

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Southwestern Energy Company, 2350 N. Sam Houston Pkwy East, Ste. 300, Houston, TX 77032		² OGRID Number 148111
³ Property Code 25212		⁴ API Number 30 - 015-33792
⁵ Property Name No Bluff State "36" Com		⁶ Well No. #3
⁹ Proposed Pool 1 bed Lake; ON - GS - San Andres		¹⁰ Proposed Pool 2 51300

7 Surface Location

UL or lot no. E	Section 36	Township 17S	Range 27E	Lot Idn E	Feet from the 2264	North/South line N	Feet from the 366	East/West line W	County Eddy
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8 Proposed 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
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Additional Well Information

¹¹ Work Type Code Plug Back	¹² Well Type Code Oil	¹³ Cable/Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3595
¹⁶ Multiple	¹⁷ Proposed Depth	¹⁸ Formation	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater Greater than 100'		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____				
Closed-Loop System <input checked="" type="checkbox"/> B340 for 1 cur w/pe Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Set bridge plug at 2860' to isolate the 'Yeso/Glorieta' with perforations from 3031'-3309'. Perforate 'San Andres' from 2007'-2807'. Perform two stage acid and sand stimulation. Clean well out and place on production in 'San Andres'. Standard 3000 psi BOP's and/or a 5000 psi frac valve will be used during plugback operations. H2S might be present in both the Glorieta / Yeso and the San Andres.

A copy of the H2S Contingency Plan.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Lucy Ward

Title: Production Analyst

E-mail Address: lucy_ward@swn.com

Date: 3/30/06

Phone: 281-618-4099

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: APR 21 2006

Expiration Date: APR 21 2007

Conditions of Approval Attached ☐

DISTRICT I

1220 N. FRENCH DR., BOBBS, NM 87240

DISTRICT II

1201 W. GRAND AVENUE, ALBUQUERQUE, NM 80610

DISTRICT III

1000 Rio Bravos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources DepartmentOIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code S13cc	Pool Name Red Lake; DN-GB-SA
Property Code	Property Name NO BLUFF	Well Number 3
OGRIID No.	Operator Name SOUTHWESTERN ENERGY PRODUCTION COMPANY	Elevation 3595'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	36	17-S	27-E		2264	NORTH	366	WEST	EDDY

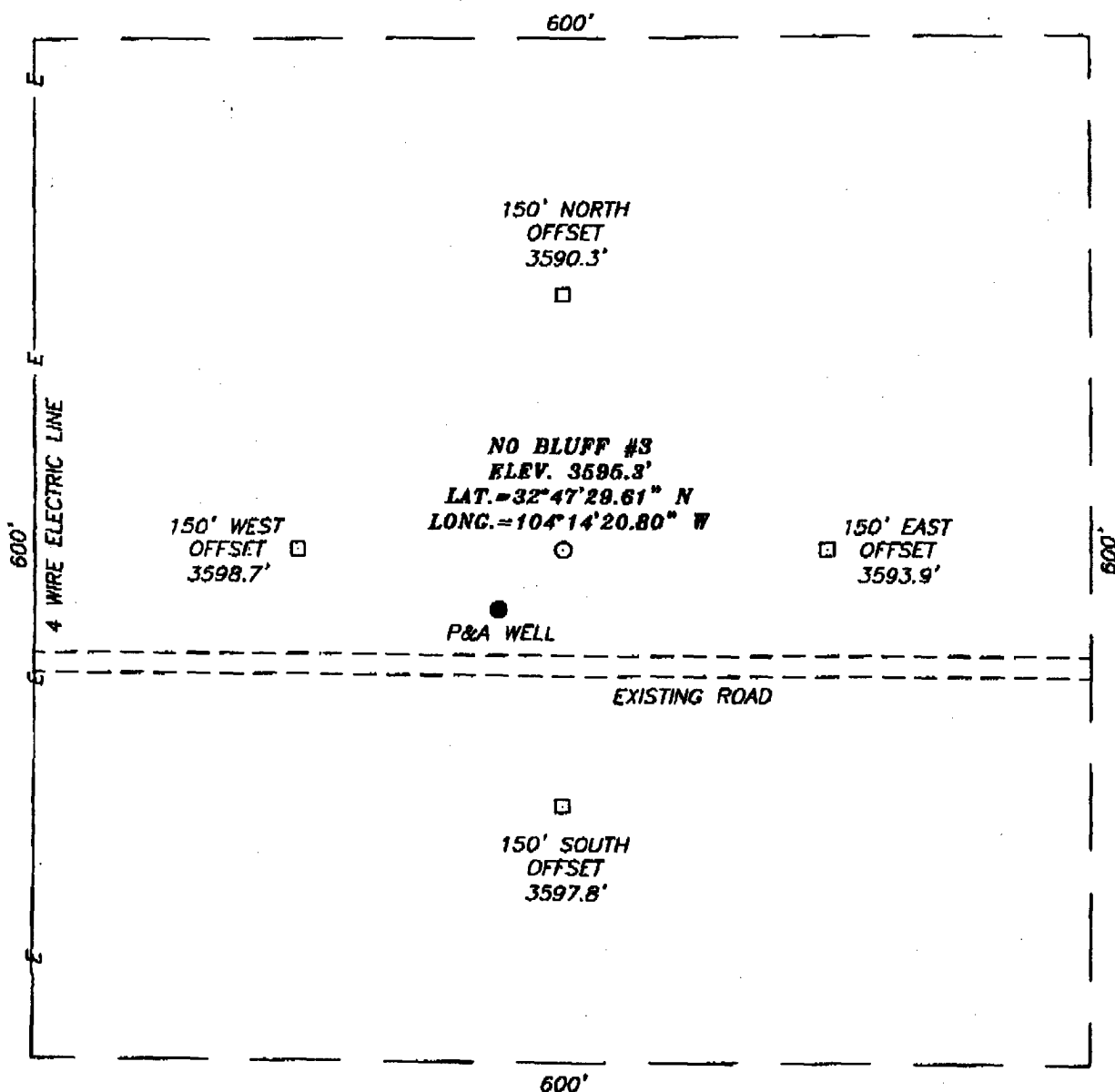
Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature _____ Printed Name _____ Title _____ Date _____
	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. DECEMBER 15, 2004 Date Surveyed _____ Signature _____ Professional Surveyor GARY EIDSON NEW MEXICO 04-11-1597 Certificate No. GARY EIDSON 12241

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF 1st STREET AND US HWY 82 IN ARTESIA GO 9.5 MILES EAST ON HWY 82 TO COUNTY RD. #204. GO SOUTHEAST ON CO. RD. #204 TO THE INTERSECTION OF CO. RD. #204 (HILLTOP RD.) AND CO. RD. #225 (EMPIRE RD.) GO SOUTHWEST ON CO. RD. #225 FOR 1.0 MILES TO A ROAD ON THE LEFT. TURN LEFT AND GO SOUTHEAST APPROX. 0.1 MILES TO A "Y" IN THE ROAD. TAKE THE LEFT FORK AND GO EAST APPROX. 0.2 MILES TO McQUADRANGLE SOUTH RED LAKE 11 #8 WELL. THIS LOCATION IS 650' SOUTH.



SOUTHWESTERN ENERGY PRODUCTION COMPANY

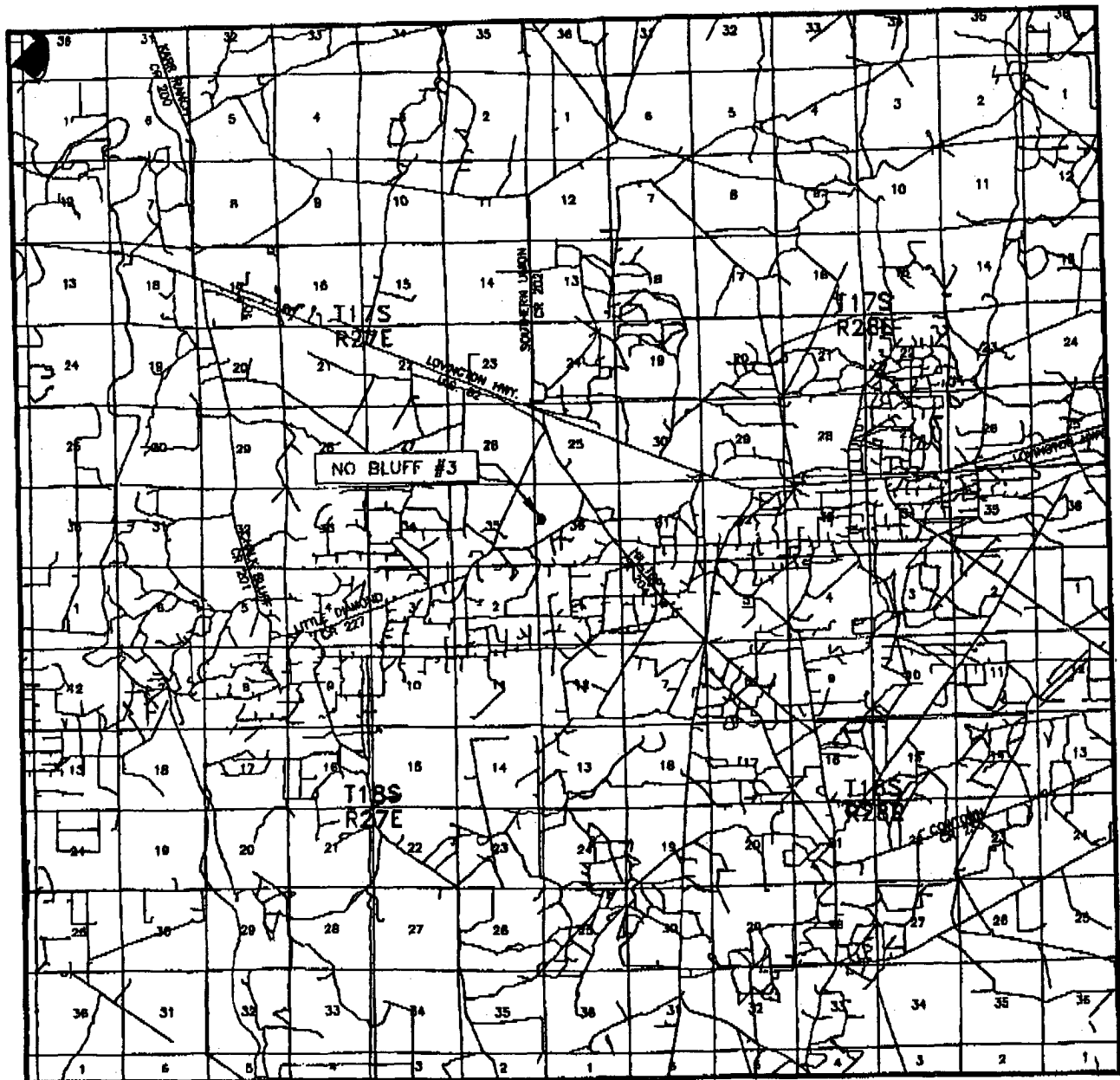
NO BLUFF #3 WELL
LOCATED 2264 FEET FROM THE NORTH LINE
AND 366 FEET FROM THE WEST LINE OF SECTION 36,
TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Survey Date: 12/15/04	Sheet 1 of 1 Sheets
W.O. Number: 04.11.1597	Dr By: DEL
Date: 12/16/04	Disk: CD#3
04111597	Scale: 1"=100'

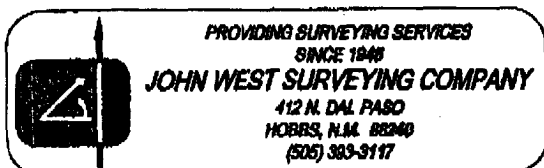


PROVIDING SURVEYING SERVICES
SINCE 1948
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

VICINITY MAP



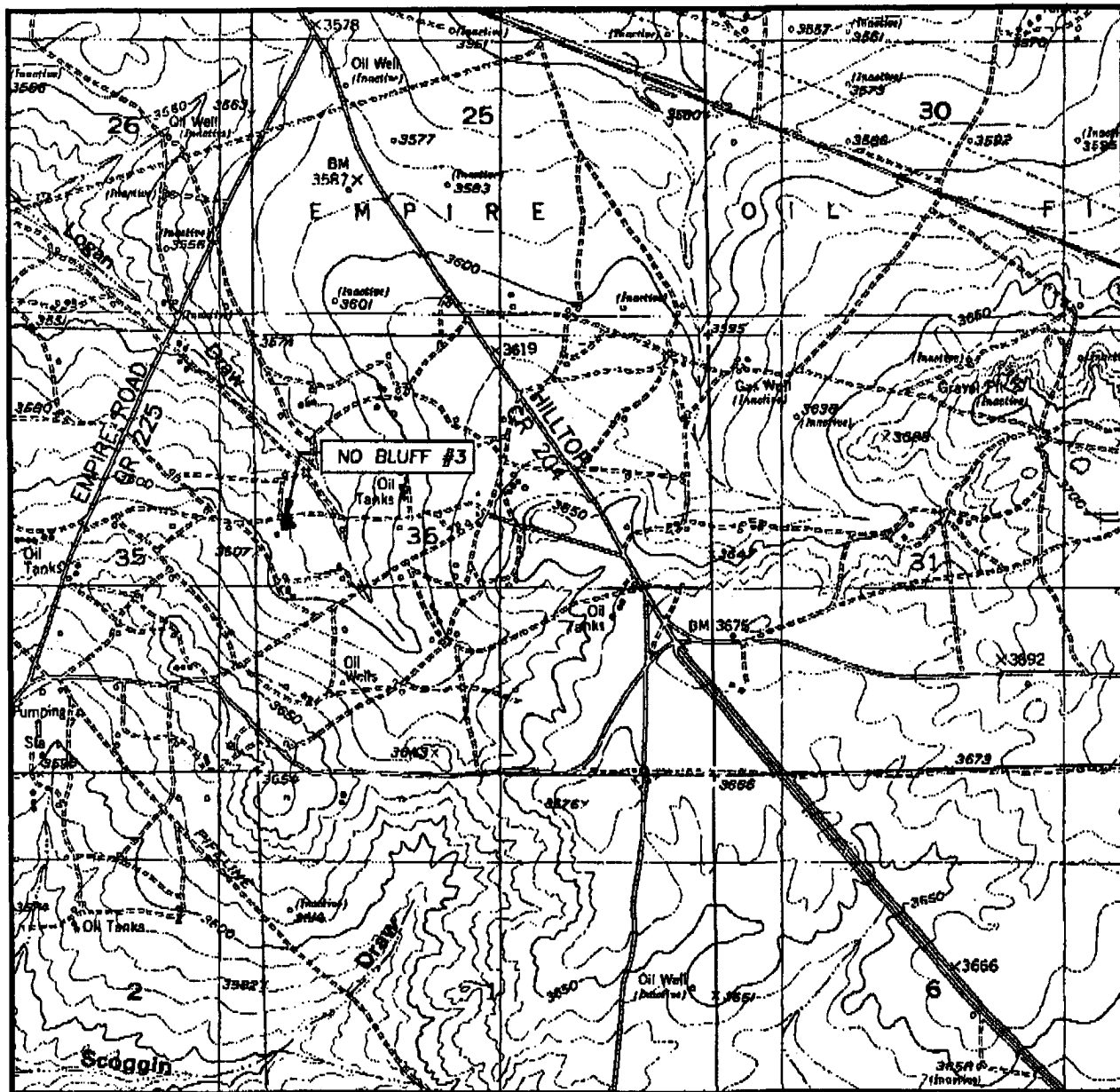
SCALE: 1" = 2 MILES

SEC. 36 TWP. 17-S RGE. 27-ESURVEY N.M.P.M.COUNTY EDDYDESCRIPTION 2264' FNL & 366' FWLELEVATION 3595'OPERATOR SOUTHWESTERN ENERGY
PRODUCTION COMPANYLEASE NO BLUFFPROVIDING SURVEYING SERVICES
SINCE 1948

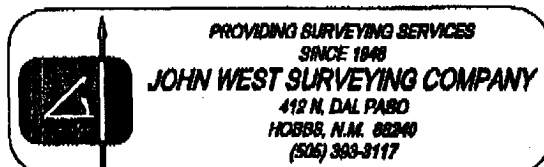
JOHN WEST SURVEYING COMPANY

412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
REDLAKE, N.M. - 10'SEC. 36 TWP. 17-S RGE. 27-ESURVEY N.M.P.M.COUNTY EDDYDESCRIPTION 2264' FNL & 366' FWLELEVATION 3595'OPERATOR SOUTHWESTERN ENERGY
PRODUCTION COMPANYLEASE NO BLUFFU.S.G.S. TOPOGRAPHIC MAP
REDLAKE, N.M.PROVIDING SURVEYING SERVICES
SINCE 1948**JOHN WEST SURVEYING COMPANY**412 N. DAL PASO
HOBBBS, N.M. 88240
(505) 393-3117



**Southwestern Energy
Company**

**Southwestern Energy Production Company
2350 N. Sam Houston Parkway East
Suite 300
Houston, Texas 77032**

Hydrogen Sulfide (H₂S) Contingency Plan

For

No Bluff #3

And

No Bluff #4

No Bluff #3 and No Bluff #4

These wells are open drilling sites. H₂S monitoring equipment and emergency response equipment will be used within 500' of the zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.

Assumed 100 ppm ROE = 3000' (Radius of Exposure)
100 ppm H₂S concentration shall trigger activation of this plan.

Escape:

Escape will be by taking the lease road going west approximately 0.2 miles. Continue past the "Y" intersection approximately 0.1 miles and turn right. Go northwest for approximately 1.0 miles to co. road #225 traveling northeast until the intersection of co. road #204. Travel northwest on co. road #204 until crossing hwy 82. 9.5 west is the town of Artesia.

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Southwestern Energy Production Company personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the NMOCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Southwestern Energy Production Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Southwestern Energy Production Call List Office Cellular

Bruce Drummon – Production Foreman.....505-393-1850..... 505-631-8083
 Kurt Butler – Production Engineer281-618-4749..... 713-569-2926
 Wilton Townsend – Drilling Consultant.....281-618-4869..... 713-898-5976
 Sonny Bryan – Drilling Manager.....281-618-4769..... 713-502-4046
 Mike McAllister – HSE Manager.....281-618-4824..... 713-560-0856

Agency Call List

Eddy County (505)

Artesia

State Police746-2703
 City Police.....746-2703
 Sheriff's Office746-9888
 Ambulance.....911
 Fire Department746-2701
 LEPC (Local Emergency Planning Committee)746-2122
 NMOCD.....748-1283

Carlsbad

State Police885-3137
City Police.....885-2111
Sheriff's Office.....887-7551
Ambulance.....911
Fire Department.....885-2111
LEPC (Local Emergency Planning Committee)..... 887-3798
US Bureau of Land Management.....887-6544

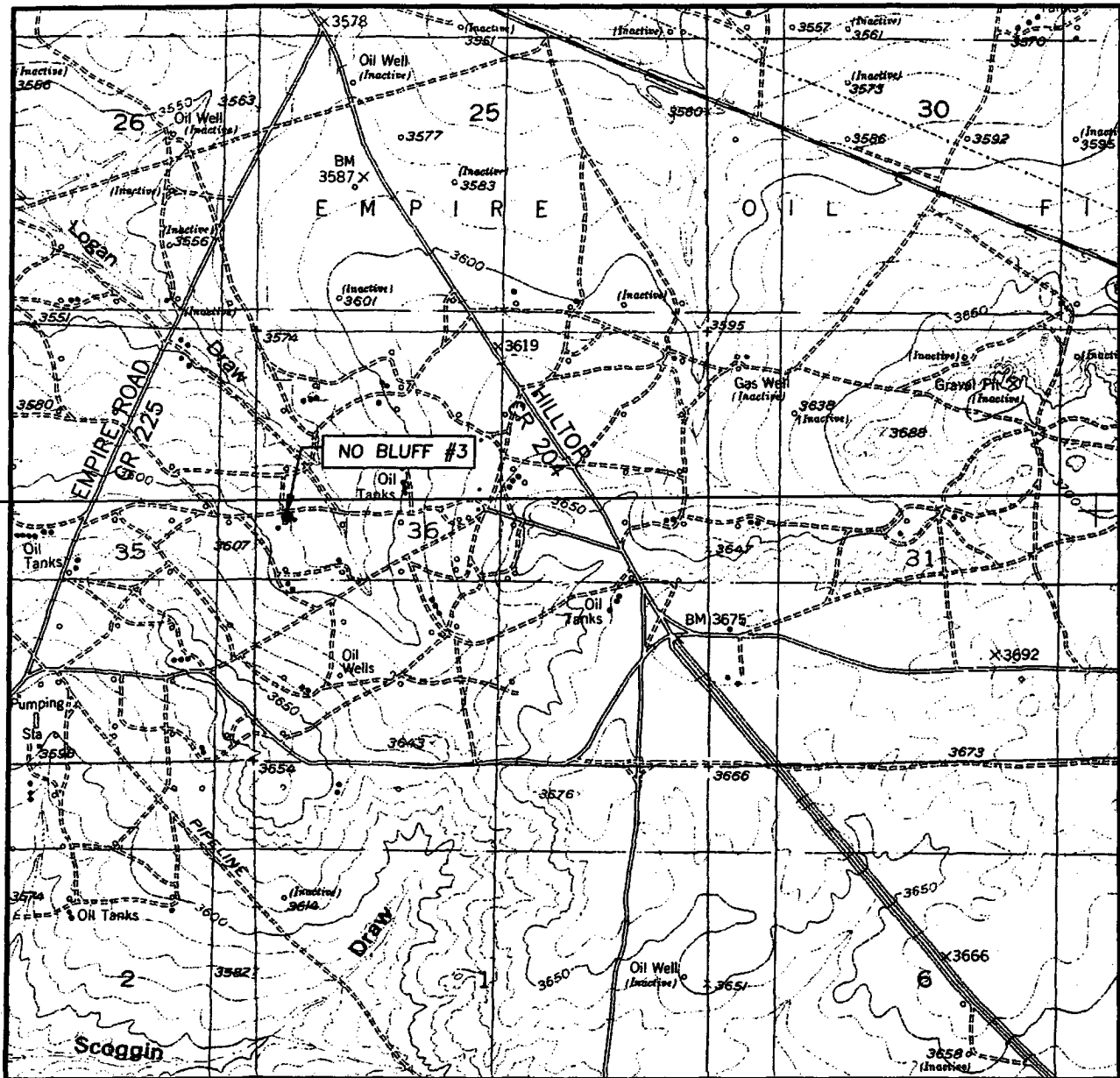
New Mexico Emergency Response Commission (Santa Fe) (505)476-9600
24 HR(505) 827-9126
National Emergency Response Center (Washington, DC) ...(800) 424-8802

Other

Wild Well Control (281) 353-5481
Boots & Coots IWC 1-800-256-9688 or (281) 931-8884
~~Cudd Pressure Control (915) 699-0139 or (915) 563-3356~~
Halliburton(432) 682-4305
B. J. Services.....(505) 392-5556
B.J. Services (505)746-3140
Schlumberger (505) 748-1391

Flight For Life -4000 24th St, Lubbock, TX(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM(505) 842-4949

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
REDLAKE, N.M. - 10'

SEC. 36 TWP. 17-S RGE. 27-E

SURVEY N.M.P.M.

COUNTY EDDY

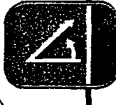
DESCRIPTION 2264' FNL & 366' FWL

ELEVATION 3595'

OPERATOR SOUTHWESTERN ENERGY
PRODUCTION COMPANY

LEASE NO BLUFF

U.S.G.S. TOPOGRAPHIC MAP
REDLAKE, N.M.

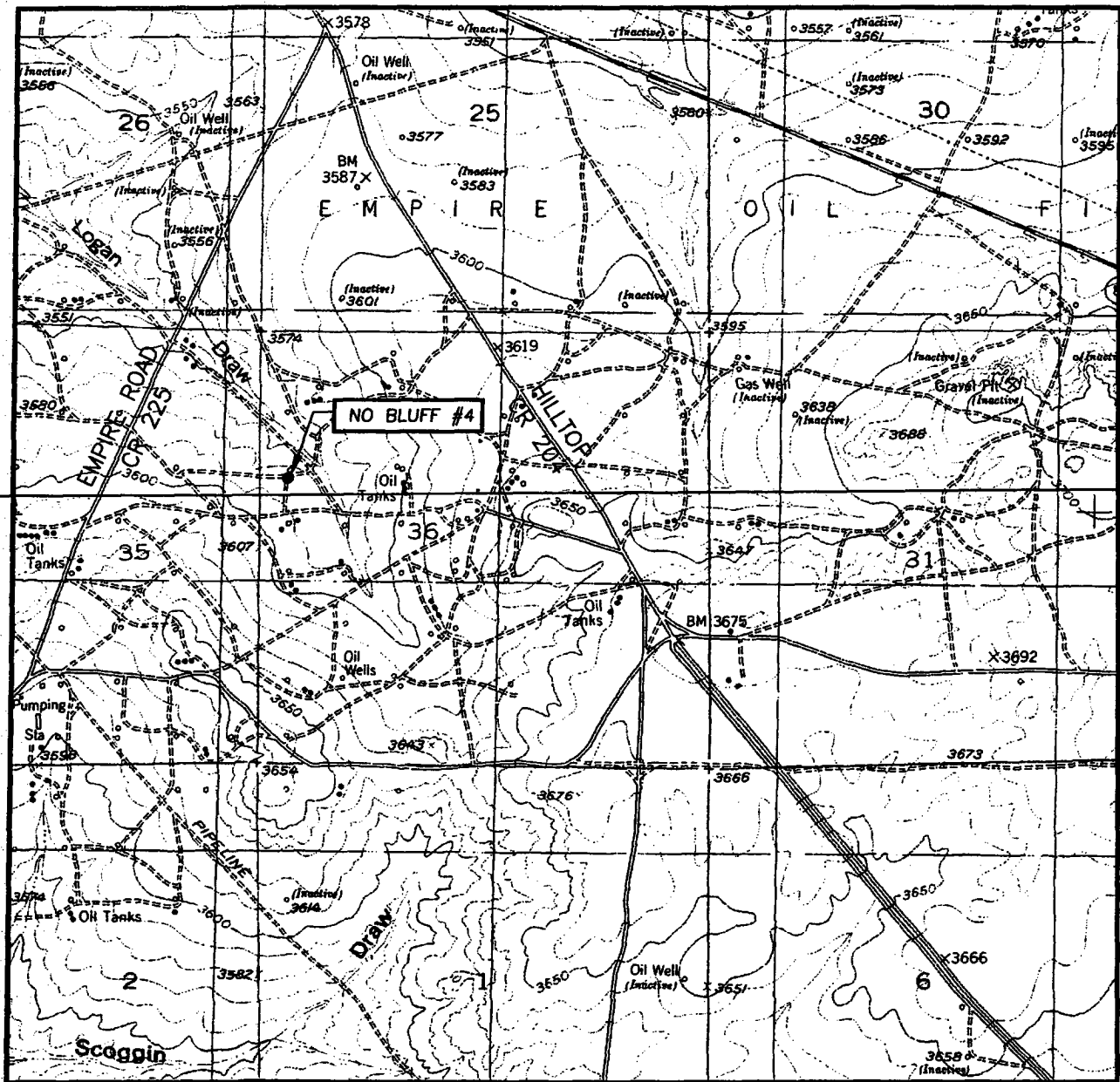


PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
REDLAKE, N.M. - 10'

SEC. 36 TWP. 17-S RGE. 27-E

SURVEY N.M.P.M.

COUNTY EDDY

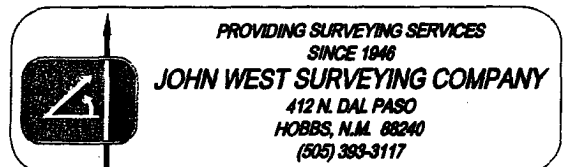
DESCRIPTION 1765' FNL & 330' FWL

ELEVATION 3583'

OPERATOR SOUTHWESTERN ENERGY
PRODUCTION COMPANY

LEASE NO BLUFF

U.S.G.S. TOPOGRAPHIC MAP
REDLAKE, N.M.





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

March 31, 2006
Southwestern Energy Company
2350 N. Sam Houston Parkway East, Suite 300
Houston, TX 77032
Attn: Ms. Lucy Ward or to Whom It May Concern:

**Southwestern Energy Company (SEC): Intent to plug-back on the:
No. Bluff '36' State Com. # 3, located in Unit E of Section 36, Township 17 South Range 27 East
(2264' FNL & 366' FWL) Eddy County, New Mexico.**

Dear Lucy,

I have reviewed your application for the above subject well
in SEC's intent to plug back to the San Andres formation,
I need to see if your company has submitted notice to
McQuadrangle, LLC as they own and operate (2) oil wells
in the Red Lake; Queen-Grayburg-San Andres Oil Pool. Their two wells lie in the same location of Unit E in the
same section, 36.

At this time, I cannot approve your application until conditions of approval of this part of Rule 104 are met.
Please call if you have any questions.

Respectfully yours,

Bryan G. Arrant
District II Geologist
505-748-1283 ext. 103

**SOUTHWESTERN ENERGY PRODUCTION COMPANY
FACSIMILE TRANSMITTAL****To: Bryan Arrant****Company: State of New Mexico****Fax #: 505-476-3462****Re: No. Bluff '36' State Com. # 3, located in Unit E of Section 36, Township 17
South Range 27 East
(2264' FNL & 366' FWL) Eddy County, New Mexico.****Date: 03/16/06****TOTAL PAGES (including cover sheet): 5****Bryan,**

Here are copies of the signed letter from McQuadrangle, L. C. and notification letter to the State of New Mexico per your request regarding the No Bluff No. 3 request to plug back to "San Andres" formation.

**From: Lucy Ward
Southwestern Energy Production Company
2350 N. Sam Houston Parkway East, Suite 300, Houston, Texas 77032
Phone: 281.618.4099 Fax: 281.618.4739
E-Mail: lucy_ward@swn.com**

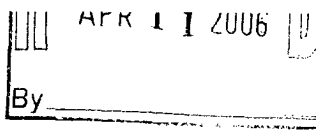
This facsimile transmittal may contain privileged and/or confidential information and is intended only for the addressee. If you are not the addressee or the person responsible for delivering it to the addressee, you may not copy or distribute this communication to anyone else. If you received this communication in error, please notify us immediately by telephone and promptly destroy the original message.



**Southwestern Energy
Production Company**

A subsidiary of Southwestern Energy Company

**Charles A. Cornish
Senior Landman**



2350 N. Sam Houston Parkway East
Suite 300
Houston, Texas 77032
(281) 618-4700 FAX: (281) 618-4757

April 3, 2006

Via Facsimile (806) 797-5731 and U. S. Certified Mail Return Receipt

McQuadrangle, L.C.
7008 Salem Avenue
Lubbock, Texas 79424
Attention: Debert McDougal

Re: No Bluff No. 3 Well
N/2 NW/4 Section 36 T17S, R27E
(Unit E)
Eddy County, New Mexico

RECEIVED
APR 17 2006
OCD-ARTESIA

Gentlemen:

This is to advise that Southwestern Energy Production Company is preparing to plug back the referenced well from the Yeso/Glorieta formation to San Andres formation at 2007 feet to 2807 feet. Therefore the said well will be completed in the ~~Queen/Grayburg~~ San Andres pool, as defined by the State of New Mexico. ~~BN~~

McQuadrangle, L.C. currently has two wells completed with said pool. However pursuant to that certain Assignment dated April 27, 2005 McQuadrangle has no rights to the San Andres formation.

Therefore we hereby request that McQuadrangle, L.C. grant a waiver of any objections in favor of Southwestern Energy Production Company which would allow us to recompleate said well into the San Andres formation.

Enclosed herewith is for your information is a copy of our Application for Plug Back and a copy of said assignment.

Please sign in the space provided below then return a copy hereof to the undersigned via fax at 281-318-4761

Thank you for your assistance in the matter.



**Southwestern Energy
Production Company**

A subsidiary of Southwestern Energy Company

2350 N. Sam Houston Parkway East
Suite 300
Houston, Texas 77032
(281) 618-4700 FAX: (281) 618-4757

No Bluff No. 3 Well
N/2 NW/4 Section 36 T17S, R27E
(Unit E)
Eddy County, New Mexico
Page 2 of 2

Very truly yours,

SOUTHWESTERN ENERGY PRODUCTION COMPANY

Charles A. Cornish

Charles A. Cornish
Senior Landman

_____ *at* We hereby waive any objections as stated above, *subject to Deletions.*

McQuadrangle, L.C.

By: *McQuadrangle L.C.*

Name: *David A. McQuadrangle*

Title: *Manager*

Date: *4-7-06*



**Southwestern Energy
Production Company**

A subsidiary of Southwestern Energy Company

2350 N. Sam Houston Parkway East
Suite 300
Houston, Texas 77032
(281) 618-4700 FAX: (281) 618-4757

Charles Cornish
Senior Landman

April 4, 2006

Mr. Jeff Albers
C/o Oil & Gas Division
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico, 87504

Reference: State of New Mexico Lease No.
V0555120000 dated May 1, 1989
N/2 of NW/4 of Section 36 in T-17-S. R-27-E
Eddy County, New Mexico

Dear Mr. Albers,

This is to advise that Southwestern Energy Production Company is the operator of the No. Bluff #3 which is currently completed in the Yeso/Glorieta formation on the referenced lease. We are currently preparing to re-complete said well up the hole into the San Andres Formation, which is part of the Queen/Grayburg Pool.

Please let me know if the State of New Mexico has any objections to the proposed re-completion.

Please contact me a call at 281.618.4740.

Very truly yours,

Charles A. Cornish
Charles A. Cornish

\\COMMONLAND\Chuck\Correspondence\No Bluff Area\No Bluff Prospect\Jeff Albers-Commissioner Public Lands.doc

\\COMMONLAND\Chuck\Correspondence\No Bluff Area\No Bluff Prospect\Jeff Albers-Commissioner Public Lands.doc