

EXHIBIT "B" - CASE NO. 11353, ORDER NO. R-10470-A

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

811 South First St., Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☐ Administrative ☐ Hearing

EXISTING WELLBORE

☒ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

LOUIS DREYFUS NATURAL GAS CORP.

14000 Quail Springs Parkway, Suite 600, Oklahoma City,

Operator

OK 75134

Federal 30

Well No. 41

A Sec. 30-T27N-R11W

San Juan

Lease

Unit Ltr. - Sec - Twp - Rge

GRID NO. 025773 Property Code 005953 API NO. 30-045-24769

Spacing Unit Lease Types (check 1 or more)
Federal ☒ State ☐ (and/or) Fee ☐

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	Basin Fruitland Coal 71629	N/A	Kutz Pictured Cliffs, West, 79680
2. Top and Bottom of Pay Section (Perforations)	1668'-1735'		1762'-1788'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) 200 b. (Original) 200	a. b. DIST. 3	a. 75 b. 302
6. Oil Gravity (°API) or Gas BTU Content			1.222
7. Producing or Shut-In?	Producing		Producing
Production Marginal? (yes or no)	No		Yes
* If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: Rates:	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: %	Oil: % Gas: %	Oil: % Gas: %

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross-flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☒ Yes ☐ No

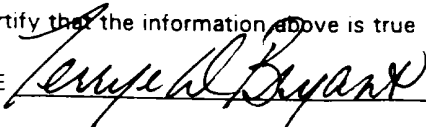
15. NMOCD Reference Cases for Rule 303(C) Exceptions: ORDER NO(S).

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE



TITLE Regulatory Tech. DATE 5/19/99

TYPE OR PRINT NAME Terrye D. Bryant

TELEPHONE NO. (405) 749-5287

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 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

¹ API Number 30-045-24769		² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 005953	⁵ Property Name Federal 30		⁶ Well Number 41
⁷ OGRID No. 025773	⁸ Operator Name Louis Dreyfus Natural Gas Corp.		⁹ Elevation 6173'

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
A	30	27N	11W		1120	North	790	East	San Juan

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
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code C	¹⁵ Order No.
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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

	LDNGC 50% WI Marathon 50% WI 1/8 Royalty - USA		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Original Form C-102 on file with OCD</p> <p><i>Terry D. Bryant</i> Signature Terrye D. Bryant Printed Name Regulatory Technician Title May 10, 1999 Date</p>
	LDNGC 50% WI Marathon 50% WI 1/8 Royalty - USA		<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>_____ Date of Survey Signature and Seal of Professional Surveyer</p> <p>_____ Certificate Number</p>

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-107
Revised 10-1-

All distances must be from the outer boundaries of the Section.

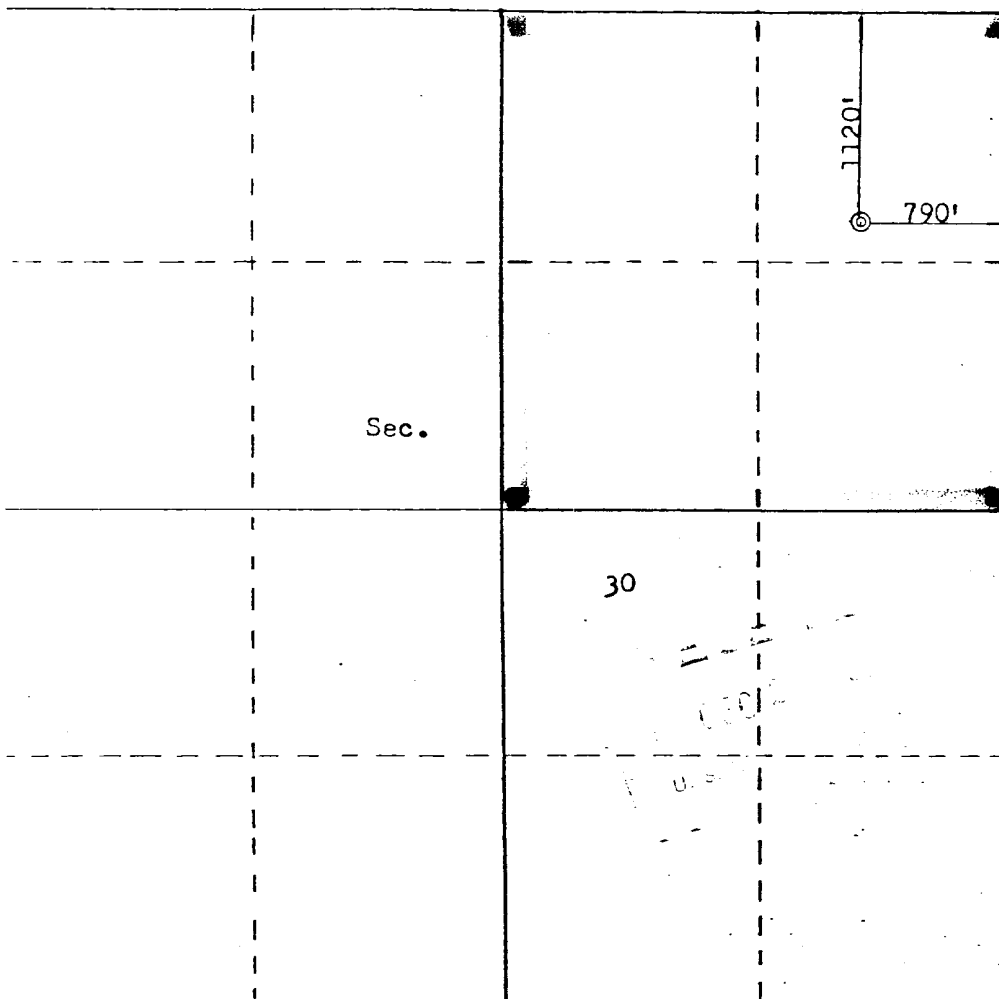
Operator DEPCO, INCORPORATED			Lease FEDERAL 30			Well No. 41		
Unit Letter A	Section 30	Township 27N	Range 11W	County San Juan				
Actual Footage Location of Well: 1120 feet from the North line and 790 feet from the East line								
Ground Level Elev. 6173	Producing Formation Pictured Cliffs		Pool West Kutz			Dedicated Acreage: 160 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name W. S. Schumann
Position _____
Prod. Supt - So. Rky Mtn Dist _____
Company DEPCO, Inc.
Date December 16, 1980

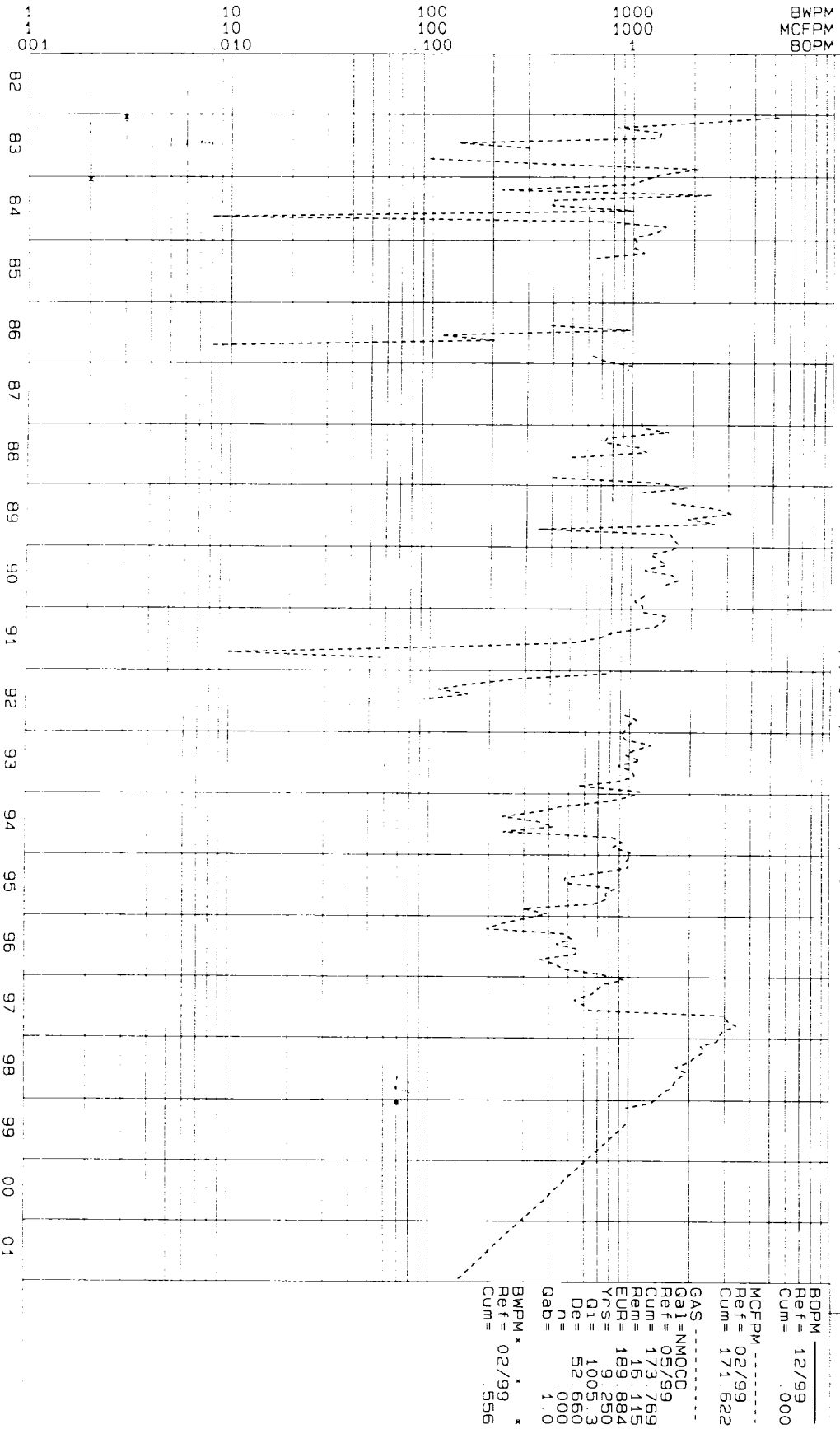
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed December 14, 1980
Registered Professional Engineer and Land Surveyor
Ed B. Kepp Jr.
Certificate No. 10

LOUIS DREYFUS NATURAL GAS CORP

WELL : FEDERAL 30-41 (PCCF)
 OPER : LDNGC
 ZONE : PICTURED CLIFFS
 CO : SAN JUAN
 RCAT : PDP

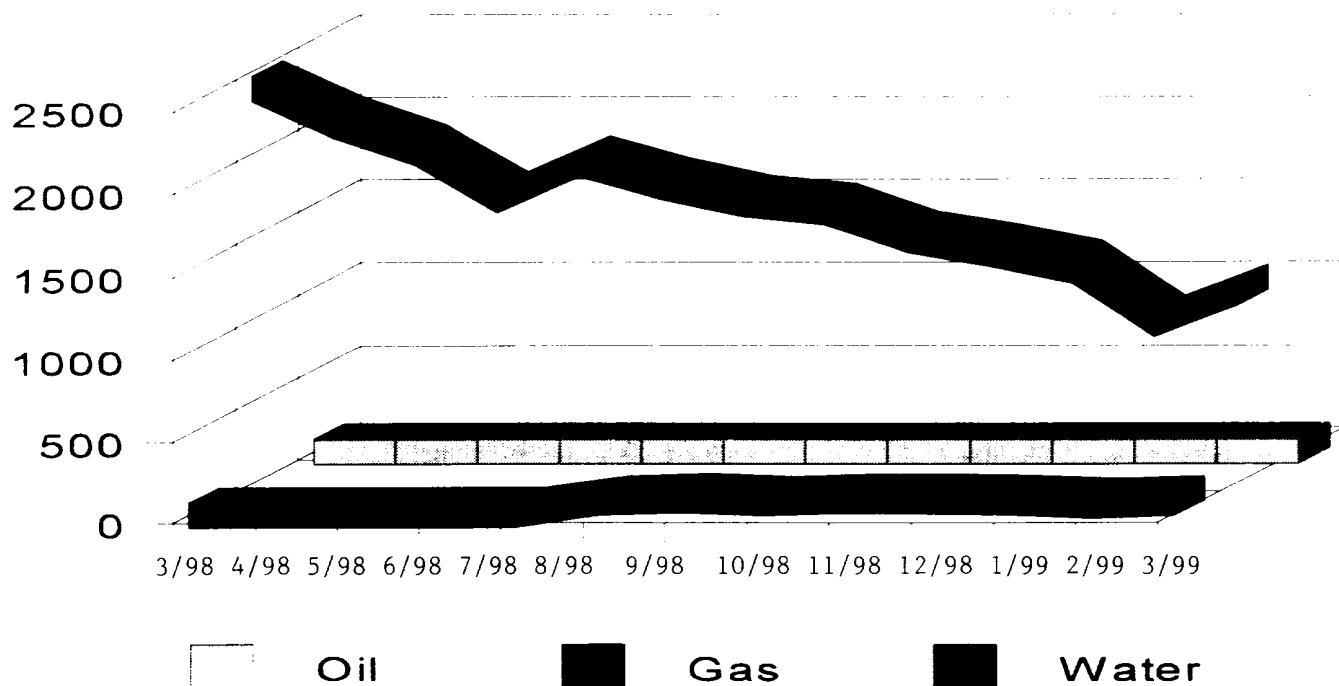
LOC : 30-27N-11W
 API : 30045247630000
 FIELD : KUTZ W.
 STATE : NM
 PERFS : 17620- 0/788



FEDERAL 30-41KUTZ PICTURED CLIFF, WEST PRODUCTION RATES

Month	Oil		Gas		Water
	Produced	Sold	Produced	Sold	Produced
3/98	0	0	2393	2393	
4/98	0	0	2168	2168	
5/98	0	0	2001	2001	
6/98	0	0	1716	1716	
7/98	0	0	1934	1934	
8/98	0	0	1795	1795	68
9/98	0	0	1688	1688	84
10/98	0	0	1642	1642	66
11/98	0	0	1473	1473	81
12/98	0	0	1393	1393	79
1/99	0	0	1294	1294	70
2/99	0	0	971	971	52
3/99	0	0	1154	1154	67

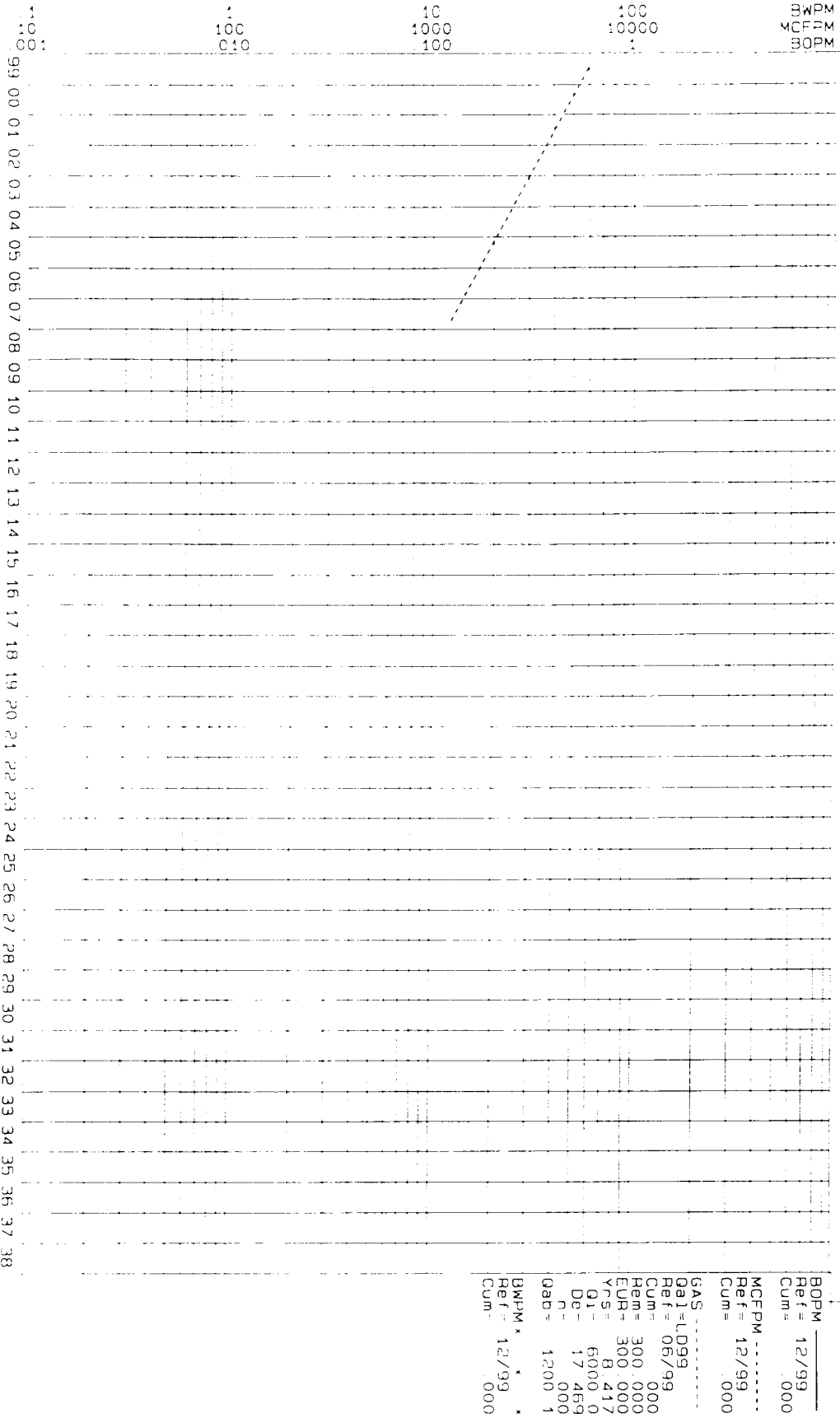
LOUIS DREYFUS NATURAL GAS CORP. WILL ALLOCATE
INCREASED PRODUCTION TO THE BASIN FRUITLAND COAL.



LOUIS DREYFUS NATURAL GAS CORP

WELL : FEDERAL 30-41 (FC)
OPER : LDNGC
ZONE : FRUITLAND COAL
CO : SAN JUAN
RCAT : PNPB

LOC : 30-27N-11W
API : 30045247690000
FIELD : BASIN
STATE : NM
PERFS : 1668- 1735



Federal 30-41
Offset Operator Address List

Section 20

Taurus Exploration USA, Inc.
2106 6th Avenue N.
Birmingham, AL 35203-2784

Roddy Production Company, Inc.
P.O. Box 2221
Farmington, NM 87499-2221

Section 19

Pro Management, Inc.
no address available

Fuller Production, Inc.
P.O. Box 11327
Midland, TX 79702

Four Star Oil & Gas, Inc.
3300 N. Butler
Farmington, NM 87401

Section 32 and Section 30

Louis Dreyfus Natural Gas Corp. (applicant)

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

Section 29 and Section 31

Louis Dreyfus Natural Gas Corp. (applicant)