

Louis Dreyfus Natural Gas Corp.

Quail Springs Corporate Park
14300 Quail Springs Parkway, Suite 200
Oklahoma City, OK 73154
405-749-1300

RECEIVED
MAY 30 1995

MINERALS DIVISION	<input checked="" type="checkbox"/>
ADM	<input checked="" type="checkbox"/>
I & E SPEC	<input type="checkbox"/>
SOLIDS	<input type="checkbox"/>
FLUIDS D & P	<input checked="" type="checkbox"/>
RES. MGMT.	<input type="checkbox"/>
FLUIDS I & E	<input type="checkbox"/>
EPS	<input type="checkbox"/>
ALL SUPV.	<input type="checkbox"/>
FILES	<input type="checkbox"/>

May 18, 1995

RECEIVED
MAY 30 1995

OIL CON. DIV.
DIST. 3

Bureau of Land Management
Attn: Wayne Townsend
1235 La Plata Highway
Farmington, New Mexico 87401

Dear Mr. Townsend,

This letter is in response to your letter dated April 28, 1995.

The Mudge "A" #3, 1650' FNL & 990' FEL, Sec. 7, T-27N, R-11W, lease #NMSF078895 is on long term shut-in status.

This well will produce in paying quantities at a lower line pressure than what is currently available to us. We are currently in the process of permitting a pipeline expansion to this well. Mr. Don Ellsworth of your office is aware of this pipeline expansion.

We would like to forego the cost of the casing integrity test if possible. We should have this well on production in the near future. If I can be of further assistance to you, please call me at (505)326-6958.

Sincerely,

Gene Simer

Gene Simer
GS/cd

THIS APPROVAL EXPIRES JAN 01 1996

APPROVED

MAY 22 1995

DISTRICT MANAGER

NMOC