

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Louis Dreyfus Natural Gas Corp. (405) 749-1300

3. ADDRESS AND TELEPHONE NO.

14000 Quail Springs Pkwy., #600, OK City, Ok. 73134

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

685' FNL & 1050' FWL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

8 air miles SSW of Bloomfield

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

685'

16. NO. OF ACRES IN LEASE

1,906.27

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

112'

19. PROPOSED DEPTH

2,000'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

NW 1/4 157.36

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6,058' ungraded

22. APPROX. DATE WORK WILL START*

June 7, 2001

23.

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------------|-----------------|---------------|----------------------|
| 11" | J-55 8-5/8" | 24 | 250' | ≈185 sx & to surface |
| 7-7/8" | J-55 5-1/2" | 15.5 | 2,000' | ≈300 sx & to surface |

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLY WITH ATTACHED
"GENERAL REQUIREMENTS"

Dreyfus will P&A its Mudge A 8 well prior to producing from the Mudge A 8 R.

cc: BIA, BLM, Conoco, Gabbard, NAPI, OCD (via BLM), Tribe

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 surface location and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE

Consultant (505) 466-8120

DATE

1-2-01

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

/s/ Charlie Beecham

TITLE

DATE

SEP - 3

*See Instructions On Reverse Side

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

| | | | | | |
|-----------------------------------|--|---------------------------|--------------|--------------------------|-----------|
| APL Number 30-045-30519 | | Pool Code 79680 | WEST KUTZ PC | | Pool Name |
| Property Code 5965 | Property Name MUDGE A | | | Well Number 8R | |
| OGRID No. 025773 | Operator Name LOUIS DREYFUSS NATURAL GAS | | | Elevation 6058 | |

10 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| D | 6 | 27N | 11W | | 685 | NORTH | 1050 | WEST | SAN JUAN |

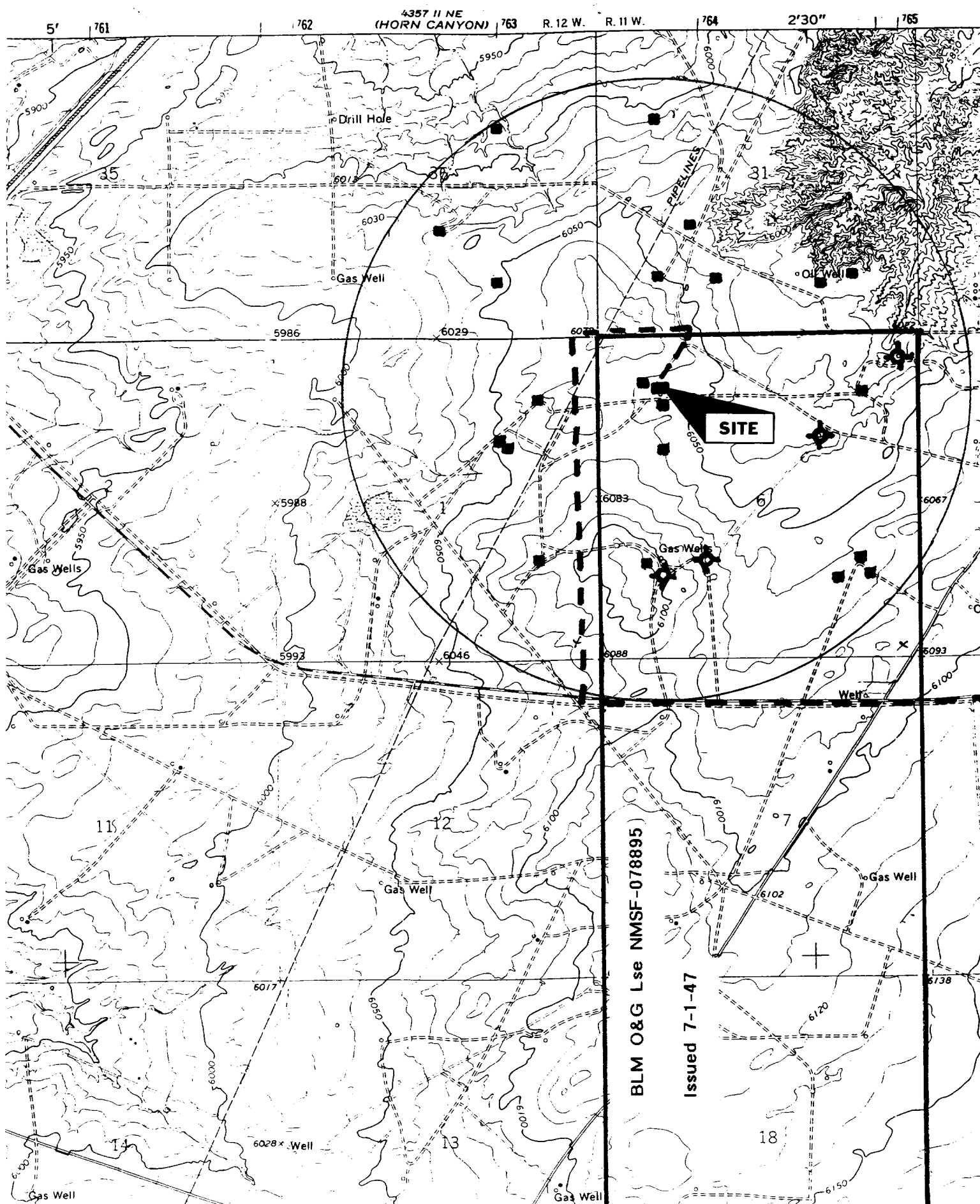
11 Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-----------------|-----------------|--------------------|-----------|
| Dedicated Acres | Joint or Infill | Consolidation Code | 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

| | | |
|--|---|--|
| | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Brian Wood Printed Name BRIAN WOOD Title CONSULTANT Date JAN. 2, 2001 | |
| | 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. OCTOBER 24, 2000 Date of Survey Signature and Seal of Professional Surveyor: CECIL B. TULLIS Certificate Number 9672 | |
| | | |
| | | |



Drilling Program

1. ESTIMATED FORMATION TOPS

| <u>Formation Name</u> | <u>GL Depth</u> | <u>KB Depth</u> | <u>Subsea Elevation</u> |
|-----------------------|-----------------|-----------------|-------------------------|
| Nacimiento Fm | 000' | 14' | +6,058' |
| Ojo Alamo Ss | 634' | 648' | +5,424' |
| Kirtland Sh | 731' | 745' | +5,327' |
| Fruitland Fm | 1,268' | 1,282' | +4,790' |
| Base Fruitland Coal | 1,791' | 1,805' | +4,267' |
| Pictured Cliffs Ss | 1,812' | 1,826' | +4,246' |
| Total Depth (TD)* | 2,000' | 2,014' | +4,058' |

* all elevations reflect the ungraded ground level of 6,058'

2. NOTABLE ZONES

| <u>Gas Zones</u> | <u>Water Zones</u> | <u>Coal Zones</u> |
|--------------------------|-----------------------|-------------------------|
| Ojo Alamo Ss (634') | Nacimiento Fm (000') | Kirtland Sh (731') |
| Fruitland Fm (1,268') | Ojo Alamo Ss (634') | Fruitland Coal (1,268') |
| Pictured Cliffs (1,812') | Fruitland Fm (1,268') | |

Water zones will be protected with casing, cement, and weighted mud. Fresh water encountered during drilling will be recorded by depth, cased, and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. A typical 3,000 psi model is on PAGE 3. It will be installed once the surface casing is cemented.

Louis Dreyfus Natural Gas Corp.
Mudge A 8 R
685' FNL' & 1050' FWL
Sec. 6, T. 27 N., R. 11 W.
San Juan County, New Mexico

PAGE 2

Onshore Order 2 standards will be followed for BOP, choke manifold, accumulator system, closing unit power, and locking devices installation, operation, maintenance, and tests. Hydraulic controls will be located on the rig floor. Manual controls will be hand wheels. Remote control for the accumulator will be 100' - 120' from the drill hole. Kill line will not be used as a fill line.

Ram type preventers and associated equipment (choke manifold, kelly cocks, etc.) will be tested to 100% of their rated working pressure (BOP stack isolated from casing by a test plug) for 10 minutes. Annular preventers will be tested to 50% of rated working pressure for 10 minutes. Tests will be run after initial installation, before drilling out of each casing shoe, and after any use under pressure; or a minimum of once every 14 days. Pipe rams will be operationally checked each 24 hour period, as will blind rams and annular preventer each time pipe is pulled out of the hole. Annular preventers will be functionally operated at least weekly. Such checks of BOP equipment will be noted on daily drilling reports.

4. CASING & CEMENT

| <u>Hole Size</u> | <u>O.D.</u> | <u>Weight (lb/ft)</u> | <u>Grade</u> | <u>Age</u> | <u>GL Setting Depth</u> |
|------------------|-------------|-----------------------|--------------|------------|-------------------------|
| 11" | 8-5/8" | 24 | J-55 | New | 250' |
| 7-7/8" | 5-1/2" | 15.5 | J-55 | New | 2,000' |

Surface casing will be cemented to surface with ≈ 185 sx Class H + 3% CaCl_2 + 1/4 pound per sack Cello-Seal. If cement does not circulate, a temperature survey will be run to find the TOC and then finish cementing to the surface through 1" pipe using Class H + 3% CaCl_2 .

Production casing will be cemented to the surface with ≈ 200 sx Halco Lite + 5 pounds per sack Gilsonite + 1/4 pound per sack Flocele® followed by ≈ 100 sx 50/50 Poz A + 2% gel + 0.5% Halad 322. Volumes to be determined by caliper.