

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

811 S. 1st Street

Alamosa, NM 88210-2834

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
LOUIS DREYFUS NATURAL GAS CORP.

3a. Address 14000 Quail Springs Parkway
Ste. 600, Oklahoma City, OK 73134

3b. Phone No. (include area code)
(405) 749-5207

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

660' FNL & 2310' FEL
NW/4 NE/4 (B) Sec. 33-T22S-R26E

5. Lease Serial No.

34247

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

NMNM 87881

8. Well Name and No.

Sheep Draw Fed. Com. #1

9. API Well No.

30-015-26847

10. Field and Pool, or Exploratory Area
Sheep Draw; Strawn (Gas)
Happy Valley; Morrow (Gas)

11. County or Parish, State

Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other <u>Commingle</u>
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	<u>production in the</u>
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	<u>wellbore</u>

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The Sheep Draw Fed. Com. #1 is currently producing as a dual completion with the Morrow producing up the 2 3/8" tubing and the Strawn producing up the tubing-casing (2 3/8"-7") annulus. Communication has developed between the Morrow and the Strawn; a sliding-sleeve in the tubing is considered to be the likely point for leakage. LDNGC has applied to continue producing the Morrow and Strawn commingled. (See attached Discussion of Application and wellbore schematic from Application for Downhole Commingling filed with State of New Mexico for detailed explanation.)

If approved, LDNGC plans to close off the casing side, open the sliding-sleeve up, and produce both the Morrow and Strawn up the tubing.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Terrye D. Bryant

Signature

Title

Regulatory Technician

Date

9/29/99

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(ORIG. SGD.) ALEXIS C. SWOBODA

PETROLEUM ENGINEER

OCT 06 1999

Conditions of approval, if any, are attached. Approval of this notice 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.

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.

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated in Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

GENERAL INSTRUCTIONS

SPECIFIC INSTRUCTIONS

productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information on connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. et seq.; 43 CFR 3160.

PRINCIPAL PURPOSE - The information to be used to evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease.

ROUTINE USES:

- (1) Evaluate the equipment and procedures to be used during a proposed subsequent well operation and to review the completed well operations for compliance with the approved plan.
- (2) Request and grant approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4.
- (3) Report the beginning or resumption of production as required by 43 CFR 3162.4-1(c).
- (4) Analyze future applications to drill or modify operations in light of data obtained and methods used.
- (5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION - Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4, and 3162.4-1(c).

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et seq.) requires us to inform you that this information is being collected in order to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer, (DW-101) Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 and the Office of Management and Budget, Paperwork Reduction Project (1004-0135), Washington, D.C. 20503.