

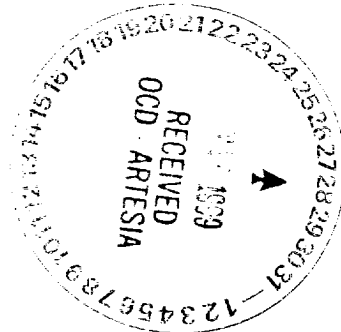


NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

May 26, 1999

Louis Dreyfus Natural Gas Corporation  
14000 Quail Springs Parkway - Suite 600  
Oklahoma City, Oklahoma 73134-2600



Attention: Joe W. Hammond

*Re Administrative application for an unorthodox oil well location within the Delaware and Bone Spring formations for the existing White Wing "22" Federal Com. Well No. 23 (API No. 30-015-29833) located 1980 feet from the South line and 2635 feet from the West line of Section 22, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico. A standard 40-acre oil spacing and proration unit comprising the NE/4 SW/4 (Unit K) of Section 22 is the proposed acreage to be dedicated to this well.*

Dear Mr. Hammond:

Your letter dated May 20, 1999 adequately addressed my concerns of the mineral interests ownership (royalty, over ride royalty, and working) in both the NW/4 SE/4 (Unit J) of Section 22 and the NE/4 SW/4 (Unit K) of Section 22 as to the Bone Spring formation. However, your precautionary request to include the Delaware formation changes this application significantly. Since the notification letters sent out on April 30, 1999 specified the Bone Spring interval, they are inadequate to cover the Delaware formation; therefore, please resubmit your notification to include the Delaware interval.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad  
Jim Bruce, Legal Counsel for Louis Dreyfus Natural Gas Corporation in Division  
Case 11858 - Santa Fe