



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 24, 1999

Louis Dreyfus Natural Gas Corporation
14000 Quail Springs Parkway - Suite 600
Oklahoma City, Oklahoma 73134-2600
Attention: Joe W. Hammond
405 749 5279

Telefax No. (405) 749-6662

Administrative Order NSL-3761-A

Dear Mr. Hammond:

Reference is made to: (i) your original application dated January 11, 1999; (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated January 26, 1999 from Mr. Michael E. Stogner, Chief Hearing Officer/Engineer, withdrawing this application as incomplete; (iii) your re-submittal of a completed application on February 4, 1999; and (iv) the Division's records in Santa Fe, which include the files for Division Case No. 11692 and Division Administrative Order NSL-3761: all concerning Louis Dreyfus Natural Gas Corporation's request to recomplete its McKittrick "29" Federal Com. Well No. 22 (API No. 30-015-29351), located at an unorthodox oil well location 1715 feet from the North line and 1160 feet from the West line (Unit E) of Section 29, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, into the Delaware and Bone Spring formations. The SW/4 NW/4 of Section 29 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit: (i) in either the Undesignated Happy Valley-Delaware or Filaree-Delaware Pool; and (ii) for the Bone Spring formation.

It is our understanding that the McKittrick "29" Federal Com. Well No. 22 was drilled in early 1997 to a total depth of 11,663 feet at a previously approved unorthodox gas well location within a standard 320-acre gas spacing and proration unit comprising the W/2 of Section 29 in order to test the deeper (Wolfcamp through Morrow intervals) gas bearing intervals (see Division Order No. R-10755, issued in Case No. 11692 dated January 27, 1997, and Division Administrative Order NSL-3761, dated January 27, 1997).

Pursuant to Division **Rules 104.B.(1)(b)** and **104.C.(1)** this location is also considered to be unorthodox for both the Delaware and Bone Spring intervals.

This application has been duly filed under the provisions of Division **Rule 104.F**; therefore, by the authority granted me under the provisions of Division **Rule 104.F(2)**, the above-described unorthodox oil well location is hereby approved.

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Both Division Order No. R-10755 and Division Administrative Order NSL-3761 shall be placed in abeyance until further notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia /
U. S. Bureau of Land Management ■ Carlsbad
File: NSL-3761
Case No. 11692