

DHC

6/30/99

2384

14000 Quail Springs Parkway
Suite 600
Oklahoma City, Oklahoma
73134-2600

Telephone 405 749-1300
www.ldng.com



Louis Dreyfus Natural Gas

June 7, 1999

Mr. Dave Catanach
New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505-6429

JUN 10 1999

Re: LDNGC Federal 33 Well No. 24
N Sec. 33-T27N-R11W
San Juan County, New Mexico

Gentlemen:

Form C-107-A is enclosed for the referenced well. Also enclosed are the following:

1. Forms C-102 for the Basin Fruitland Coal and the Kutz Pictured Cliff, West pools
2. Production curve of actual and projected production from the Kutz Pictured Cliff, West pool and an estimated production curve for the Basin Fruitland Coal pool
3. Notification list of all offset operators of the Federal 33 Well No. 24. Although the spacing unit and acreage dedication are different for these pools, the working, overriding and royalty interests are the same for both zones.

Should you need additional information or have any questions concerning the enclosed, please feel free to call me at (405) 749-5287.

Sincerely,

LOUIS DREYFUS NATURAL GAS CORP.

Terrye D. Bryant
Regulatory Technician

enc.

cc: NMOCD District 3 Office
BLM Farmington District Office

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, OK

Operator 73134 Address

FEDERAL 33 24 N Sec. 33-T27N-R11W San Juan
Lease Well No. Unit Ltr. - Sec - Twp - Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 025773 Property Code API NO. 30-045-24978 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		Kutz Pictured Cliffs, West 79680
2. Top and Bottom of Pay Section (Perforations)	1602'-1652'		1688'-1715'
3. Type of production (Oil or Gas)	Gas		Gas
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure	a. (Current)	a.	a.
Oil Zones - Artificial Lift: Estimated Current	170		120
Gas & Oil - Flowing: Measured Current	b. (Original)	b.	b.
All Gas Zones: Estimated Or Measured Original			438
6. Oil Gravity ($^{\circ}$ API) or Gas BTU Content	1.200		1.203
7. Producing or Shut-in?	Producing		Shut-in
Production Marginal? (yes or no)	No		Yes
* If Shut-in, give date and oil/gas/water rates of last production	Date:	Date:	Date: 3/99
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Rates:	Rates:	Rates: 43 MCF/D, 0 BOPD 3 1/2 BWPD
* If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 5/99	Date:	Date:
	Rates: 151 MCF/D, 0 BOPD 3 BWPD	Rates:	Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: % Gas: 85 %	Oil: % Gas: %	Oil: % Gas: 15 %

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 ☐ No
11. 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 ☐ No
13. 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 Terry D. Bryant TITLE Regulatory Tech. DATE 6/4/99TYPE 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 30-045-24978	² Pool Code 71629	³ Pool Name Basin Fruitland Coal
⁴ Property Code 005956	⁵ Property Name Federal 33	⁶ Well Number 24
⁷ OGRID No. 025773	⁸ Operator Name Louis Dreyfus Natural Gas Corp.	⁹ Elevation 6183'

¹⁰ Surface Location

UL or lot no. N	Section 33	Township 27N	Range 11W	Lot Idn	Feet from the 1190	North/South line South	Feet from the 1450	East/West line West	County San Juan
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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 320	¹³ Joint or Infill N	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. Original Form C102 on file with OCD. Signature Terrye D. Bryant Printed Name Regulatory Technician Title 5/5/99 Date			
	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 Signature and Seal of Professional Surveyer:			
	Certificate Number			

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

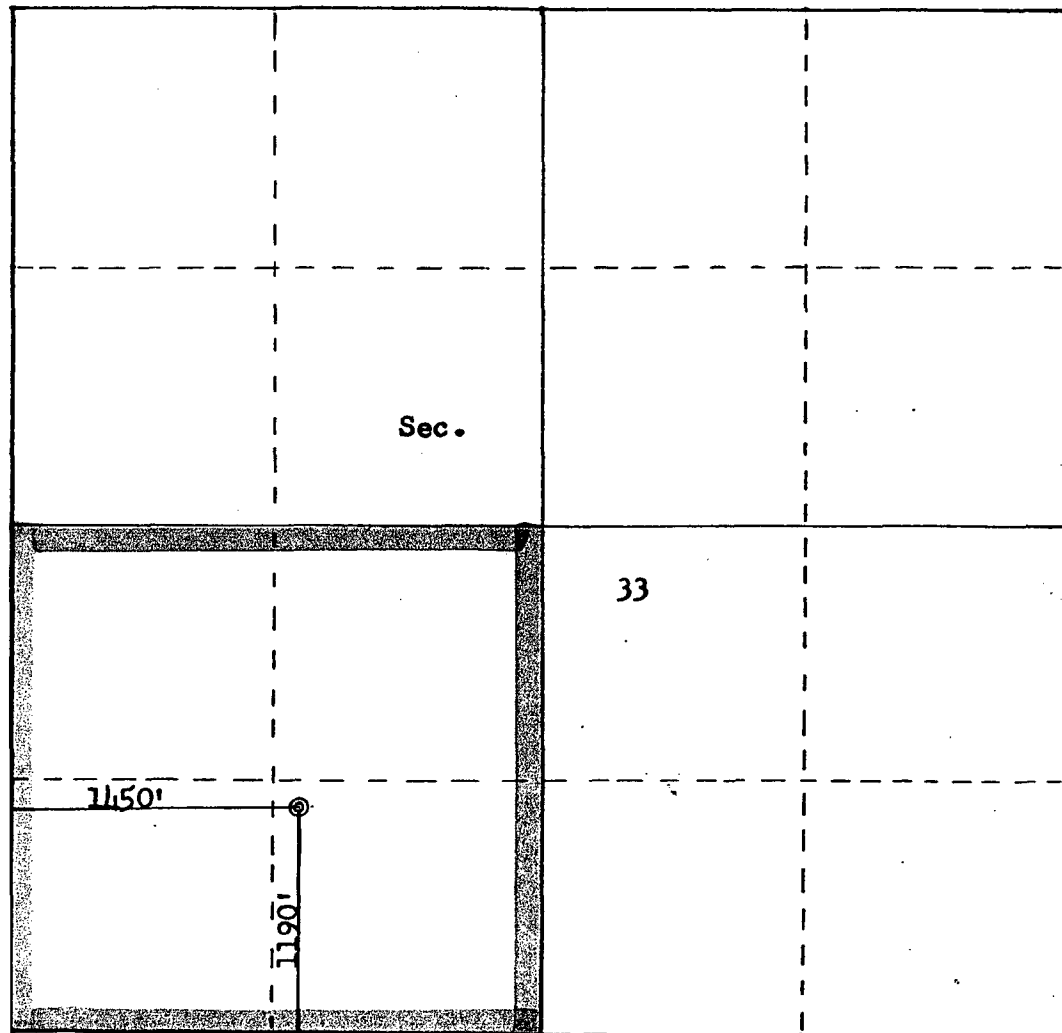
Operator DEPCO, INCORPORATED			Lease FEDERAL 33		Well No. 24
Unit Letter N	Section 33	Township 27N	Range 11W	County San Juan	
Actual Footage Location of Well: 1190 feet from the South line and 1450 feet from the West line					
Ground Level Elev. 6183	Producing Formation Pictured Cliffs		Pool West Kutz		Dedicated Acreage: 160 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.



Scale: 1"=1000'

CERTIFICATION

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

W. F. Schwenn

Name

W. F. Schwenn

Position

Supt. - So. Rockies

Company

DEPCO, Inc.

Date

3/2/81

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

February 19, 1981

Registered Professional Engineer and Land Surveyor

Fred E. Kert, Jr.

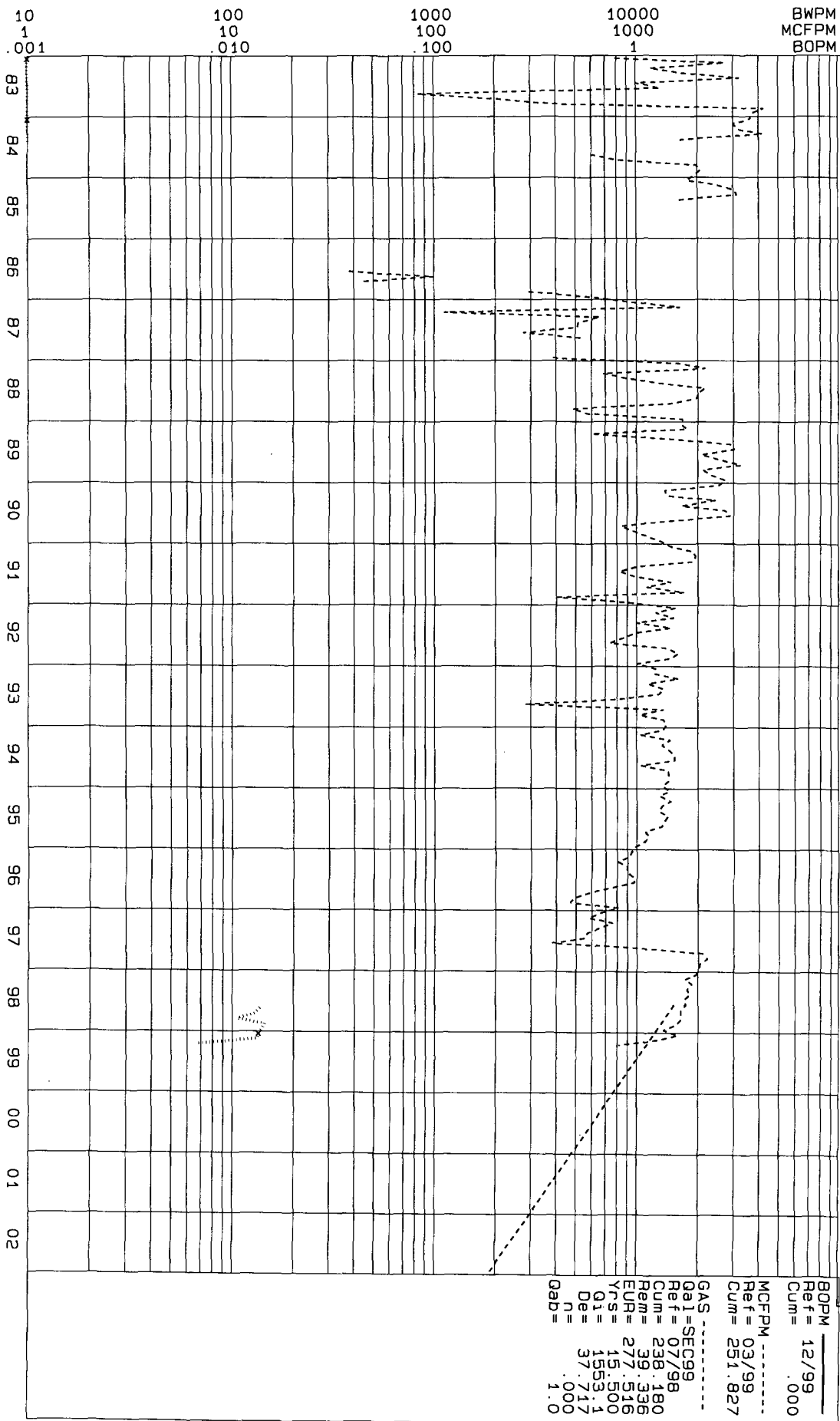
Certificate No. 1188

2950

LOUIS DREYFUS NATURAL GAS CORP

WELL : FEDERAL 33-24 (PCCF)
 OPER : LDNGC
 ZONE : PICTURED CLIFFS
 CO : SAN JUAN
 RCAT : PNPS

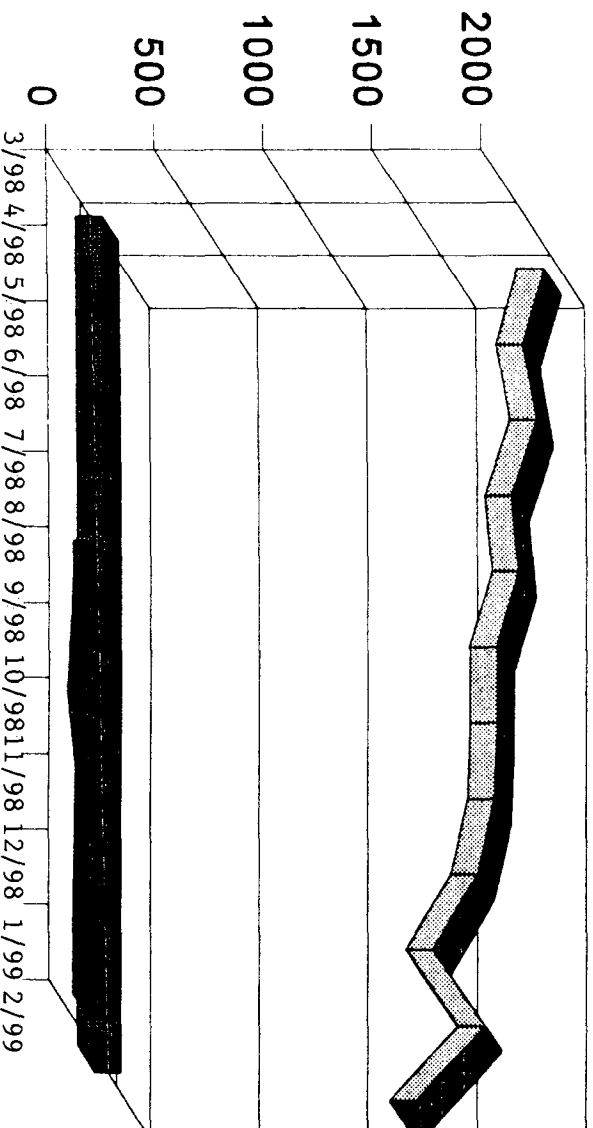
LOC : 33-27N-11W
 API : 30045249780000
 FIELD : KUTZ W.
 STATE : NM
 PERFS : 0- 0



BOPM 12/99
 Ref= 12/99
 Cum= .000
 MCFPM
 Ref= 03/99
 Cum= 251.827
 GAS
 Qa1=SEC99
 Ref= 07/98
 Cum= 238.180
 Rem= 39.336
 EUR= 277.516
 YRS= 15.500
 Q1= 1553.1
 De= 37.717
 N= .000
 Qab= 1.0

Federal 33-24 Production

Pictured Cliffs, West Kutz



Gas



Oil



Water

Oil

Produced Sold

Gas

Produced Sold

Water

Produced

Month
3/98
4/98
5/98
6/98
7/98
8/98
9/98
10/98
11/98
12/98
1/99
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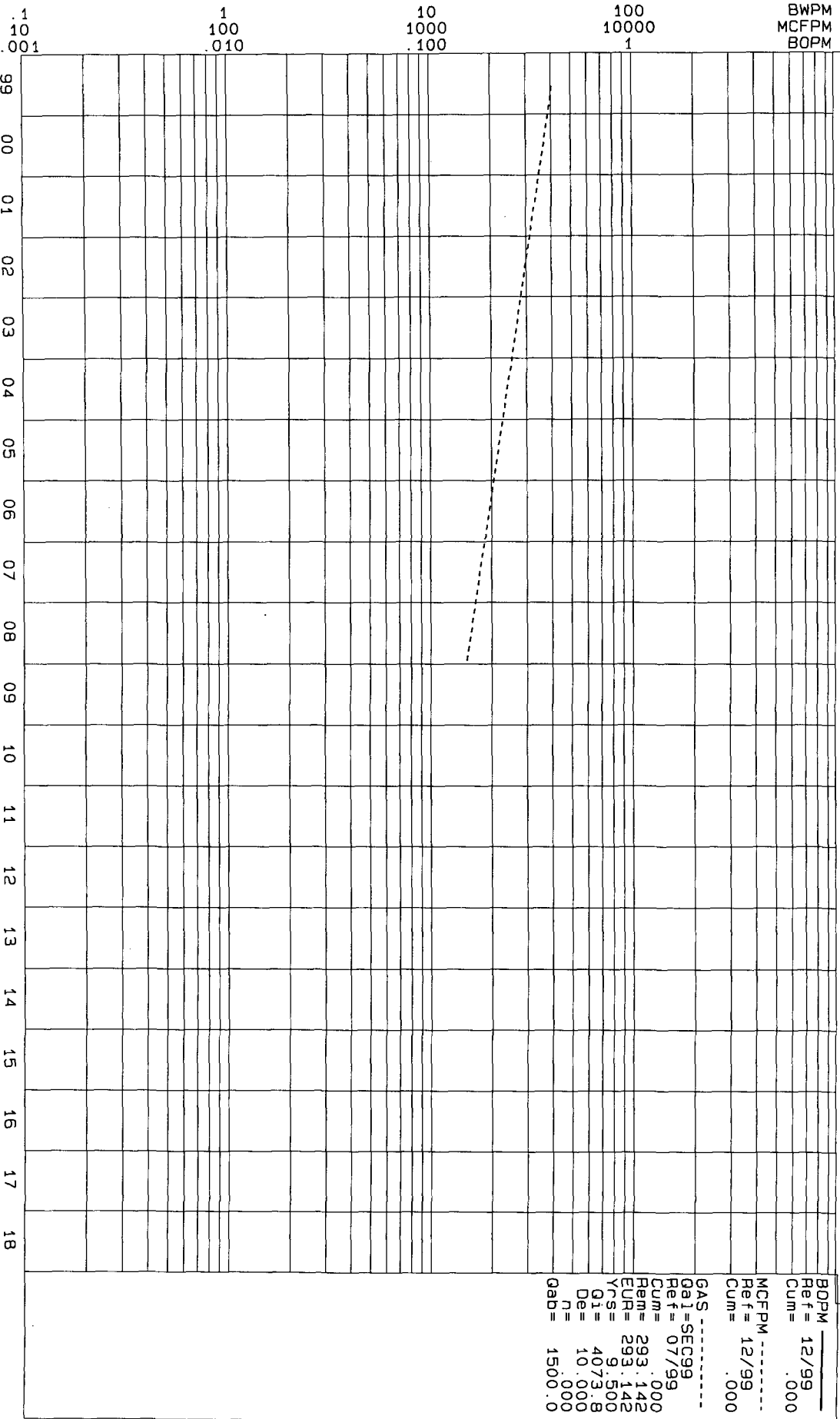
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LOUIS DREYFUS NATURAL GAS CORP

WELL : FEDERAL 33-24 (FRLD)
 OPER : LDNGC
 ZONE : FRUITLAND COAL
 CO : SAN JUAN
 RCAT : PDP

LOC : 33-27N-11W
 API : 30045249780000
 FIELD : BASIN
 STATE : NM
 PERFS : 1602- 1652



BOBPM 12/99
 Ref= .000
 Cum= .000

MCFPM 12/99
 Ref= .000
 Cum= .000

GAS -----
 Ga1=SEC99
 Ref= 07/99
 Cum= .000
 Rem= 293.142
 EUR= 293.142
 YCS= 9.500
 G1= 4073.8
 De= 10.000
 n= .000
 Gab= 1500.0

Offset Operators

PRO Management, Inc.
9400 N. Central Expressway, Suite 1313
LB 158
Dallas, Texas 75231

Marathon Oil Company
P.O. Box 552
Midland, Texas 79702

M&G Drilling Company, Inc.
P.O. Box 2506
Farmington, New Mexico 87499

Dugan Production Company
P.O. Box 420
Farmington, New Mexico 87499

Merrion Oil & Gas Corp.
610 Reilly Avenue
Farmington, New Mexico 87401

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

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