

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator Southwestern Energy Production Company

3a. Address  
2350 N. Sam Houston Parkway East Houston, Tx 770323b. Phone No. (include area code)  
281-618-4887

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface: 2520' FNL &amp; 660' FEL of Sect. 10, T25S R 29E Eddy County, New Mexico

BHL: 200' FNL &amp; 660' FEL of Sect. 10, T25S R29E Eddy County, New Mexico

5. Lease Serial No.  
NM-153036. If Indian, Allottee or Tribe Name  
N/A7. If Unit or CA/Agreement, Name and/or No.  
N/A8. Well Name and No.  
Corral Fly Federal #2H9. API Well No.  
30 015 3550010. Field and Pool, or Exploratory Area  
Corral Canyon, Delaware, NW11. County or Parish, State  
Eddy County, New Mexico

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

## Changes to submitted APD:

1. No pilot hole will be drilled.
2. No open hole logs will be run. A Gamma Ray Depth Control Log will be run from KOP to the Total Depth of the Horizontal Drainhole
3. BLM Bond Number: ES-0051
4. A well schematic is attached.
5. Final directional plans will be submitted after review of the open hole log from the Corral Fly Federal #1H well.

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Martha Howard

Title

Staff Regulatory Analyst

Signature

Martha C. Howard

Date

3-26-2007

APPROVED

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice 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

Office

MAR 28 2007

WESLEY W. INGRAM

PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

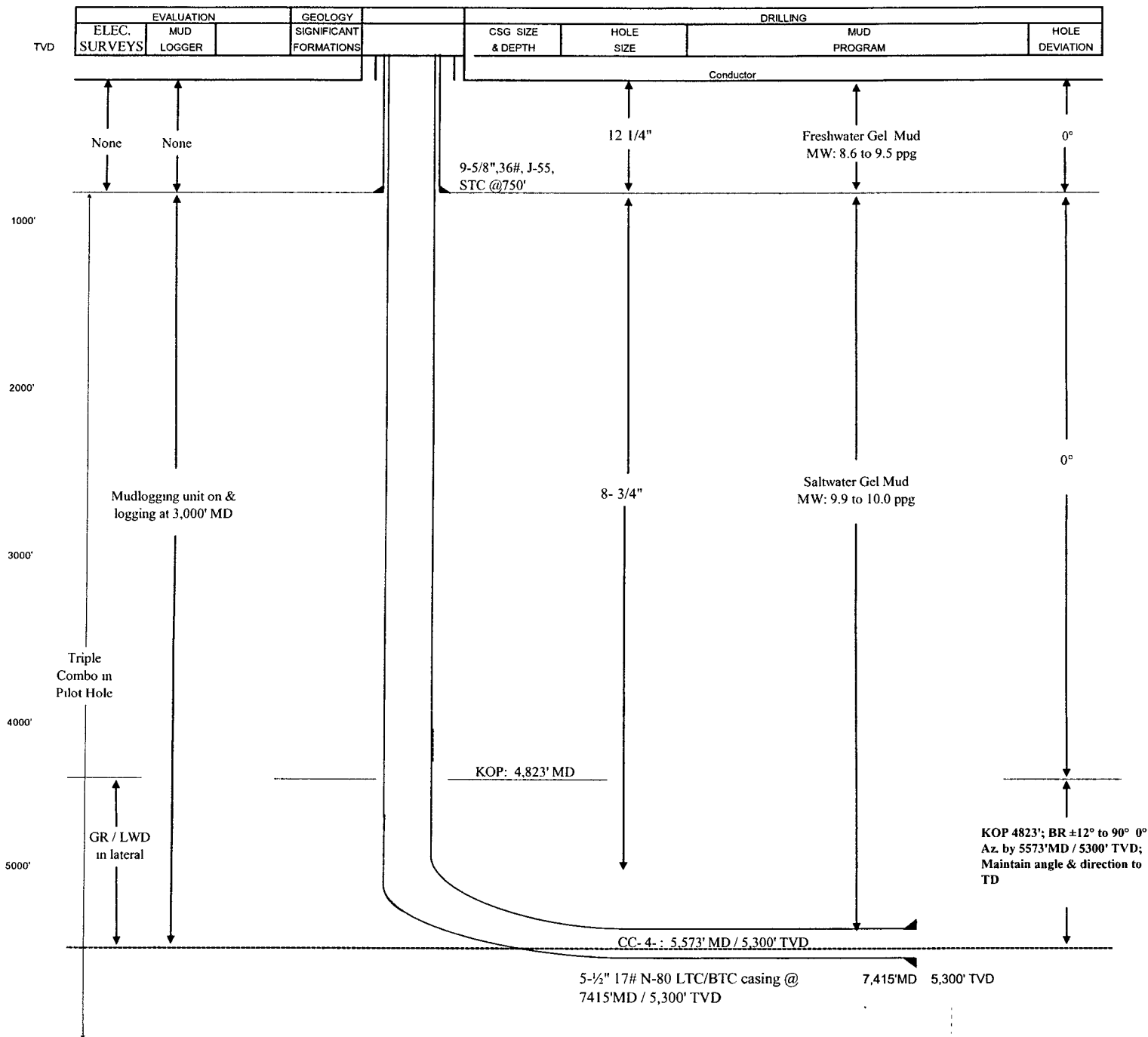
(Instructions on page 2)

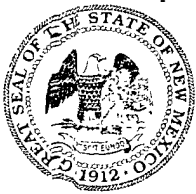


**AFE NO.**

**PROSPECT:** Corral Fly

**EST. ELEVATION: GL 3059'; RKB  $\pm 16''$**





# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joana Prukop**  
Cabinet Secretary

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

March 20, 2007



Southwestern Energy Company  
Attn: J. Alan Grimsley  
2350 N. Sam Houston Pkwy East  
Suite 300  
Houston, TX 77032

*API#*

**Administrative Order NSL-5589**

**Re: Corral Fly Federal Well No. 2H  
H-10-25S-29E  
Eddy County**

Dear Mr. Grimsley:

Reference is made to the following:

(a) your application (**administrative application reference No. pCLP07-05245214**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 20, 2007, and

(b) the Division's records pertinent to this request.

Southwestern Energy Company (Southwestern) has requested to drill its Corral Fly Federal Well No. 2H as a horizontal well, at an unorthodox surface location, 2520 feet from the North line and 660 from the East line (Unit H) of Section 10, Township 25 South, Range 29 East, N.M.P.M., in Eddy County, New Mexico, to an unorthodox bottom hole location, or terminus, 200 feet from the North line and 660 feet from the East line (Unit A) of Section 10. The NE/4 NE/4 and the SE/4 NE/4 of Section 10 will be dedicated to this well in order to form an 80-acre project area, pursuant to Division Rule 111, consisting of two adjacent standard 40-acre spacing units in the undesignated West Corral Canyon Delaware Pool (13365). This pool is governed by statewide Rule 104.B, which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This surface location is unorthodox since it is less than 330 feet from the southern unit boundary, and the bottomhole location is unorthodox under Rule 111 because the "producing interval," as defined in that rule, will not be entirely located 330 feet or more from the outer boundaries of the project area.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding Southwestern is seeking this well configuration in order to penetrate as much of the formation within the project area as feasible, but that all perforations will be located within the producing area.

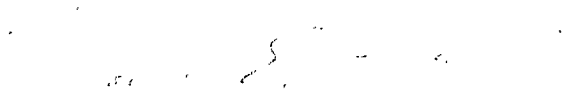
It is also understood that notice of this application has been given to affected persons in the offsetting unit to the south, towards which the surface location encroaches, but not to affected persons in the offsetting unit to the north towards which the terminus encroaches. However, we also understand that this well will be completed as a cased hole with all perforations within the orthodox producing area. In view of this understanding, notice to affected persons in the spacing unit to the north is not required.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is **CONDITIONED HOWEVER** upon this well being completed as a cased hole with all perforations in the lateral shaft of this horizontal well being within the producing area. Any completion of this well not conforming to this condition will require amendment of this order.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

  
Mark E. Fesmire, P.E.  
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia  
United States Bureau of Land Management - Carlsbad