SUBMIT IN TRIPLICATE®

(Other instructions on reverse side)

Form approved.

Budget Bureau No. 1004-0136 Expires: December 31, 1991

UNITED STATES DEPARTMENT OF THE INTERIOR

5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT NMSF-078895 6. IF INDIAN, ALLOTTED OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN 1a. TYPE OF WORK 7. UNIT AGREEMENT NAME DRILL X DEEPEN [b. TYPE OF WELL SINGLE X 8. FARM OR LEASE NAME, WELL NO WELL WELL X OTHER MUDGE A, WELL NO. 7R 2. NAME OF OPERATOR 9. API WELL NO. LOUIS DREYFUS NATURAL GAS CORP. 30-045-30039 14000 QUAIL SPRINGS PARKWAY, SUITE 600 10. FIELD AND POOL, OR WILDCAT (405) 749-5287 OKLAHOMA CITY, OK 73134 4. LOCATION OF WELL (Report location clearly and in accordance with any State KUTZ PICTURED CLIFFS, WEST 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 1650' FSL & 790' FWL (UL L) NW/4 SW/4 At proposed prod. sone NOV n 3 1999 Sec. 6-T27N-R11W 12. COUNTY OR PARISH | 13. STATE 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* BUREAU OF LAND WANAGEMENT San Juan

16. NO FARMINGTON TIELD OFFIGE OF ACRES ABBIGNED TO THIS WELL 11.2 miles SW of Bloomfield, NM 13. DISTANCE FROM PROPOSED 790 FWL lease, PROPERTY OR LEASE LINE, FT. drilling unit (Also to nearest drig, unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION 70 TO NEAREST WELL, DRILLING, COMPLETED, 1742 TO BEAREST WELL, DRILLING, COMPLETED, 1742 150157.36 1906.27 20. ROTARY OR CABLE TOOLS 19. PROPOSED DEPTH 20001 Rotar 22. AFPROX. DATE WORK WILL START* 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 12/1/99 6106' GR Thiesection is audied to technical and procedural review pursuant to 43 CFR 3168.8 PROPOSED CASING AND CEMENTING PROCEEDING OPERATIONS AUTHORIZED ARE SETTING DEPAUBLECT TO COMPLIANCE MATHITACHED and appeals pursuest to 43 Cit Belling Casino WEIGHT PER FOOT GENERAL REQUIREMENTS"
185 SX., CITCULATE to surface 250' 11" J-55 8-5/8" 2000' 300 sx., circulate to surface 7-7/8" J-55 5-1/2" 15.5# 1. Drill 11" hole to ± 250 '. Set 8-5/8" J-55 24# csg. @ TD, circulate cement to surface w/185 sx. C1. H + 3% CaC12 + .25#/sk. Cello-Seal.Drill 7-7/8" hole to ± 2000 '. Set 5-1/2" J-55 15.5# csg. @ TD. Cement w/200 sx. Halco Light + 5#/sk. Gilsonite + 1/4#/sk. Flocelle follwed by 100 sx. 50/50/POZ A + 2% Ge1 + 0.5% Halad-322. Circulate cement to surface. See attached "Exhibit A" for BOP program. IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any. Regulatory Technician 11/2/99 DATE (This space for Federal or State office use) APPROVAL DATE

/s/ Jim Lovato

CONDITIONS OF APPROVAL, IT ANY:

APPROVED BY

MAY 24 ZUUU

DATE

See Instructions On Reverse Side

Application approval 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 knowing and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or resource as to any matter within its jurisdiction.

TITLE .

District I PO Box 1980, Hobbs, NM 88241-1980 District II

811 South First, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

2040 South Pacheco, Santa Fe, NM 87505

District III

District IV

State of New Mexico
Minerals & Natural Resources Department

Form C-102 Revised October 18, 1994

Instructions on back

OIL CONSERVATION DIVE CEIVED omit to Appropriate District Office 2040 South Pacheco

NOV 0 3 1999

State Lease - 4 Copies

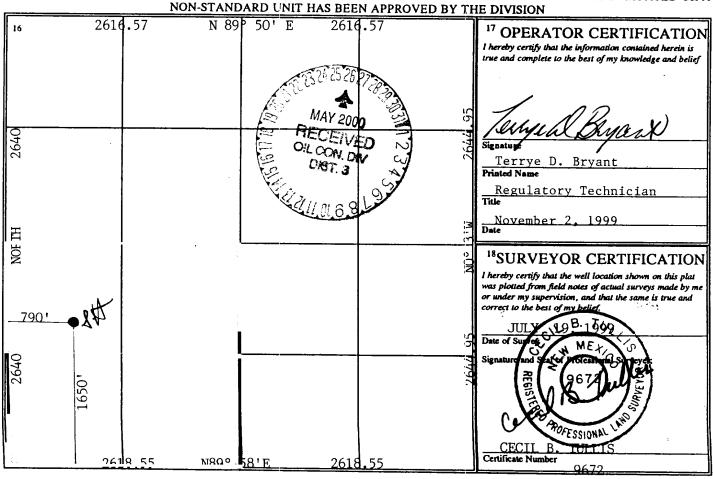
Santa Fe, NM 87505

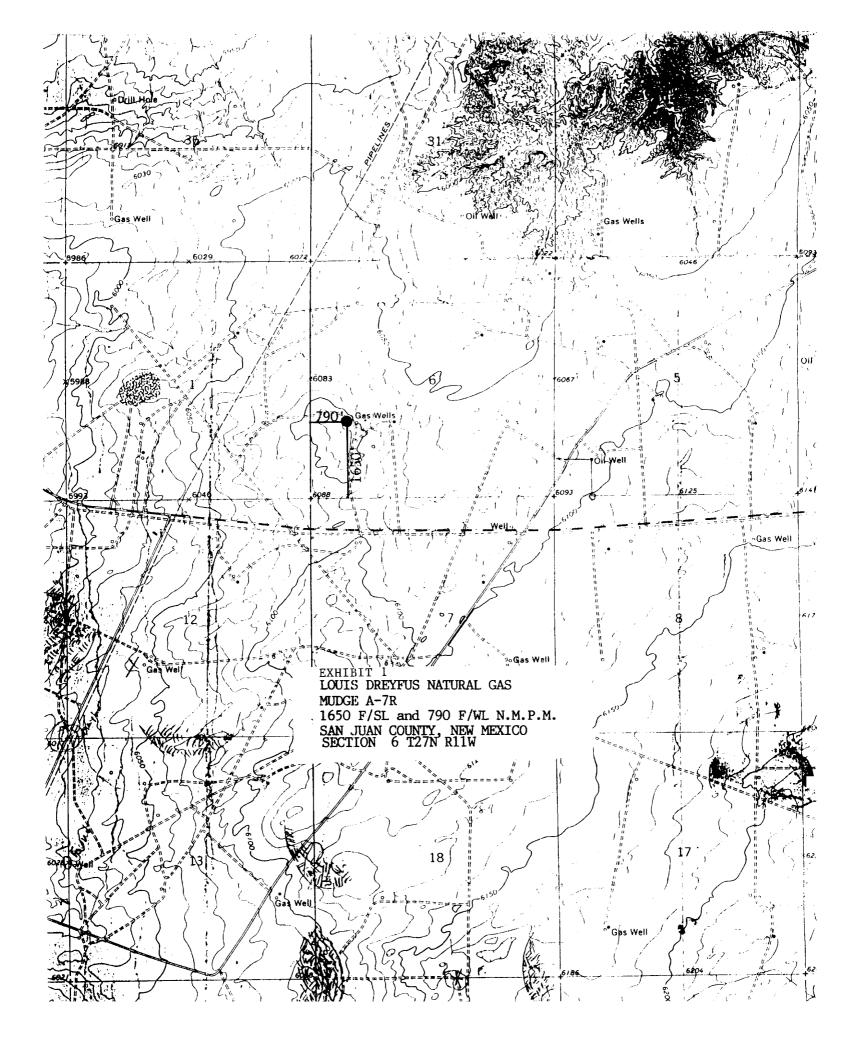
Fee Lease - 3 Copies AMENDED REPORT

BUREAU OF LAND MANAGEMENT WELL LOCATION AND ACREAGE ARMY TO THE PROPERTY OF THE PROPERTY

30 04	0039		¹ Pool Cod 79680 -	e	Pool Name KUTZ PICTURED CLIFFS, WEST (
Property Code		' Property Name MUDGE A							• Well Number A→7R	
'OGRID №. 025773		Operator Name LOUIS DREYFUS NATURAL GAS							'Elevation 6106	
¹⁰ Surface Location										
UL or lot no.	Section 6	Township 27N	Range 11W	Lot Idn	Feet from the 1650	North/South line SOUTH	Feet from the 790	East/West line WEST		County 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
Dedicated Acro	1		Consolidatio	n Code 13 O	rder No.		<u></u>			

ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A





BOP STACK

