



**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

*MAESO-513948556*

May 17, 2005

**RECEIVED**

MAY 18 2005

**RECEIVED**

MAY 18 2005

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.

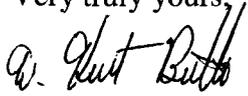
The fracture orientation in the field appears to be due east to due west. Drilling the wells within the 80 acre State Lease V-5512 on an alternate east/west pattern (see attached land plat – Exhibit B) will allow the fractures to be placed to most effectively recover the reserves and avoid communicating 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 that reads "W. Kurt Butler". The signature is written in a cursive style with a large, stylized initial "W".

W. Kurt Butler  
Southwestern Energy Production Co.

Attachments

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I  
1625 N. FRANCE DR., BOBBS, 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<br>NO BLUFF                               | Well Number<br>7   |
| OGRID No.     | Operator Name<br>SOUTHWESTERN ENERGY PRODUCTION COMPANY | Elevation<br>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

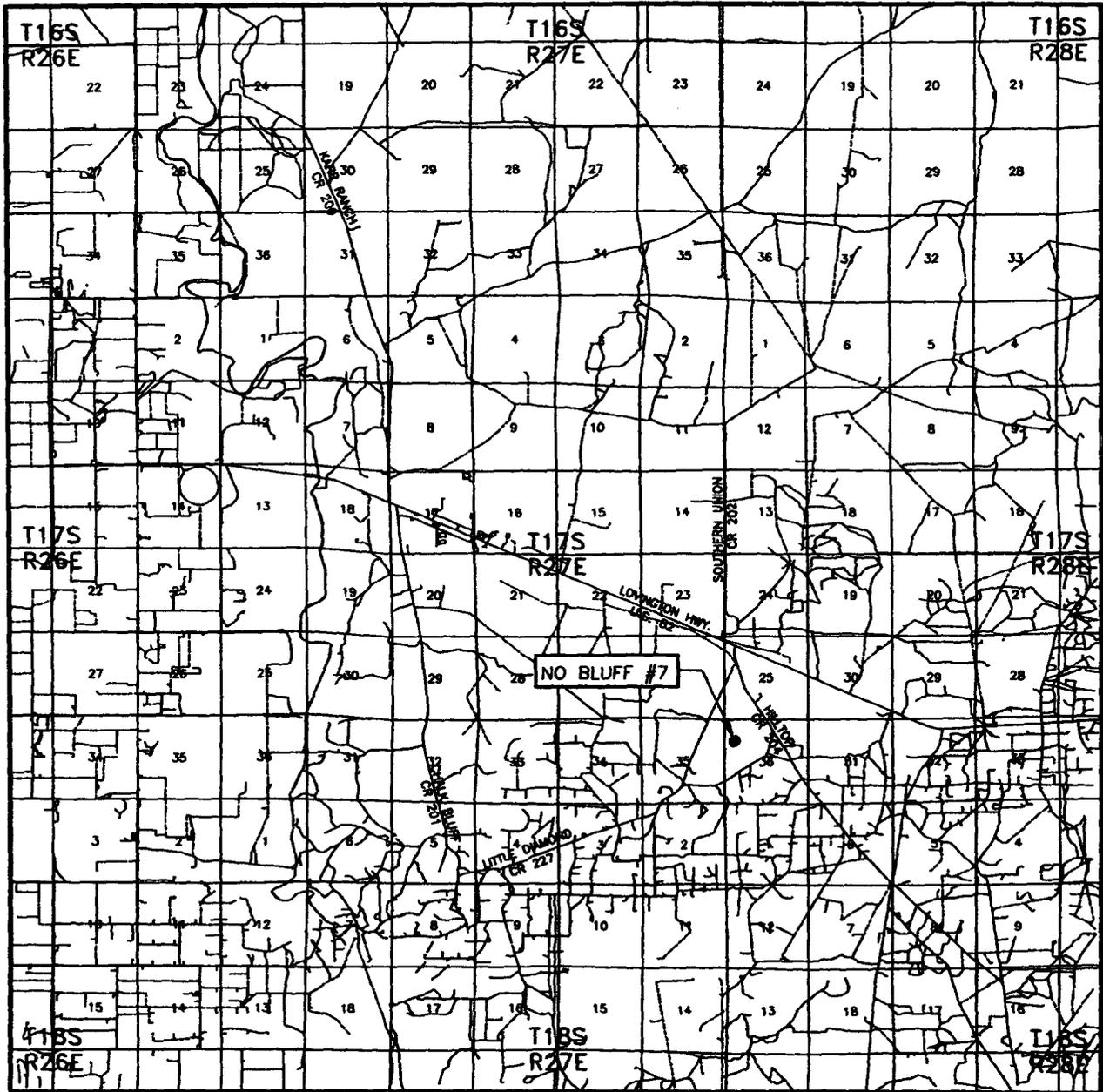
| UL or lot No.   | Section | Township        | Range | Lot Idn            | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|---------|-----------------|-------|--------------------|---------------|------------------|---------------|----------------|--------|
|                 |         |                 |       |                    |               |                  |               |                |        |
| 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>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>  |
|  | <p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>APRIL 28, 2005</p> <p>Date Surveyed _____ JR</p> <p>Signature and Seal of Professional Surveyor _____</p> <p><i>GARY EDSON</i></p> <p>NEW MEXICO</p> <p>05.11.0668</p> <p>Certificate No. GARY EDSON 12641</p> |
|  | <p>GEODETIC COORDINATES<br/>NAD 27 NME</p> <p>Y=652502.0 N<br/>X=529576.7 E</p> <p>LAT.=32°47'37.61" N<br/>LONG.=104°14'13.50" W</p>  |
|  | <p>1450'</p> <p>990'</p>  |

EXHIBIT A

# VICINITY MAP



SCALE: 1" = 2 MILES

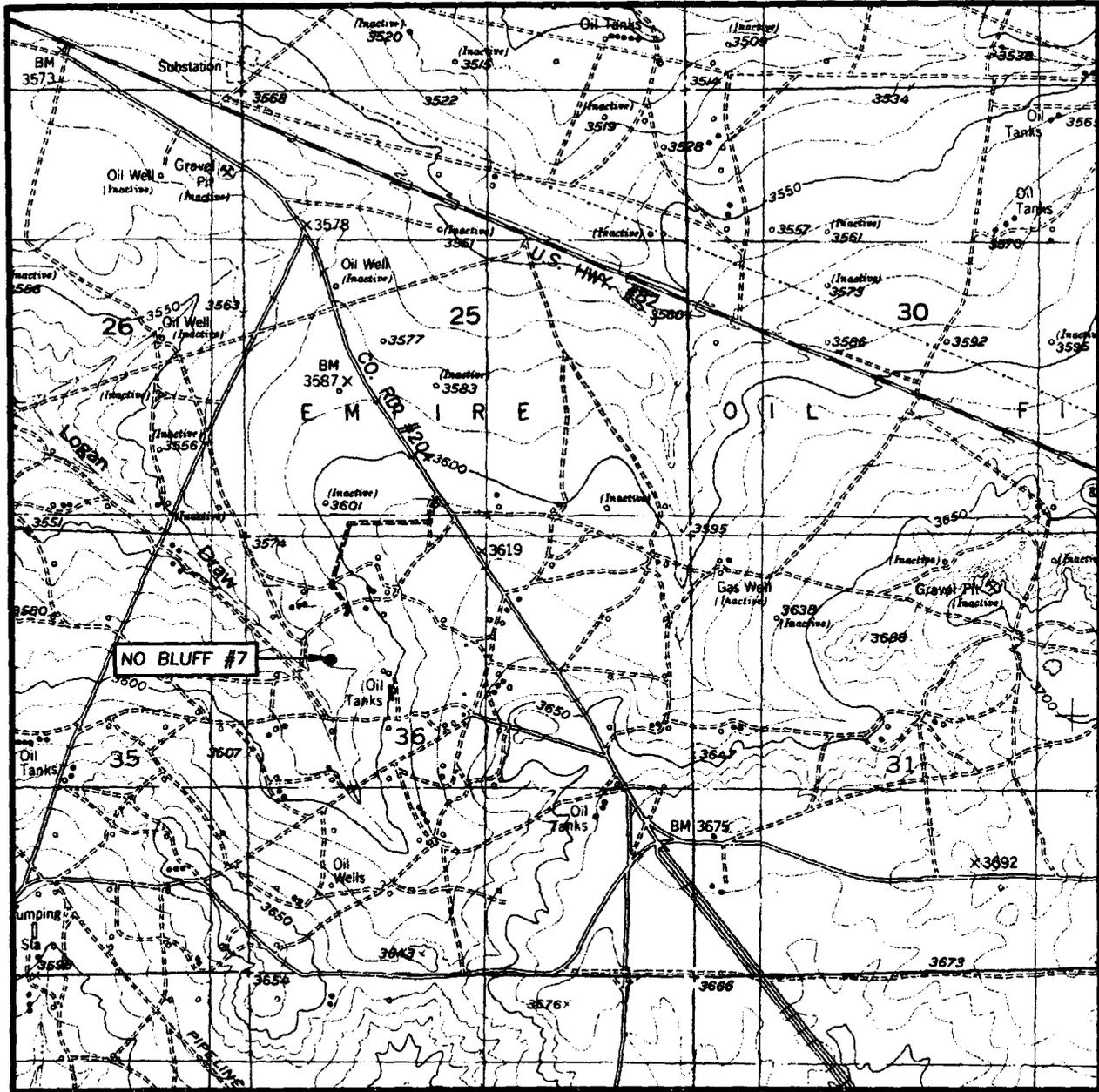
SEC. 36 TWP. 17-S RGE. 27-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY  
 DESCRIPTION 1450' FNL & 990' FWL  
 ELEVATION 3585'  
 OPERATOR SOUTHWESTERN ENERGY PRODUCTION COMPANY  
 LEASE NO BLUFF



PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (805) 388-3117

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.



**PROVIDING SURVEYING SERVICES  
SINCE 1948**  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL. PASS  
 HOBBS, N.M. 88240  
 (806) 393-3117

EXHIBIT A

SWN  
No Bluff



PTD



9,917

1

SWN  
No Bluff

SWN  
No Bluff St. Com.



PTD



9

3709'

SWN  
No Bluff



7

PTD

SWN



4

3652'

SWN  
No Bluff St. Com.



5

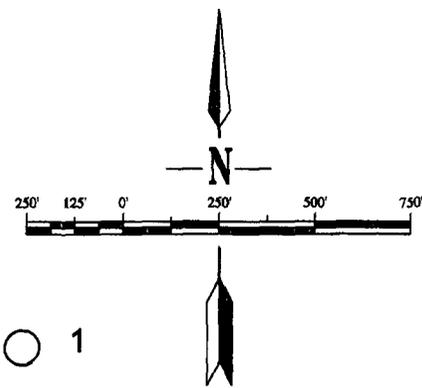
3706'

SWN



3

3890'



3  
3,52

○ 1  
3,695

● 15  
3,503

36

● WI20  
2,378

# T17S - R 27E

● 1  
50  
5,849

● 3  
51  
5,865

2  
5,97

● 3,800



● 1  
10,060

● 1  
5,795

● 13  
5,840

|  |                                |
|--|--------------------------------|
|  |                                |
| <b>SOUTHWESTERN ENERGY COMPANY</b>           |                                |
| NO BLUFF PROSPECT<br>EDDY COUNTY, NEW MEXICO |                                |
| LAND MAP<br>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                         |