



**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

May 17, 2005

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Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Oil Conservation Div
1220 S. St. Francis D
Santa Fe, NM 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Southwestern Energy Production Company is requesting approval for of an unorthodox oil well location for the following well:

Well: No Bluff State Well No. 7
Location: 1450 feet FNL & 990 feet FWL
Well Unit: SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36, Township 17 South, Range 27 East,
N.M.P.M., Eddy County, New Mexico

The well will continue be drilled to test the Glorieta/Yeso formations (Northeast Red Lake Glorieta-Yeso Pool). The pool is spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line and for the subject well an exception to this 330' requirement is requested. A form C-102 for the well is attached as Exhibit A.

The proposed location is based on engineering reasons. The applicant has drilled four Glorieta/Yeso wells in the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 36 (the No Bluff State Well No. 3, located 2264 feet FNL & 366 feet FWL, the No Bluff State Well No. 4, located 1765 feet FNL & 330 feet FWL, the No Bluff State Well No. 5 located 2000 feet FNL and 990 feet FWL and the No Bluff State Well No. 9 located 760 feet FNL and 990 feet FWL). Based on the evidence presented in Division Case No. 13185, which increased the allowable in the pool, one well will not adequately drain a 40 acre well unit. Therefore, applicant intends to drill three or four wells per 40 acre well unit, but wants to offset them laterally.

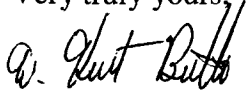
The fracture orientation in the field appears to be due east to due west. Drilling the wells within the 80 acre State Lease V-5512 on an alternate east/west pattern (see attached land plat – Exhibit B) will allow the fractures to be placed to most effectively recover the reserves and avoid communicating with offset wells resulting in loss of reserves and/or possible damage to existing wells.

A structure map is also attached as Exhibit C. The structure dips to the north and the water saturation increases with the loss of structure. Moving the location south to the proposed unorthodox location will increase the chance of drilling a economic well.

As mentioned above, attached as Exhibit B is a land plat. The W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 36 is covered by State Lease V-5512, which has common interest ownership as to all depths. The proposed well only encroaches on the interior quarter-quarter section line of the lease, and as a result notice of this application is not required.

Your approval of this unorthodox location is requested. If you have any questions, I can be reached at 281-618-4749.

Very truly yours,

A handwritten signature in black ink, appearing to read "W. Kurt Butler". The signature is written in a cursive, flowing style with a large initial "W" and a prominent "B".

W. Kurt Butler
Southwestern Energy Production Co.

Attachments

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRANCES DR., BOHOS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTISIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

OIL 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	Pool Name
Property Code	Property Name NO BLUFF	Well Number 7
OGRID No.	Operator Name SOUTHWESTERN ENERGY PRODUCTION COMPANY	Elevation 3585'

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		1450	NORTH	990	WEST	EDDY

Bottom Hole Location If Different From Surface

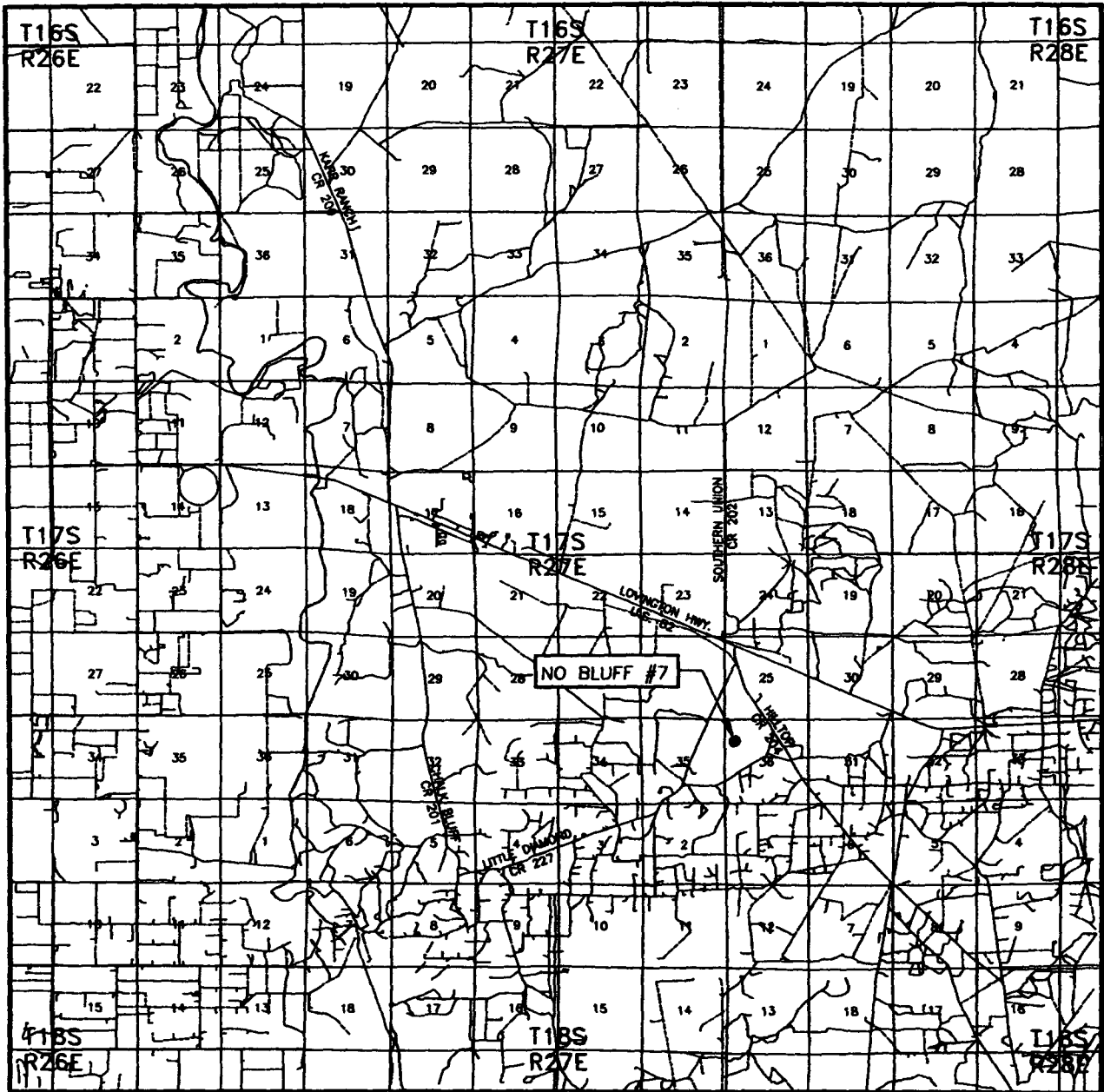
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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

<p>1450'</p> <p>990'</p>	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=652502.0 N X=529576.7 E</p> <p>LAT.=32°47'37.61" N LONG.=104°14'13.50" W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
		<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>APRIL 28, 2005</p>
		<p>Date Surveyed _____ JR</p> <p>Signature of Seal of Professional Surveyor _____</p>
		<p>Certificate No. GARY EDSON 12641</p>

EXHIBIT A

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 36 TWP. 17-S RGE. 27-E
 SURVEY N.M.P.M.
 COUNTY EDDY
 DESCRIPTION 1450' FNL & 990' FWL
 ELEVATION 3585'
 OPERATOR SOUTHWESTERN ENERGY PRODUCTION COMPANY
 LEASE NO BLUFF

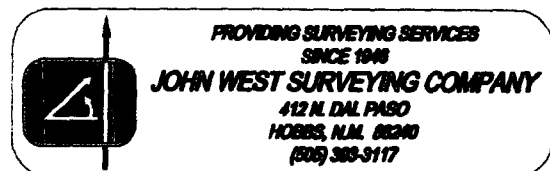
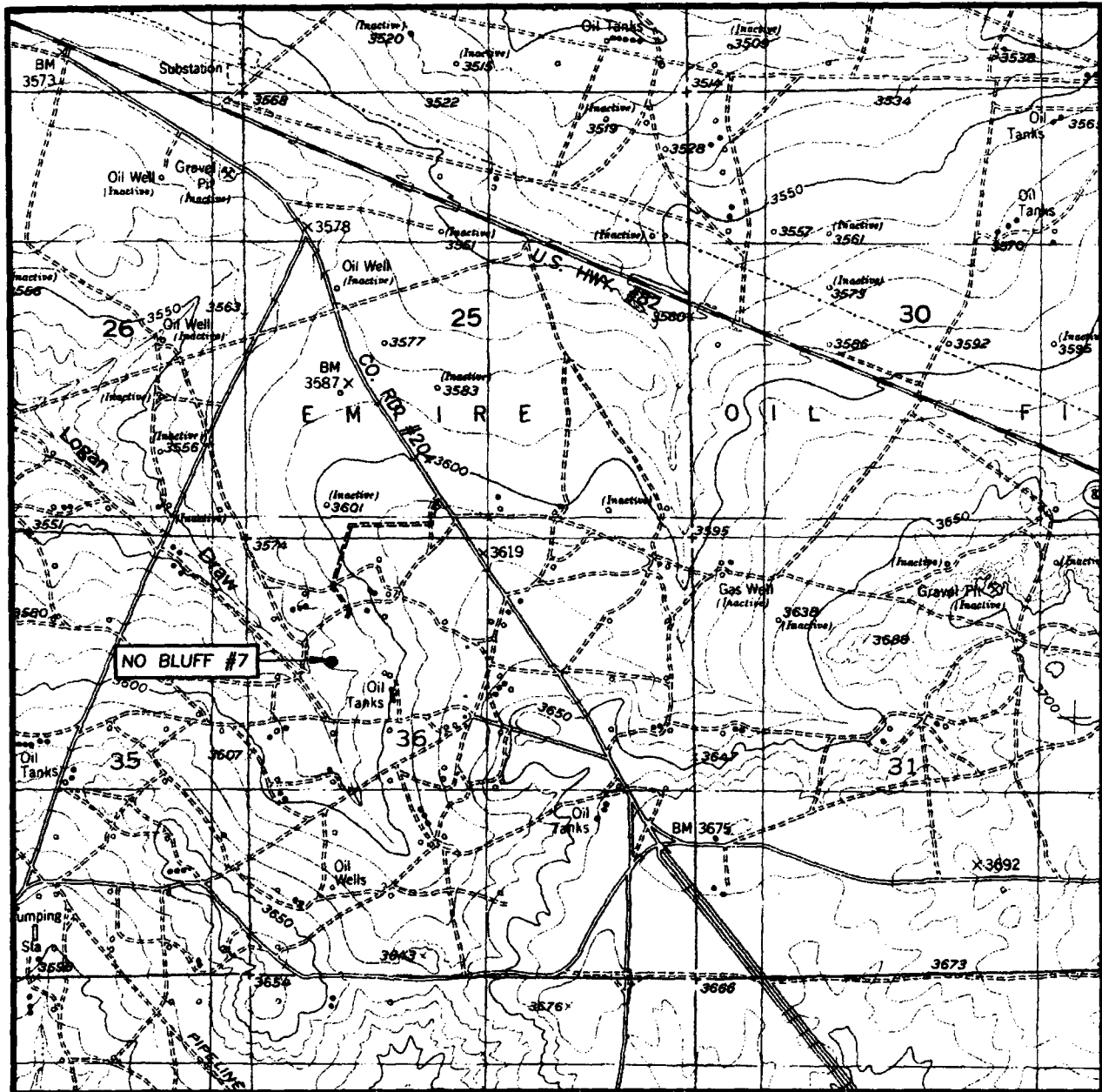


EXHIBIT A

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
RED LAKE, N.M. - 10'

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

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1450' FNL & 990' FWL

ELEVATION 3585'

OPERATOR SOUTHWESTERN ENERGY
PRODUCTION COMPANY

LEASE NO BLUFF

U.S.G.S. TOPOGRAPHIC MAP
RED LAKE, N.M.

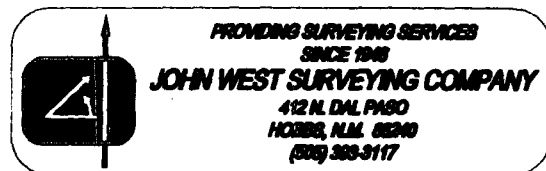


EXHIBIT A

SWN
No Bluff



PTD



9,917

1

SWN
No Bluff



9

3709'

SWN
No Bluff St. Com.



6

PTD

SWN
No Bluff



7

PTD

SWN



4

3652'

SWN
No Bluff St. Com.



5

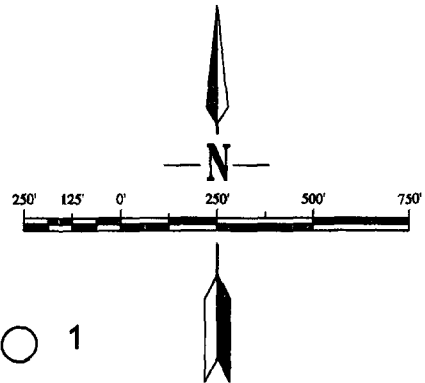
3706'

SWN



3

3890'



3
3,52

1
3,695

36

WI20
2,378

T17S - R 27E

1
50
5,849

3
51
5,865

2
5,97




1
10,060



1

5,795

**SOUTHWESTERN**
ENERGY COMPANY

NO BLUFF PROSPECT
EDDY COUNTY, NEW MEXICO

LAND MAP
EXHIBIT B

INTERP. BY: CHUCK CORNISH	DATE: 21-MAR-05
DRAFTED BY: S.D.P.	CAD FILE: m/NoBluff/NoBluff1-3
PROJECTION: New Mexico East	NAD 83

15
3,503

3,800

13
5,840