

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**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]  
 [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD  
  
 Check One Only for [B] or [C]  
 [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM  
  
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR  
  
 [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply  
 [A]  Working, Royalty or Overriding Royalty Interest Owners  
 [B]  Offset Operators, Leaseholders or Surface Owner  
 [C]  Application is One Which Requires Published Legal Notice  
 [D]  Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F]  Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**
- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Print or Type Name _____	Signature _____	Title _____	Date _____
e-mail Address _____			



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

June 8, 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:

Well: Corral Fly Federal No. 3-H  
Location: 2,520' feet FNL & 1,880' feet FWL  
Well Unit: SE¼NW¼ of Section 10, Township 25 South, Range 29 East, N.M.P.M., Eddy County, New Mexico

2007 JUN 8 AM 10:27

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 #3-H, will be directionally drilled from an unorthodox surface location 2,520 feet from the North Line and 1,880 feet from the West Line of Section 10 to a bottom hole location 200 feet from the North Line and 1,880 feet from the West line.

The well plan consists of drilling a vertical hole to the KOP (kick off point) at 4,732' MD/TVD. The hole will be directional drilled utilizing a build rate of 12°/100' to penetrate the Cherry Canyon 4 Sand at 5,482' MD / 5,209' TVD at 90° of angle. The Cherry Canyon 4 will be intersected at 2,043' FNL and 1,880' FWL of Section 10 T25S R29E. The well will continue laterally (90°) for ±2319' of vertical displacement. The proposed BHL will be 200' FNL & 1,880' FWL of section 10. The top of the Delaware will be intersected at 3,074' MD/TVD at 2,520' FNL and 1,880' 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).

*Und. W. Corral Canyon Delaware*

By placing the surface location at 2,520' FNL and 1,880' 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.

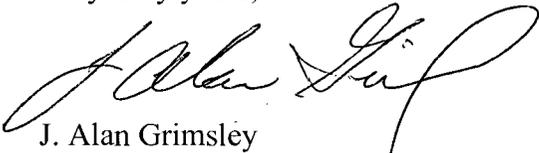
Attachment C is a list of all interest owners that will be affected with the unorthodox surface location as well as interest owners that will be affected by the Bottom hole location. Each interest owner has been provided a copy of this request via certified mail.

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

State of New Mexico

Energy, Minerals and Natural Resources Department

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

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, 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 October 12, 2005  
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 <b>CORRAL FLY FEDERAL</b>	Well Number 3-H
OGRID No.	Operator Name <b>SOUTHWESTERN ENERGY PRODUCTION COMPANY</b>	Elevation 3024'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	10	25-S	29-E		2520	NORTH	1880	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
C	10	25-S	29-E		200	NORTH	1880	WEST	EDDY

Dedicated Acres 80	Joint or Infill	Consolidation Code	Order No.
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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

**BOTTOM HOLE LOCATION**  
LAT.=418939.3 N  
LONG.=611113.7 W

Project Area  
Producing Area

DETAIL  
3031.4' 3030.5'  
600'  
3017.5' 3027.3'

GRID AZ.=359°58'57"  
HORZ. DIST.=2320.0'

1880' 2520' 200' B.H. S.L. SEE DETAIL

**GEODETIC COORDINATES**  
NAD 27 NME  
SURFACE LOCATION  
Y=416619.8 N  
X=611114.2 E

LAT.=32.145044° N  
LONG.=104.107391° W

**OPERATOR CERTIFICATION**

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*James Alan Grimsley* 4/5/07  
Signature Date  
**JAMES ALAN GRIMSLEY**  
Printed Name

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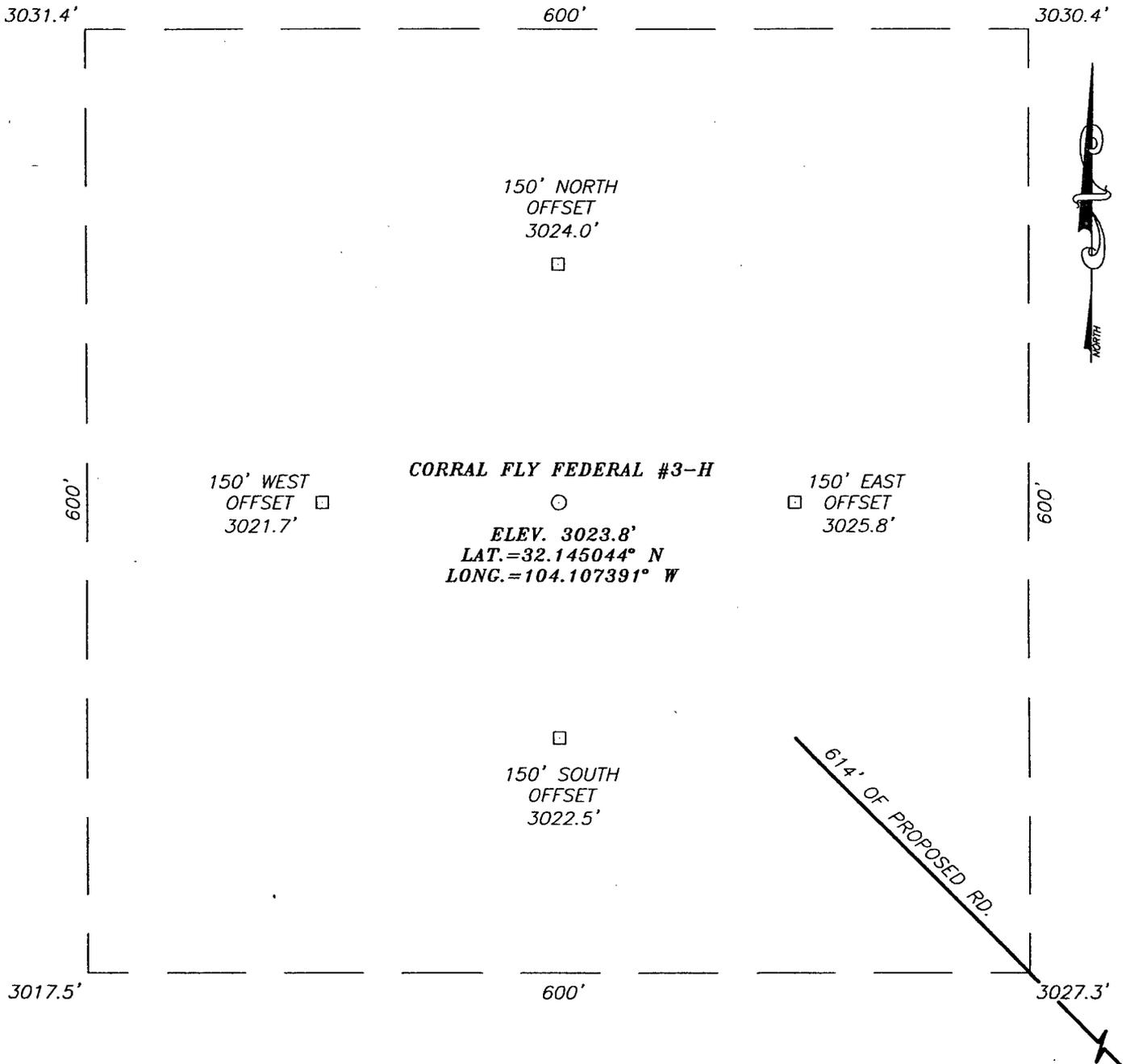
**SURVEYOR CERTIFICATION**

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.

**GARY G. EIDSON**  
MARCH 27, 2007  
Date Surveyed LA  
Signature & Seal  
Professional Surveyor  
*Gary G. Eidson* 4/3/07  
07-11-0386

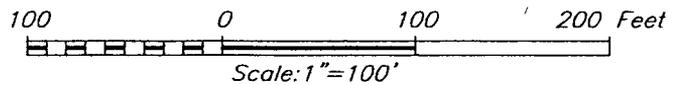
Certificate No. **GARY EIDSON** 12641  
**RONALD J. EIDSON** 3239

**SECTION 10, TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,**  
 EDDY COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF U.S. HWY. #285 AND CO. RD. #725 (LONGHORN RD.), GO EAST ON CO. RD. #725 APPROX. 3.9 MILES. TURN LEFT AND GO NORTHEAST AT ROAD APPROX. 1.8 MILES TO A "Y" INTERSECTION. TURN LEFT AND GO NORTH APPROX. 4.6 MILES. TO A PROPOSED ROAD SURVEY. FOLLOW ROAD SURVEY NORTHWEST APPROX. 825 FEET TO THIS LOCATION.



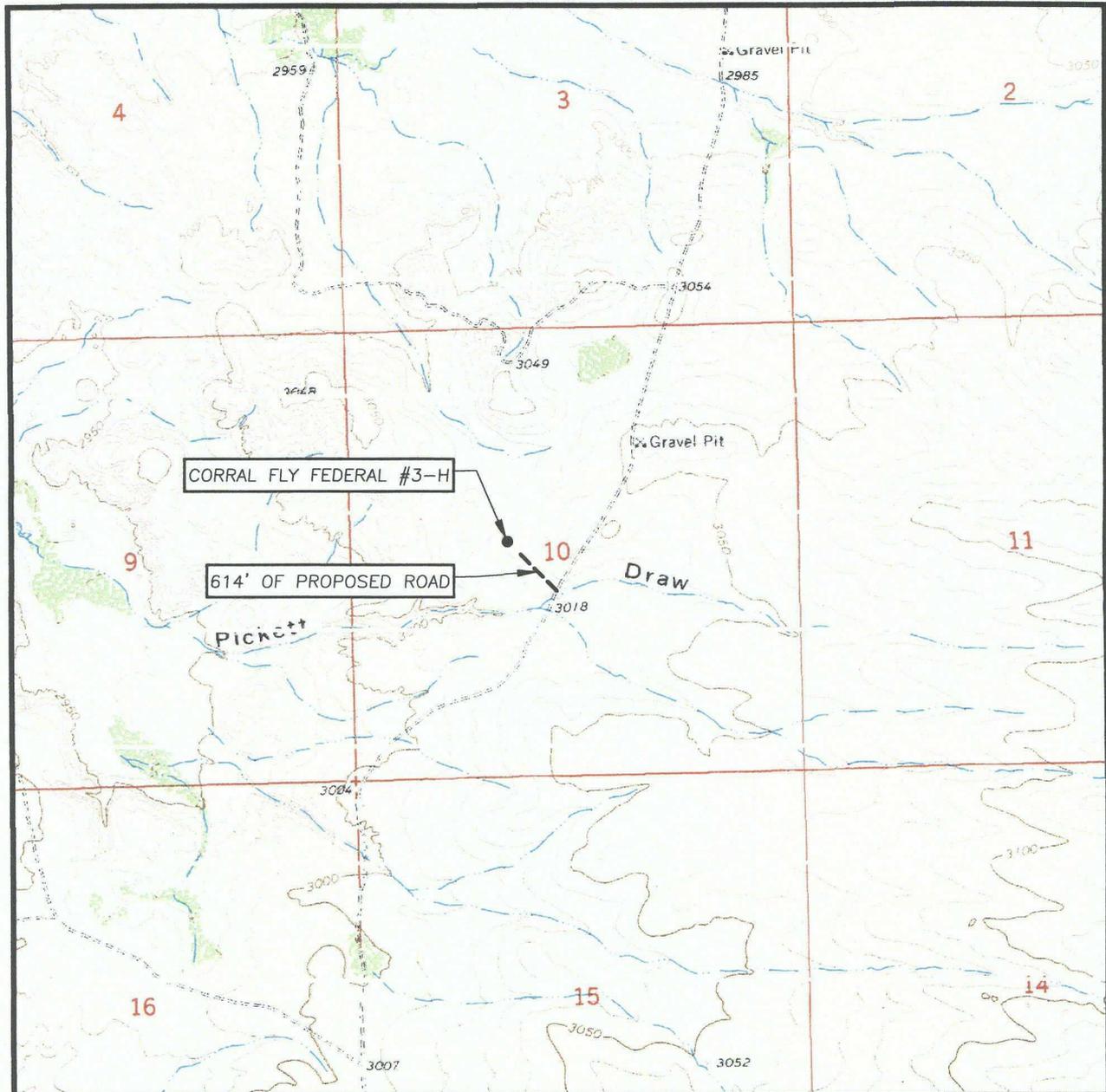
**SOUTHWESTERN ENERGY PRODUCTION COMPANY**

CORRAL FLY FEDERAL #3-H WELL  
 LOCATED 2520 FEET FROM THE NORTH LINE  
 AND 1880 FEET FROM THE WEST LINE OF SECTION 10,  
 TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

Survey Date: 03/27/07	Sheet 1 of 1 Sheets	
W.O. Number: 07.11.0386	Dr By: AR	Rev 1:N/A
Date: 03/29/07	Disk:	07110386 Scale: 1"=100'

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:  
PIERCE CANYON, N.M. - 10'

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

SURVEY \_\_\_\_\_ N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

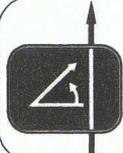
DESCRIPTION 2520' FNL & 1880' FWL

ELEVATION 3024'

OPERATOR SOUTHWESTERN ENERGY  
PRODUCTION COMPANY

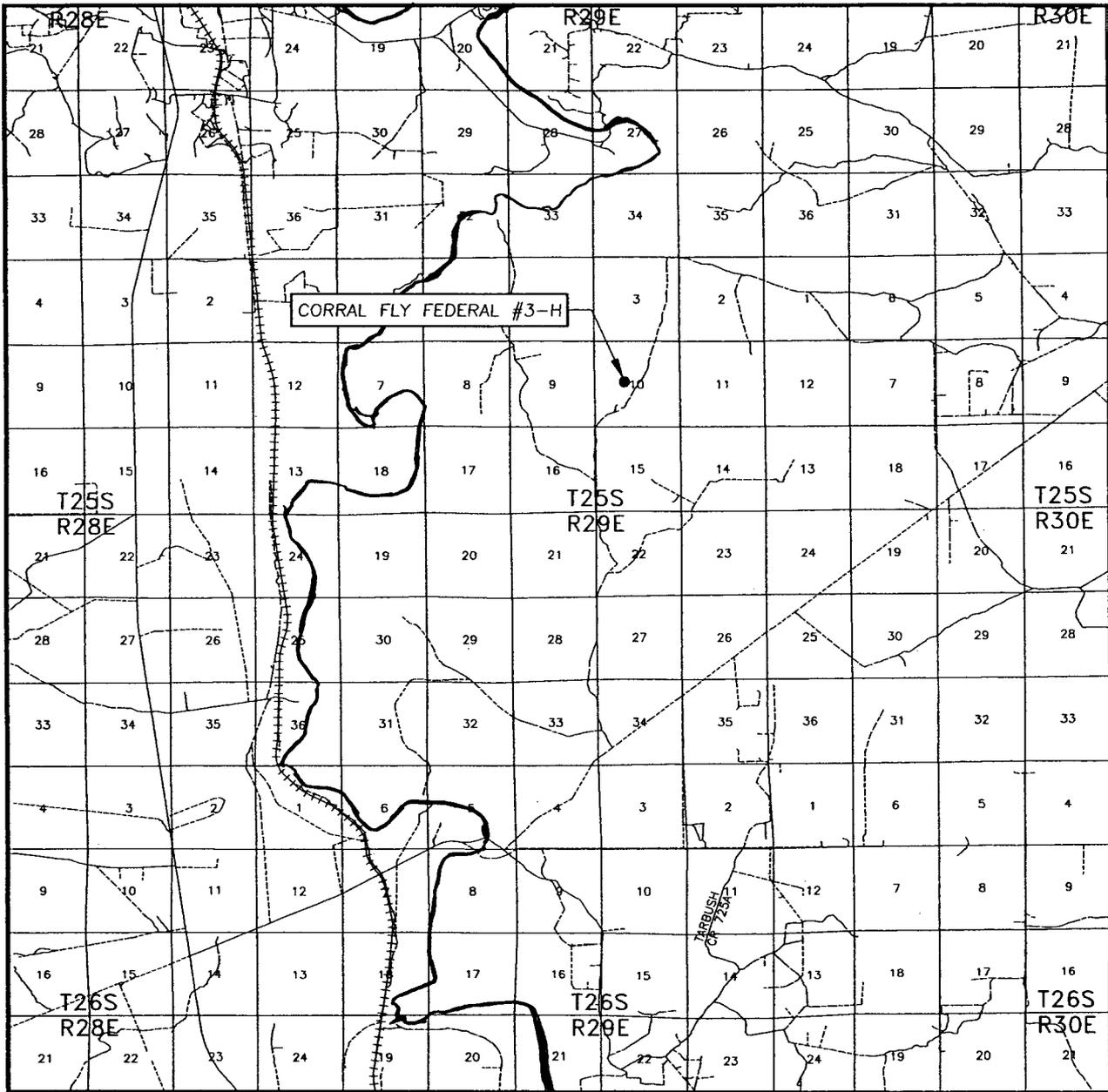
LEASE CORRAL FLY FEDERAL

U.S.G.S. TOPOGRAPHIC MAP  
PIERCE CANYON, N.M.



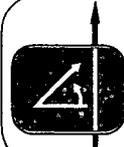
**PROVIDING SURVEYING SERVICES  
SINCE 1946**  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 10 TWP. 25-S RGE. 29-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY STATE NEW MEXICO  
 DESCRIPTION 2520' FNL & 1880' FWL  
 ELEVATION 3024'  
 OPERATOR SOUTHWESTERN ENERGY PRODUCTION COMPANY  
 LEASE CORRAL FLY FEDERAL



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

**WELL NAME:** Corral Fly Federal #3-H

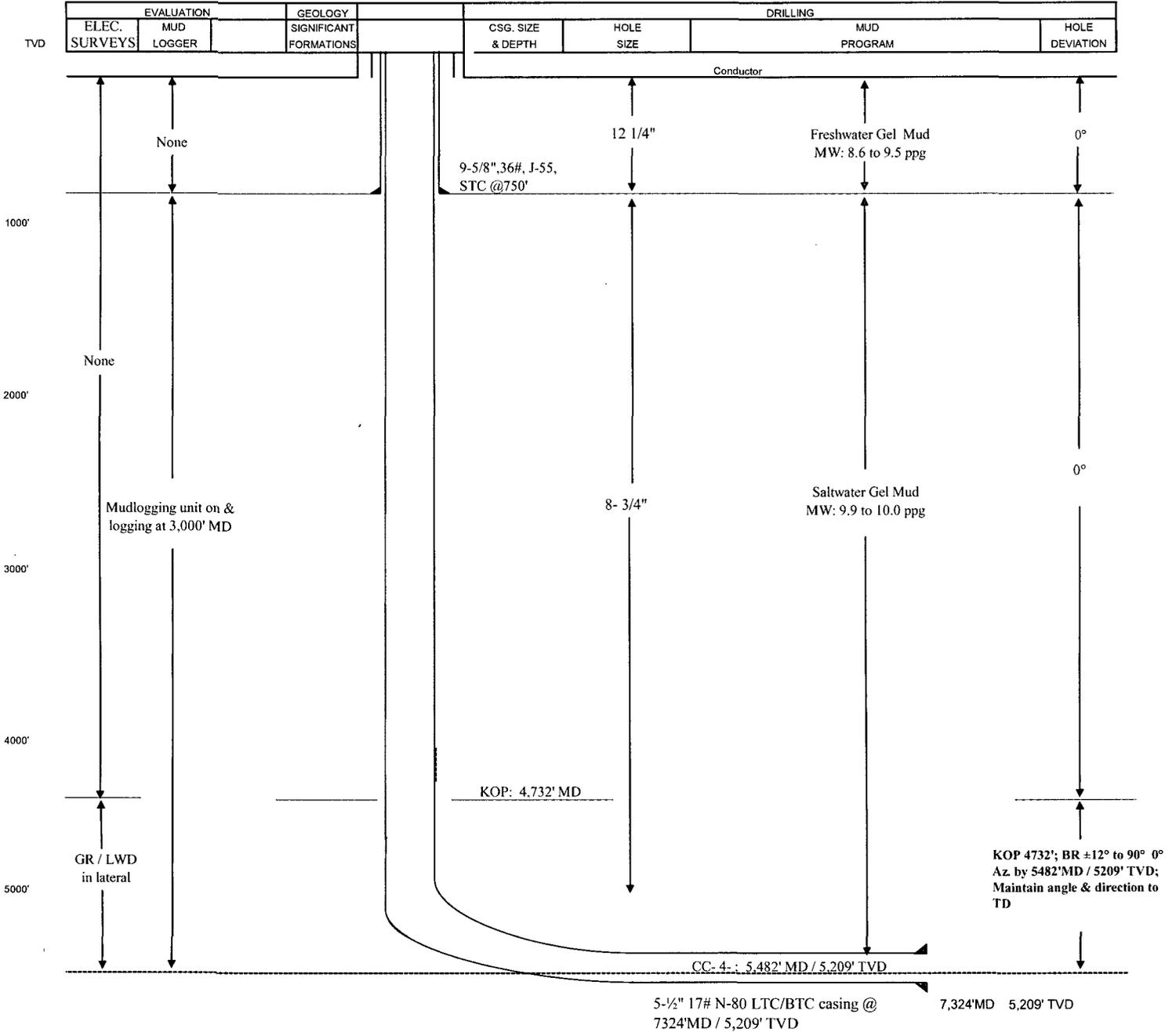
**AFE NO.**

**LOCATION:** Sec. 10, T25S, R29E  
 Eddy County NM  
 SL: 2520' FNL 1880' FWL  
 BHL: 200' FNL 1880' FWL  
 TGT ENTRY PT: 2,043' FNL 1880' FWL

**PROSPECT:** Corral Fly

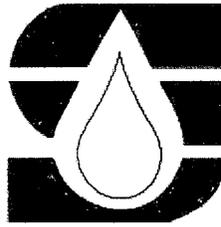
**OBJECTIVE:** Cherry Canyon Sd, CC-4

**EST. ELEVATION:** GL 3024'; RKB ±16"



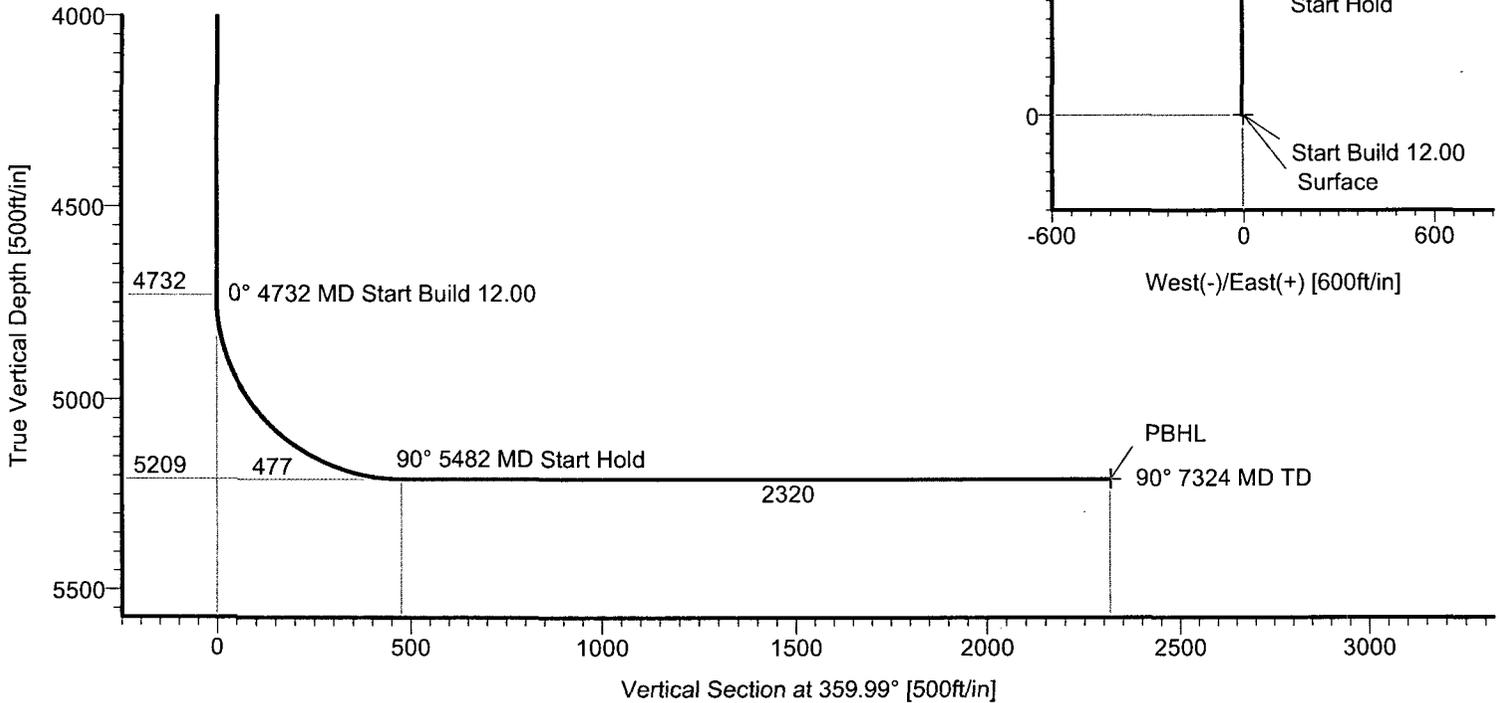
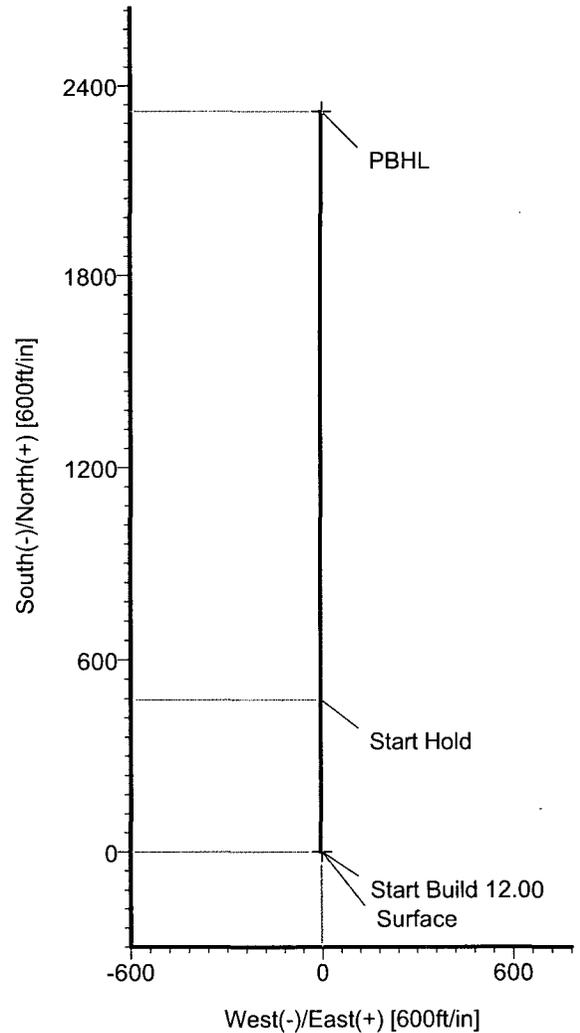
**SOUTHWESTERN ENERGY COMPANY**

Field: Eddy County, NM  
 Site: Corral Fly Federal #3H  
 Well: #3H  
 Wellpath: Original Hole  
 Plan: Plan #1



Azimuths to Grid North  
 True North: -0.19°  
 Magnetic North: 8.05°

Magnetic Field  
 Strength: 48982nT  
 Dip Angle: 60.15°  
 Date: 4/23/2007  
 Model: igrf2005



**TARGET DETAILS**

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
Surface	0.00	0.00	0.00	416619.80	611114.20	Point
PBHL	5209.00	2319.50	-0.50	418939.30	611113.70	Point

**SECTION DETAILS**

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	359.99	0.00	0.00	0.00	0.00	0.00	0.00	
2	4731.54	0.00	359.99	4731.54	0.00	0.00	0.00	0.00	0.00	
3	5481.54	90.00	359.99	5209.00	477.46	-0.10	12.00	359.99	477.46	
4	7323.57	90.00	359.99	5209.00	2319.50	-0.50	0.00	0.00	2319.50	PBHL



STRATA DIRECTIONAL TECHNOLOGY, INC.  
 1034 Regional Park Drive Houston, Texas 77060  
 Phone: 713-934-9600 Fax: 713-934-9067

Plan: Plan #1 (#3H/Original Hole)  
 Created By: Ashley Wischnewsky Date: 4/23/2007  
 Checked: \_\_\_\_\_ Date: \_\_\_\_\_



# Strata Directional Technologies, Inc.

## Planning Report

<b>Company:</b> SOUTHWESTERN ENERGY COMPANY	<b>Date:</b> 4/23/2007	<b>Time:</b> 14:10:57	<b>Page:</b> 2
<b>Field:</b> Eddy County, NM	<b>Co-ordinate(NE) Reference:</b> Well: #3H, Grid North		
<b>Site:</b> Corral Fly Federal #3H	<b>Vertical (TVD) Reference:</b> SITE 3040.0		
<b>Well:</b> #3H	<b>Section (VS) Reference:</b> Well (0.00N,0.00E,359.99Azi)		
<b>Wellpath:</b> Original Hole	<b>Plan:</b> Plan #1		

### Survey

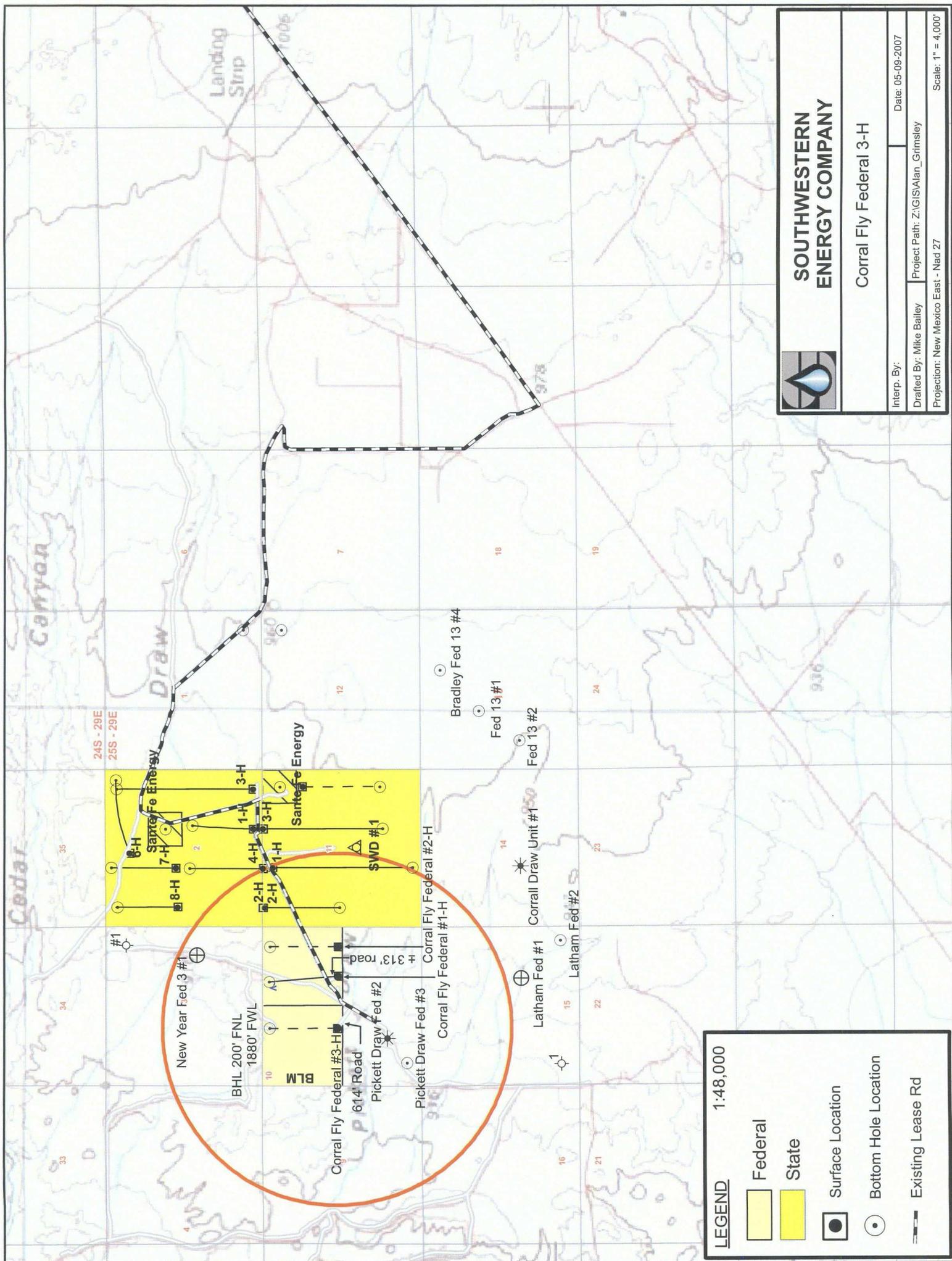
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
5150.00	50.22	359.99	5098.45	171.94	-0.04	171.94	12.00	12.00	0.00	
5175.00	53.22	359.99	5113.93	191.56	-0.04	191.56	12.00	12.00	0.00	
5200.00	56.22	359.99	5128.37	211.96	-0.05	211.96	12.00	12.00	0.00	
5225.00	59.22	359.99	5141.73	233.10	-0.05	233.10	12.00	12.00	0.00	
5250.00	62.22	359.99	5153.95	254.90	-0.05	254.90	12.00	12.00	0.00	
5275.00	65.22	359.99	5165.02	277.31	-0.06	277.31	12.00	12.00	0.00	
5300.00	68.22	359.99	5174.90	300.27	-0.06	300.27	12.00	12.00	0.00	
5325.00	71.22	359.99	5183.57	323.72	-0.07	323.72	12.00	12.00	0.00	
5350.00	74.22	359.99	5191.00	347.59	-0.07	347.59	12.00	12.00	0.00	
5375.00	77.22	359.99	5197.16	371.81	-0.08	371.81	12.00	12.00	0.00	
5400.00	80.22	359.99	5202.06	396.33	-0.09	396.33	12.00	12.00	0.00	
5425.00	83.22	359.99	5205.66	421.06	-0.09	421.06	12.00	12.00	0.00	
5450.00	86.22	359.99	5207.96	445.95	-0.10	445.95	12.00	12.00	0.00	
5475.00	89.22	359.99	5208.96	470.93	-0.10	470.93	12.00	12.00	0.00	
5481.54	90.00	359.99	5209.00	477.46	-0.10	477.46	12.00	12.00	0.00	
5500.00	90.00	359.99	5209.00	495.93	-0.11	495.93	0.00	0.00	0.00	
5600.00	90.00	359.99	5209.00	595.93	-0.13	595.93	0.00	0.00	0.00	
5700.00	90.00	359.99	5209.00	695.93	-0.15	695.93	0.00	0.00	0.00	
5800.00	90.00	359.99	5209.00	795.93	-0.17	795.93	0.00	0.00	0.00	
5900.00	90.00	359.99	5209.00	895.93	-0.19	895.93	0.00	0.00	0.00	
6000.00	90.00	359.99	5209.00	995.93	-0.21	995.93	0.00	0.00	0.00	
6100.00	90.00	359.99	5209.00	1095.93	-0.24	1095.93	0.00	0.00	0.00	
6200.00	90.00	359.99	5209.00	1195.93	-0.26	1195.93	0.00	0.00	0.00	
6300.00	90.00	359.99	5209.00	1295.93	-0.28	1295.93	0.00	0.00	0.00	
6400.00	90.00	359.99	5209.00	1395.93	-0.30	1395.93	0.00	0.00	0.00	
6500.00	90.00	359.99	5209.00	1495.93	-0.32	1495.93	0.00	0.00	0.00	
6600.00	90.00	359.99	5209.00	1595.93	-0.34	1595.93	0.00	0.00	0.00	
6700.00	90.00	359.99	5209.00	1695.93	-0.37	1695.93	0.00	0.00	0.00	
6800.00	90.00	359.99	5209.00	1795.93	-0.39	1795.93	0.00	0.00	0.00	
6900.00	90.00	359.99	5209.00	1895.93	-0.41	1895.93	0.00	0.00	0.00	
7000.00	90.00	359.99	5209.00	1995.93	-0.43	1995.93	0.00	0.00	0.00	
7100.00	90.00	359.99	5209.00	2095.93	-0.45	2095.93	0.00	0.00	0.00	
7200.00	90.00	359.99	5209.00	2195.93	-0.47	2195.93	0.00	0.00	0.00	
7300.00	90.00	359.99	5209.00	2295.93	-0.49	2295.93	0.00	0.00	0.00	
7323.57	90.00	359.99	5209.00	2319.50	-0.50	2319.50	0.00	0.00	0.00	PBHL

### Targets

Name	Description		TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude --->			<--- Longitude --->		
	Dip.	Dir.						Deg	Min	Sec	Deg	Min	Sec
Surface			0.00	0.00	0.00	416619.80	611114.20	32	8	41.623 N	103	58	27.587 W
PBHL			5209.00	2319.50	-0.50	418939.30	611113.70	32	9	4.578 N	103	58	27.502 W

**Attachment C**  
**Corral Fly Federal #3-H**  
**Offset Leasehold Notification List**

Pogo Producing Company P.O. Box 2504 Houston, Texas 77252	Receipt # 7006 3450 0000 6005 7223
Bettis Brothers, Inc. 500 W. Wall, Suite 312 Midland, Texas 79701	Receipt # 7006 3450 0000 6005 7230
Sonic Oil & Gas, LP P.O. Box 1240 Graham, Texas 76450	Receipt # 7006 3450 0000 6005 7247
Norman D. Stovall, Jr. P.O. Box 10 Graham, Texas 76046	Receipt # 7006 3450 0000 6005 7254
H. M. Bettis, Inc. P.O. Box 1240 Graham, Texas 76046	Receipt # 7006 3450 0000 6005 7261
James R. Quinn 210 E. Abram, Suite 650 Arlington, Texas 76010	Receipt # 7006 3450 0000 6005 7278
The Allar Company P.O. Box 630 Graham, Texas 76046	Receipt # 7006 3450 0000 6005 7285
Eleven Sands Exploration, Inc. RR 8 Box 104 Guthrie, Texas 73044	Receipt # 7006 3450 0000 6005 7292
B.A.G.A.M., Ltd. P.O. Box 37 Graham, Texas 76046	Receipt # 7006 3450 0000 6005 7308
L. E. Opperman 1505 Neely Midland, Texas 79705	Receipt # 7006 3450 0000 6005 7315
XTO Energy, Inc. 810 Houston Street Fort Worth, Texas 76102	Receipt # 7006 3450 0000 6005 7322



**SOUTHWESTERN  
ENERGY COMPANY**

Corral Fly Federal 3-H

Interp. By:

Date: 05-09-2007

Drafted By: Mike Bailey

Project Path: Z:\GIS\Alan\_Grimsley

Projection: New Mexico East - NAD 27

Scale: 1" = 4,000'

**LEGEND** 1:48,000

-  Federal
-  State

-  Surface Location
-  Bottom Hole Location
-  Existing Lease Rd



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

**via Certified Mail**

Receipt # 7006 3450 0000 6005 7223

Pogo Producing Company  
P.O. Box 2504  
Houston, Texas 77252

2007 JUN 8 AM 10:27

Re: Corral Fly Federal #3-H well  
Section 10 T25S, R29E  
Corral Fly Prospect  
Eddy County, New Mexico

This is to advise that Southwestern Energy Production Company ("SWN") is preparing to drill the above referenced well. The surface location for this horizontal well is 2520 feet FNL & 1,880 feet FWL which is one hundred twenty (120) feet from the lease boundary. A waiver of the distance requirements from the offset lease owner will facilitate the approval process for the non-standard location and APD permit.

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.

The proposed location is based on engineering reasons. The proposed well, Corral Fly Federal #3-H, will be directionally drilled from an unorthodox surface location 2,520 feet from the North Line and 1,880 feet from the West Line of Section 10 to a bottom hole location 200 feet from the North Line and 1,880 feet from the West line.

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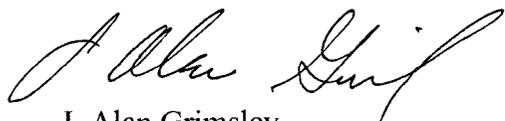
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Thank you for your kind assistance on this matter and your prompt attention will be greatly appreciated.

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.

Agreed to an accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2006

Pogo Producing Company

\_\_\_\_\_  
(Individual Name or Company Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

**via Certified Mail**

Receipt # 7006 3450 0000 6005 7230

Bettis Brothers, Inc.  
500 W. Wall, Suite 312  
Midland, Texas 79701

Re: Corral Fly Federal #3-H well  
Section 10 T25S, R29E  
Corral Fly Prospect  
Eddy County, New Mexico

This is to advise that Southwestern Energy Production Company ("SWN") is preparing to drill the above referenced well. The surface location for this horizontal well is 2520 feet FNL & 1,880 feet FWL which is one hundred twenty (120) feet from the lease boundary. A waiver of the distance requirements from the offset lease owner will facilitate the approval process for the non-standard location and APD permit.

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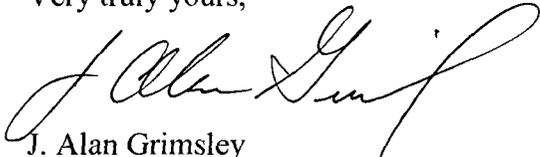
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Southwestern Energy Production Co.

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Bettis Brothers, Inc.

\_\_\_\_\_  
(Individual Name or Company Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

**via Certified Mail**

Receipt # 7006 3450 0000 6005 7247

Sonic Oil & Gas, LP  
P.O. Box 1240  
Graham, Texas 76450

Re: Corral Fly Federal #3-H well  
Section 10 T25S, R29E  
Corral Fly Prospect  
Eddy County, New Mexico

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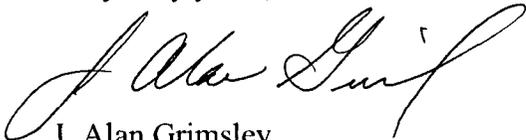
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Sonic Oil & Gas, LP

\_\_\_\_\_  
(Individual Name or Company Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

**via Certified Mail**

Receipt # 7006 3450 0000 6005 7254

Norman D. Stovall, Jr.  
P.O. Box 10  
Graham, Texas 76046

Re: Corral Fly Federal #3-H well  
Section 10 T25S, R29E  
Corral Fly Prospect  
Eddy County, New Mexico

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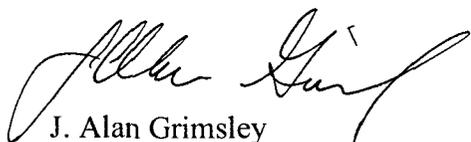
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Very truly yours,



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Southwestern Energy Production Co.

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Norman D. Stovall, Jr.

\_\_\_\_\_  
(Individual Name or Company Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

**via Certified Mail**

Receipt # 7006 3450 0000 6005 7261

H. M. Bettis, Inc.  
P.O. Box 1240  
Graham, Texas 76046

Re: Corral Fly Federal #3-H well  
Section 10 T25S, R29E  
Corral Fly Prospect  
Eddy County, New Mexico

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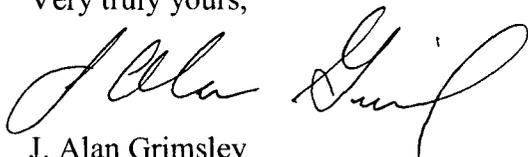
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Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

**via Certified Mail**

**Receipt # 7006 3450 0000 6005 7278**

James R. Quinn  
210 E. Abram, Suite 650  
Arlington, Texas 76010

Re: Corral Fly Federal #3-H well  
Section 10 T25S, R29E  
Corral Fly Prospect  
Eddy County, New Mexico

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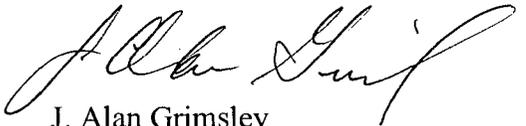
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Agreed to an accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2006

James R. Quinn

\_\_\_\_\_  
(Individual Name or Company Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

**via Certified Mail**

Receipt # 7006 3450 0000 6005 7285

The Allar Company  
P.O. Box 630  
Graham, Texas 76046

Re: Corral Fly Federal #3-H well  
Section 10 T25S, R29E  
Corral Fly Prospect  
Eddy County, New Mexico

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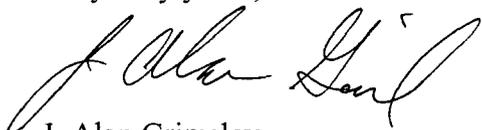
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J. Alan Grimsley  
Southwestern Energy Production Co.

Agreed to an accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2006

The Allar Company

\_\_\_\_\_  
(Individual Name or Company Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

**via Certified Mail**

Receipt # 7006 3450 0000 6005 7292

Eleven Sands Exploration, Inc.  
RR 8 Box 104  
Guthrie, Texas 73044

Re: Corral Fly Federal #3-H well  
Section 10 T25S, R29E  
Corral Fly Prospect  
Eddy County, New Mexico

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Eleven Sands Exploration, Inc.

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(Individual Name or Company Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

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Attachment



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

**via Certified Mail**

Receipt # 7006 3450 0000 6005 7308

B.A.G.A.M., Ltd.  
P.O. Box 37  
Graham, Texas 76046

Re: Corral Fly Federal #3-H well  
Section 10 T25S, R29E  
Corral Fly Prospect  
Eddy County, New Mexico

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Name: \_\_\_\_\_

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Attachment



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

**via Certified Mail**

Receipt # 7006 3450 0000 6005 7315

L. E. Opperman  
1505 Neely  
Midland, Texas 79705

Re: Corral Fly Federal #3-H well  
Section 10 T25S, R29E  
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The well plan consists of drilling a vertical hole to the KOP (kick off point) at 4,732' MD/TVD. The hole will be directional drilled utilizing a build rate of 12°/100' to penetrate the Cherry Canyon 4 Sand at 5,482' MD / 5,209' TVD at 90° of angle. The Cherry Canyon 4 will be intersected at 2,043' FNL and 1,880' FWL of Section 10 T25S R29E. The well will continue laterally (90°) for ±2319' of vertical displacement. The proposed BHL will be 200' FNL & 1,880' FWL of section 10. The top of the Delaware will be intersected at 3,074' MD/TVD at 2,520' FNL and 1,880' FWL of Section 10.

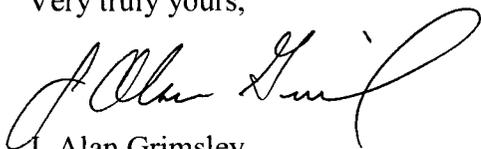
Production casing will be run and cemented to TD. The Cherry Canyon 4 Sand will be selectively perforated, with all perforations being placed in accordance of a standard location of Section 10 T25S R29E (greater than 330' from any lease line).

Please indicate your waiver of the distance requirements for the referenced well in the space provided below, then return one copy hereof to the attention of the undersigned via fax at 281-618-4758.

Thank you for your kind assistance on this matter and your prompt attention will be greatly appreciated.

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.

Agreed to an accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2006

L. E. Opperman

\_\_\_\_\_  
(Individual Name or Company Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

**via Certified Mail**

Receipt # 7006 3450 0000 6005 7322

XTO Energy, Inc.  
810 Houston Street  
Fort Worth, Texas 76102

Re: Corral Fly Federal #3-H well  
Section 10 T25S, R29E  
Corral Fly Prospect  
Eddy County, New Mexico

This is to advise that Southwestern Energy Production Company ("SWN") is preparing to drill the above referenced well. The surface location for this horizontal well is 2520 feet FNL & 1,880 feet FWL which is one hundred twenty (120) feet from the lease boundary. A waiver of the distance requirements from the offset lease owner will facilitate the approval process for the non-standard location and APD permit.

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.

The proposed location is based on engineering reasons. The proposed well, Corral Fly Federal #3-H, will be directionally drilled from an unorthodox surface location 2,520 feet from the North Line and 1,880 feet from the West Line of Section 10 to a bottom hole location 200 feet from the North Line and 1,880 feet from the West line.

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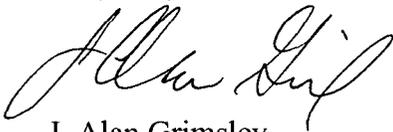
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Thank you for your kind assistance on this matter and your prompt attention will be greatly appreciated.

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.

Agreed to an accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2006

XTO Energy, Inc.

\_\_\_\_\_  
(Individual Name or Company Name)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Attachment