APP NO. PTDS 0721452063

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505





ADMINISTRATIVE APPLICATION CHECKLIST

Appli	cation Acronym	s:	AT THE DIVISION LEVEL IN SANTA FE	·
	DHC-Dow PC-Pd	ool Commingling] [OLS - Off-Leas [WFX-Waterflood Expansion] [P	Commingling] [PLC-Pool/Lea e Storage] [OLM-Off-Lease M MX-Pressure Maintenance Expa [IPI-Injection Pressure Increas	ase Commingling] Measurement] ansion] e]
[1]	TYPE OF AI	PPLICATION - Check Those Whic Location - Spacing Unit - Simulta NSL NSP SD		
	Check [B]	One Only for [B] or [C] Commingling - Storage - Measure DHC CTB PLC		LM
	[C]	Injection - Disposal - Pressure Inc WFX PMX SW	rease - Enhanced Oil Recovery D	PR
	[D]	Other: Specify	,	· -
[2]	NOTIFICAT [A]	ION REQUIRED TO: - Check The Working, Royalty or Override		Apply
	[B]	Offset Operators, Leaseholde	rs or Surface Owner	
	[C]	Application is One Which Re	quires Published Legal Notice	
	[D]	Notification and/or Concurred U.S. Bureau of Land Management - Commiss		
	[E]	For all of the above, Proof of	Notification or Publication is At	tached, and/or,
	[F]	Waivers are Attached		
[3]		CURATE AND COMPLETE INF ATION INDICATED ABOVE.	ORMATION REQUIRED TO	PROCESS THE TYPE
	val is accurate an ation until the re-	FION: I hereby certify that the information does not complete to the best of my knowledguired information and notifications. Statement must be completed by an individual of the complete by the co	edge. I also understand that no are submitted to the Division.	action will be taken on this
			<u></u>	
Print o	r Type Name	Signature	Title	Date
			e-mail Address	



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

July 27, 2007

Richard Ezeanyim Oil Conservation Division 1220 South St. Francis Drive Santa Fe. New Mexico 87505

Dear Mr. Ezeanyim:

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:

Catallad

Well:

Corral Fly Federal No. 4-H

Location:

2,320' feet FNL & 990' feet FWL

Well Unit:

SW¼NW¼ of Section 10, Township 25 South, Range 29 East,

N.M.P.M., Eddy County, New Mexico

The well will be drilled to test the Cherry Canyon 4 formation (West Corral Canyon, Delaware 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 is attached as Exhibit A.

The proposed location is based on engineering reasons. The proposed well, Corral Fly Federal #4-H, will be directionally drilled from an unorthodox surface location 2,320 feet from the North Line and 990 feet from the West Line of Section 10 to a bottom hole location 200 feet from the North Line and 660 feet from the West line.

The well plan consists of drilling a vertical hole to the KOP (kick off point) at 4,724' MD/TVD. The hole will be directional drilled utilizing a build rate of 12°/100' to penetrate the Cherry Canyon 4 Sand at 5,473' MD / 5,201' TVD at 90° of angle. The Cherry Canyon 4 will be intersected at 1,848' FNL and 916' FWL of Section 10 T25S R29E. The well will continue laterally (90°) for ±2117' of vertical displacement. The proposed BHL will be 200' FNL & 660' FWL of section 10. The top of the Delaware will be intersected at 3,066' MD/TVD at 2,320' FNL and 990' FWL of Section 10. A drilling prognosis, directional plot, and proposed survey report are attached as Exhibit B.

Production casing will be run and cemented to TD. The Cherry Canyon 4 Sand will be selectively perforated, with all perforations being placed in accordance of a standard location of Section 10 T25S R29E (greater than 330' from any lease line).

By placing the surface location at 2,320' FNL and 990' FWL of Section 10, the maximum amount of reservoir rock in the Cherry Canyon 4 Sand in the producing area can be penetrated and produced.

Attachment C is a list of all interest owners that will be affected with the unorthodox surface location as well as interest owners that will be affected by the Bottom hole location. Each interest owner has been provided a copy of this request via certified mail.

Furthermore, Southwestern Energy Production Company has gained 100% access to the mineral interests to the Cherry Canyon formation in the Delaware Mountain Group of Section 10 via farmout agreement with EOG (Lease Serial No. NM-15303). A land plat is attached as Exhibit D.

Your expedited approval of this unorthodox location is requested.

If you have any questions, I can be reached at 281-618-4068 or by email at alan grimsley@swn.com.

Very truly yours,

J. Alan Grimsley

Southwestern Energy Production Co.

Attachments CC: District 2

BLM - Carlsbad Office

DISTRICT I 1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT II 1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

DISTRICT IV WELL LOCATION AND ACREAGE DEDICATION PLAT ☐ AMENDED REPORT 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 API Number Pool Code Pool Name Well Number Property Code Property Name CORRAL FLY FEDERAL 4-HOGRID No. Operator Name Elevation SOUTHWESTERN ENERGY PRODUCTION COMPANY 3022

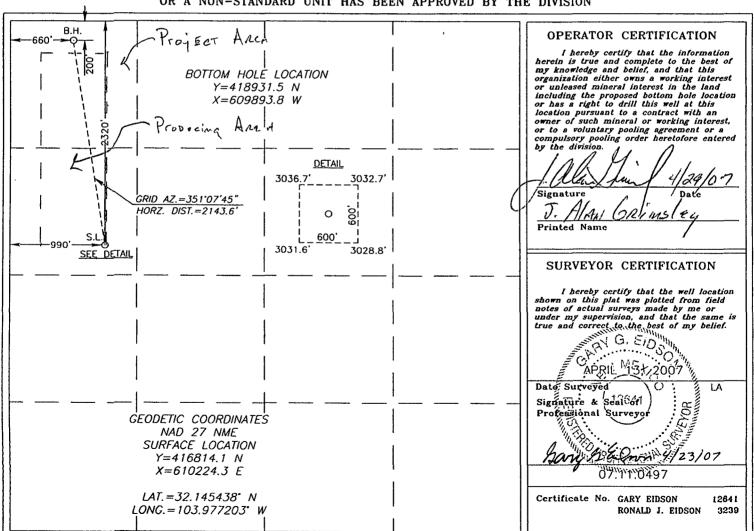
Surface Location

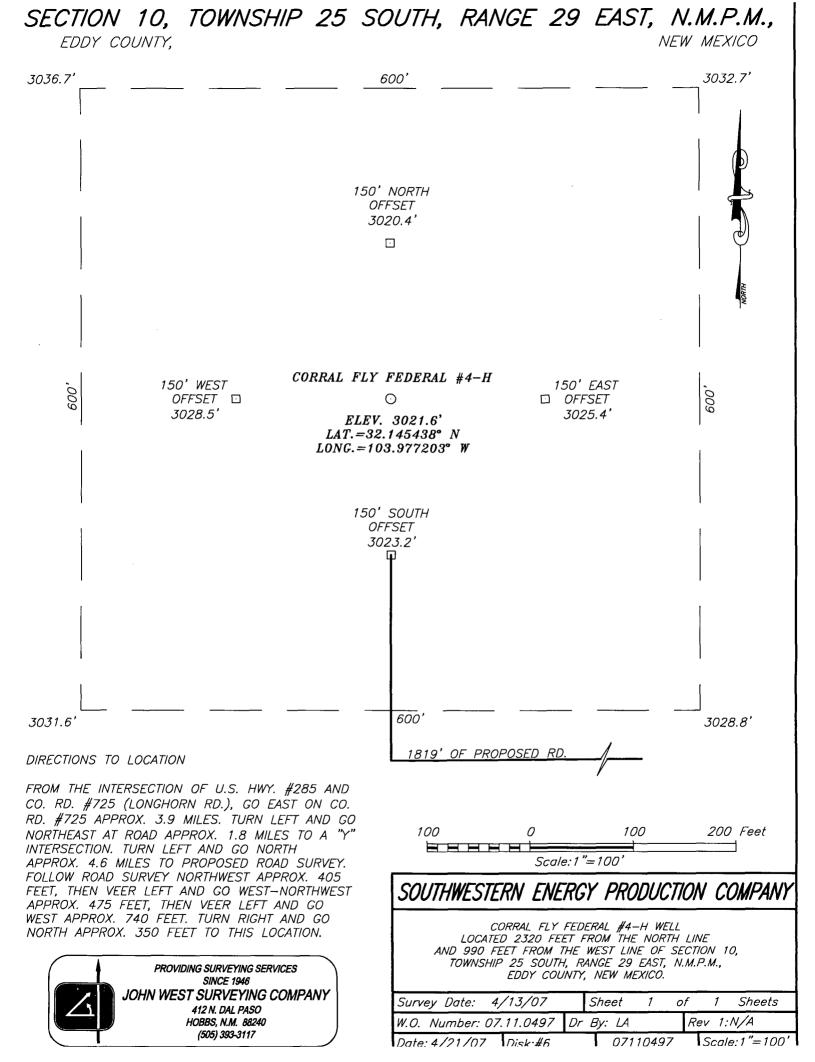
UL or lot No.	Section	Township	Range	Lot idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	25-S	29-E		2320	NORTH	990	WEST	EDDY

Bottom Hole Location If Different From Surface

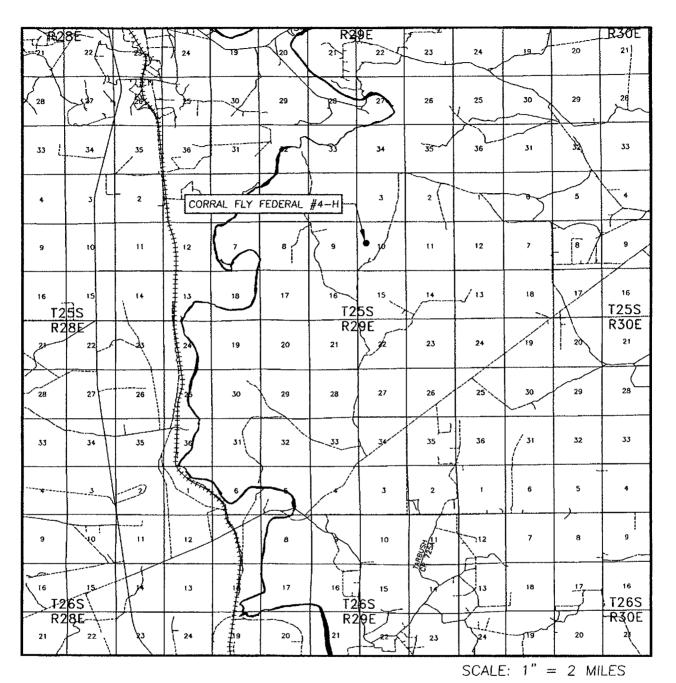
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	25-S	29-E		200	NORTH	660	WEST	EDDY
Dedicated Acre	s Joint o	r Infill Co	nsolidation (ode Or	der No.				
80									

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





VICINITY MAP



SEC. 10 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2320' FNL & 990' FWL

ELEVATION 3022'

SOUTHWESTERN ENERGY

OPERATOR PRODUCTION COMPANY

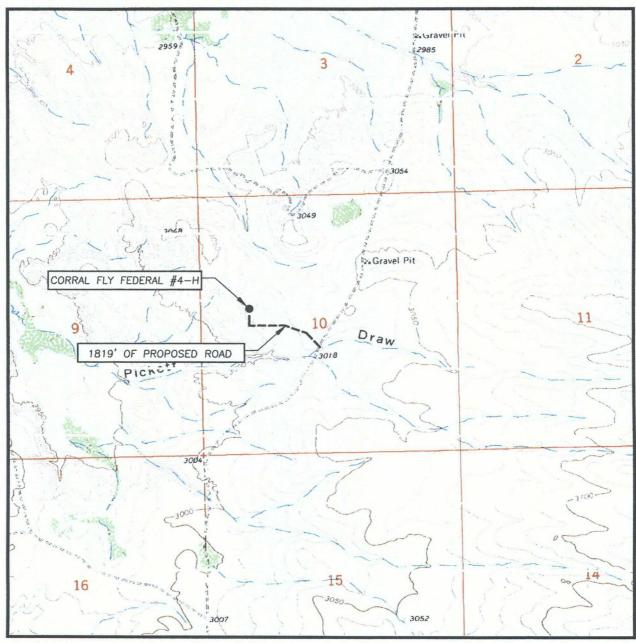
LEASE CORRAL FLY FEDERAL



PROVIDING SURVEYING SERVICES SINCE 1946 JOHN WEST SURVEYING COMPANY 412 N. DAL PASO HOBBS, N.M. 88240 (905) 393-3117



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

PIERCE CANYON, N.M.

CONTOUR INTERVAL: PIERCE CANYON, N.M. - 10'

SEC. __10 __TWP. _25_S __RGE. _ 29_E

SURVEY ______ N.M.P.M.

COUNTY __EDDY __STATE __NEW __MEXICO

DESCRIPTION __2320' FNL &_ 990' FWL

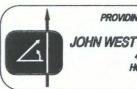
ELEVATION ______ 3022'

SOUTHWESTERN ENERGY

OPERATOR __PRODUCTION COMPANY

LEASE ____ CORRAL FLY FEDERAL

U.S.G.S. TOPOGRAPHIC MAP



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117



DRILLING PROGNOSIS Southwestern Energy Production Company

Exhibit #1

WELL NAME: Corral Fly Federal #4-H

AFE NO.

LOCATION:

Sec. 10, T25S, R29E

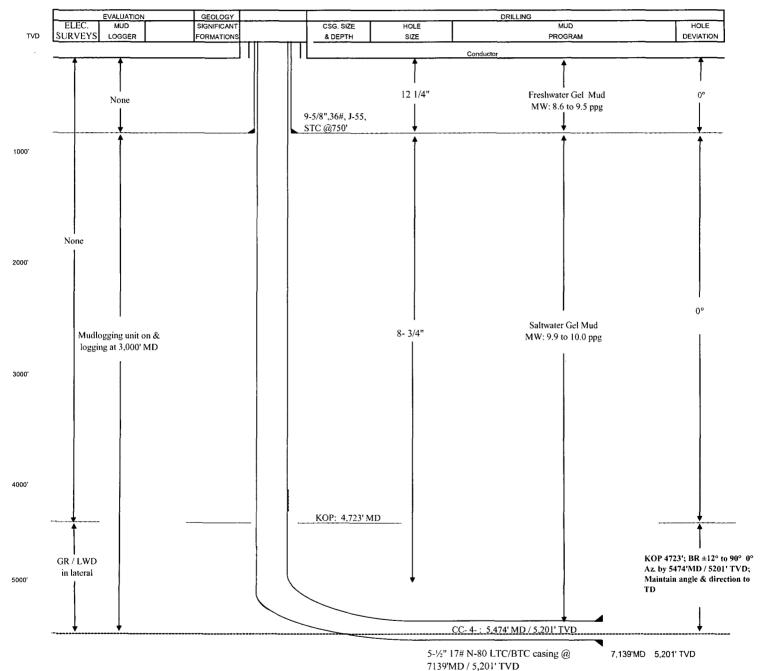
Eddy County NM SL: 2320' FNL 990' FWL BHL: 200' FNL 660' FWL

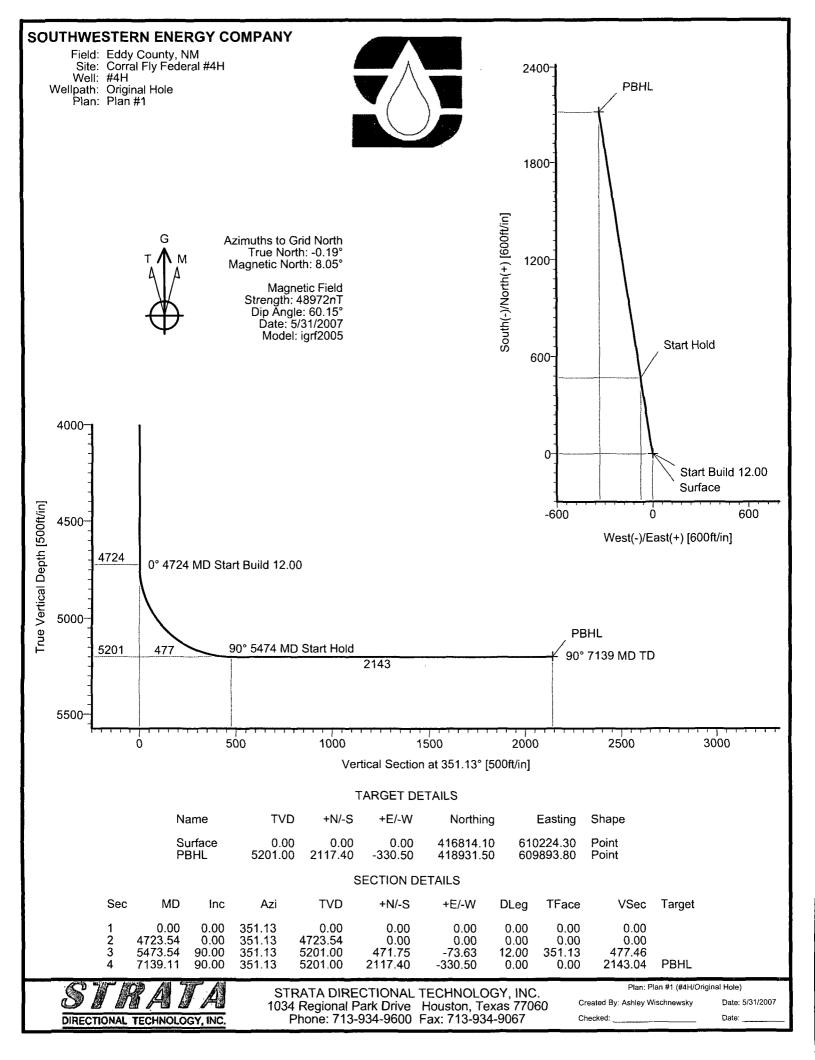
TGT ENTRY PT: 1,848' FNL 916' FWL

OBJECTIVE: Cherry Canyon Sd, CC-4

EST. ELEVATION: GL 3022'; RKB ±16"

PROSPECT: Corral Fly





Strata Directional Technologies, Inc. **Planning Report**

SOUTHWESTERN ENERGY COMPANY Company:

Eddy County, NM

Corral Fly Federal #4H Site:

#4H Well: Wellpath: Original Hole

Field:

Date: 5/31/2007 Time: 14:49:36

Co-ordinate(NE) Reference: Well: #4H, Grid North

Vertical (TVD) Reference: SITE 3038.0

Well (0.00N,0.00E,351.13Azi) Section (VS) Reference: Plan:

Plan #1

Eddy County, NM Field:

Map System: US State Plane Coordinate System 1927

Geo Datum: NAD27 (Clarke 1866) Sys Datum: Mean Sea Level

Map Zone:

New Mexico, Eastern Zone

Page:

1

Well Centre Coordinate System: Geomagnetic Model: igrf2005

Corral Fly Federal #4H Site:

Site Position: Мар From: Position Uncertainty:

Northing: Easting: 0.00 ft

Easting:

416814.10 ft 610224.30 ft

610224.30 ft

Height 3038.00 ft

+N/-S

ft

0.00

Latitude: Longitude: North Reference:

8 43.575 N 32 58 37.930 W 103

Grid 0.19 deg **Grid Convergence:**

Ground Level: Well: #4H

Well Position:

Wellpath:

Current Datum:

Magnetic Data:

Field Strength:

Vertical Section:

+N/-S

+E/-W

Original Hole

Northing: 416814.10 ft

Latitude: Longitude:

Slot Name:

8 43.575 N 32 37.930 W

Surface

103 58

Position Uncertainty:

0.00 ft 0.00 ft

48972 nT

5/31/2007

Depth From (TVD)

0.00

0.00 ft

3022.00 ft

Drilled From: Tie-on Depth:

ft

Above System Datum: Declination:

0.00 ft Mean Sea Level 8.23 deg 60.15 deg

Mag Dip Angle: +E/-W

Direction deg

0.00 351.13

Plan:

Principal:

Plan #1

Date Composed: Version:

5/31/2007

Tied-to:

From Surface

Plan Section Information

No

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	351.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4723.54	0.00	351.13	4723.54	0.00	0.00	0.00	0.00	0.00	0.00	
5473.54	90.00	351.13	5201.00	471.75	-73.63	12.00	12.00	0.00	351.13	
7139.11	90.00	351.13	5201.00	2117.40	-330.50	0.00	0.00	0.00	0.00	PBHL

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
4723.54	0.00	351.13	4723.54	0.00	0.00	0.00	0.00	0.00	0.00	
4725.00	0.18	351.13	4725.00	0.00	0.00	0.00	12.00	12.00	0.00	
4750.00	3.18	351.13	4749.99	0.72	-0.11	0.73	12.00	12.00	0.00	
4775.00	6.18	351.13	4774.90	2.74	-0.43	2.77	12.00	12.00	0.00	
4800.00	9.18	351.13	4799.67	6.04	-0.94	6.11	12.00	12.00	0.00	
4825.00	12.18	351.13	4824.24	10.61	-1.66	10.74	12.00	12.00	0.00	
4850.00	15.18	351.13	4848.53	16.45	-2.57	16.65	12.00	12.00	0.00	
4875.00	18.18	351.13	4872.47	23.54	-3.67	23.82	12.00	12.00	0.00	
4900.00	21.18	351.13	4896.01	31.85	-4.97	32.24	12.00	12.00	0.00	
4925.00	24.18	351.13	4919.07	41.38	-6.46	41.88	12.00	12.00	0.00	
4950.00	27.18	351.13	4941.60	52.08	-8.13	52.71	12.00	12.00	0.00	
4975.00	30.18	351.13	4963.54	63.93	-9.98	64.70	12.00	12.00	0.00	
5000.00	33.18	351.13	4984.81	76.90	-12.00	77.83	12.00	12.00	0.00	
5025.00	36.18	351.13	5005.37	90.95	-14.20	92.05	12.00	12.00	0.00	
5050.00	39.18	351.13	5025.15	106.04	-16.55	107.33	12.00	12.00	0.00	
5075.00	42.18	351.13	5044.11	122.14	-19.06	123.62	12.00	12.00	0.00	
5100.00	45.18	351.13	5062.19	139.20	-21.73	140.88	12.00	12.00	0.00	

Strata Directional Technologies, Inc. **Planning Report**

Company: SOUTHWESTERN ENERGY COMPANY Field:

Eddy County, NM

Corral Fly Federal #4H

#4H Wellpath: Original Hole

Site:

Well:

Targets

Date: 5/31/2007

Time: 14:49:36

Page:

Co-ordinate(NE) Reference: Well: #4H, Grid North SITE 3038.0

Vertical (TVD) Reference: Well (0.00N,0.00E,351.13Azi)

Section (VS) Reference: Plan #1 Plan:

Survey										
MD	Incl	Azim	TVD	+N/-S	+E/-W	VS	DLS	Build	Turn	Tool/Comment
ft	deg	deg	ft	ft	ft	ft	deg/100ft	deg/100f	t deg/100ft	
5125.00	48.18	351.13	5079.34	157.17	-24.53	159.07	12.00	12.00	0.00	
5150.00	51.18	351.13	5095.52	176.00	-27.47	178.13	12.00	12.00	0.00	
5175.00	54.18	351.13	5110.67	195.64	-30.54	198.00	12.00	12.00	0.00	
			•							
5200.00	57.18	351.13	5124.77	216.03	-33.72	218.65	12.00	12.00	0.00	
5225.00	60.18	351.13	5137.76	237.13	-37.01	240.00	12.00	12.00	0.00	
5250.00	63.18	351.13	5149.62	258.87	-40.41	262.01	12.00	12.00	0.00	
5275.00	66.18	351.13	5160.31	281.20	-43.89	284.60	12.00	12.00	0.00	
5300.00	69.18	351.13	5169.81	304.04	-47.46	307.73	12.00	12.00	0.00	
5325.00	72.18	351.13	5178.08	327.35	-51.10	331.31	12.00	12.00	0.00	
5350.00	75.18	351.13	5185.11	351.05	-54.79	355.30	12.00	12.00	0.00	
5375.00	78.18	351.13	5190.87	375.09	-58.55	379.63	12.00	12.00	0.00	
5400.00	81.18	351.13	5195.35	399.38	-62.34	404.22	12.00	12.00	0.00	
5425.00	84.18	351.13	5198.54	423.88	-66.16	429.01	12.00	12.00	0.00	
3423.00	04.10	331.13	3190.54	423.00	-00.10	423.01	12.00	12.00	0.00	
5450.00	87.18	351.13	5200.42	448.51	-70.01	453.94	12.00	12.00	0.00	
5473.54	90.00	351.13	5201.00	471.75	-73.63	477.46	12.00	12.00	0.00	
5500.00	90.00	351.13	5201.00	497.90	-77.72	503.93	0.00	0.00	0.00	
5600.00	90.00	351.13	5201.00	596.70	-93.14	603.93	0.00	0.00	0.00	
5700.00	90.00	351.13	5201.00	695.51	-108.56	703.93	0.00	0.00	0.00	
5800.00	90.00	351.13	5201.00	794.31	-123.98	803.93	0.00	0.00	0.00	
5900.00	90.00	351.13	5201.00	893.12	-139.40	903.93	0.00	0.00	0.00	
6000.00	90.00	351.13	5201.00	991.92	-154.83	1003.93	0.00	0.00	0.00	
6100.00	90.00	351.13	5201.00	1090.72	-170.25	1103.93	0.00	0.00	0.00	
6200.00	90.00	351.13	5201.00	1189.53	-185.67	1203.93	0.00	0.00	0.00	
6300.00	90.00	351.13	5201.00	1288.33	-201.09	1303.93	0.00	0.00	0.00	
6400.00	90.00	351.13	5201.00	1387.13	-216.51	1403.93	0.00	0.00	0.00	
6500.00	90.00	351.13	5201.00	1485.94	-231.94	1503.93	0.00	0.00	0.00	
6600.00	90.00	351.13	5201.00	1584.74	-247.36	1603.93	0.00	0.00	0.00	
6700.00	90.00	351.13	5201.00	1683.54	-262.78	1703.93	0.00	0.00	0.00	
6800.00	90.00	351.13	5201.00	1782.35	-278.20	1803.93	0.00	0.00	0.00	
6900.00	90.00	351.13	5201.00	1881.15	-293.62	1903.93	0.00	0.00	0.00	
7000.00	90.00	351.13	5201.00	1979.96	-309.05	2003.93	0.00	0.00	0.00	
7100.00	90.00	351.13	5201.00	2078.76	-324.47	2103.93	0.00	0.00	0.00	
7139.11	90.00	351.13	5201.00	2117.40	-330.50	2143.04	0.00	0.00	0.00	PBHL

Name	Descripti Dip.	on Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	< Latitude> Deg Min Sec	< Longitude> Deg Min Sec
Surface			0.00	0.00	0.00	416814.10	610224.30	32 8 43.575 N	103 58 37.930 W
PBHL			5201.00	2117.40	-330.50	418931.50	609893.80	32 9 4.541 N	103 58 41.693 W

Attachment C Corral Fly Federal #4-H Offset Leasehold Notification List

Pogo Producing Company P.O. Box 2504 Houston, Texas 77252	Receipt # 7006 3450 0000 6005 7346
Bettis Brothers, Inc. 500 W. Wall, Suite 312 Midland, Texas 79701	Receipt # 7006 3450 0000 6005 7353
Sonic Oil & Gas, LP P.O. Box 1240 Graham, Texas 76450	Receipt # 7006 3450 0000 6005 7360
Norman D. Stovall, Jr. P.O. Box 10 Graham, Texas 76046	Receipt # 7006 3450 0000 6005 7377
H. M. Bettis, Inc. P.O. Box 1240 Graham, Texas 76046	Receipt # 7006 3450 0000 6005 7384
James R. Quinn 210 E. Abram, Suite 650 Arlington, Texas 76010	Receipt # 7006 3450 0000 6005 7391
The Allar Company P.O. Box 630 Graham, Texas 76046	Receipt # 7006 3450 0000 6005 7407
Eleven Sands Exploration, Inc. RR 8 Box 104 Guthrie, Texas 73044	Receipt # 7006 3450 0000 6005 7414
B.A.G.A.M., Ltd. P.O. Box 37 Graham, Texas 76046	Receipt # 7006 3450 0000 6005 7421
L. E. Opperman 1505 Neely Midland, Texas 79705	Receipt # 7006 3450 0000 6005 7438
XTO Energy, Inc. 810 Houston Street Fort Worth, Texas 76102	Receipt # 7006 3450 0000 6005 7445

