set SN @  $\pm$  1598'. PU & RIH w/3/4" rods & 1-1/4" BHP. ND BOP & NU wellhead. RDMO WOU.
- E. Build pad & install pump unit. Hang well on. Start pump unit. Clean up frac load. Turn well to sales.

14. I hereby certify that the foregoing is true and correct

Signed

Title

Date

10/20/97

(This space for Federal or State office use)

Approved by

Title

Date

NOV 04 1997

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*See Instructions on Reverse Side

NMOCD