

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
March 31, 2003

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original  
application to the Santa Fe  
office with one copy to the  
appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: Southwestern Energy Production Company

OPERATOR ADDRESS: 2350 N. Sam Houston Pkwy. E., Suite 300, Houston, TX 77032

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. \_\_\_\_\_

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
☒ Yes ☐ No

**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Value of Non- Commingled Production	Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code. Corral Canyon Delaware, NW (Pool No. 96464)

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☐ Other (Specify)

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**(C) POOL and LEASE COMMINGLING**

Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Jill Hegemier  
TYPE OR PRINT NAME Jill Hegemier

TITLE: Production Analyst

DATE: 04/11/2005

TELEPHONE NO: 281/618-4775

## **Information Required for Surface Commingling**

### **Working Interest Owner**

Southwestern Energy Prod. Co. – Applicant

### **Royalty Interest Owners**

#### **Section 2 – Lease # - ST NM V-3361**

Devon Energy Production Company L.P.  
20 N. Broadway  
Oklahoma City, OK 73102

New Mexico State Land Office  
Oil, Gas, and Minerals Division  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

#### **Section 11 – Lease # - ST NM V-3633-2**

EOG Resources, Inc.  
P.O. Box 2267  
Midland, TX 79702

New Mexico State Land Office  
Oil, Gas, and Minerals Division  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

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COMMINGLED

**All Production is from the Corral Canyon Delaware, NW Pool (Pool No. 96464)**

### **Wells to be commingled:**

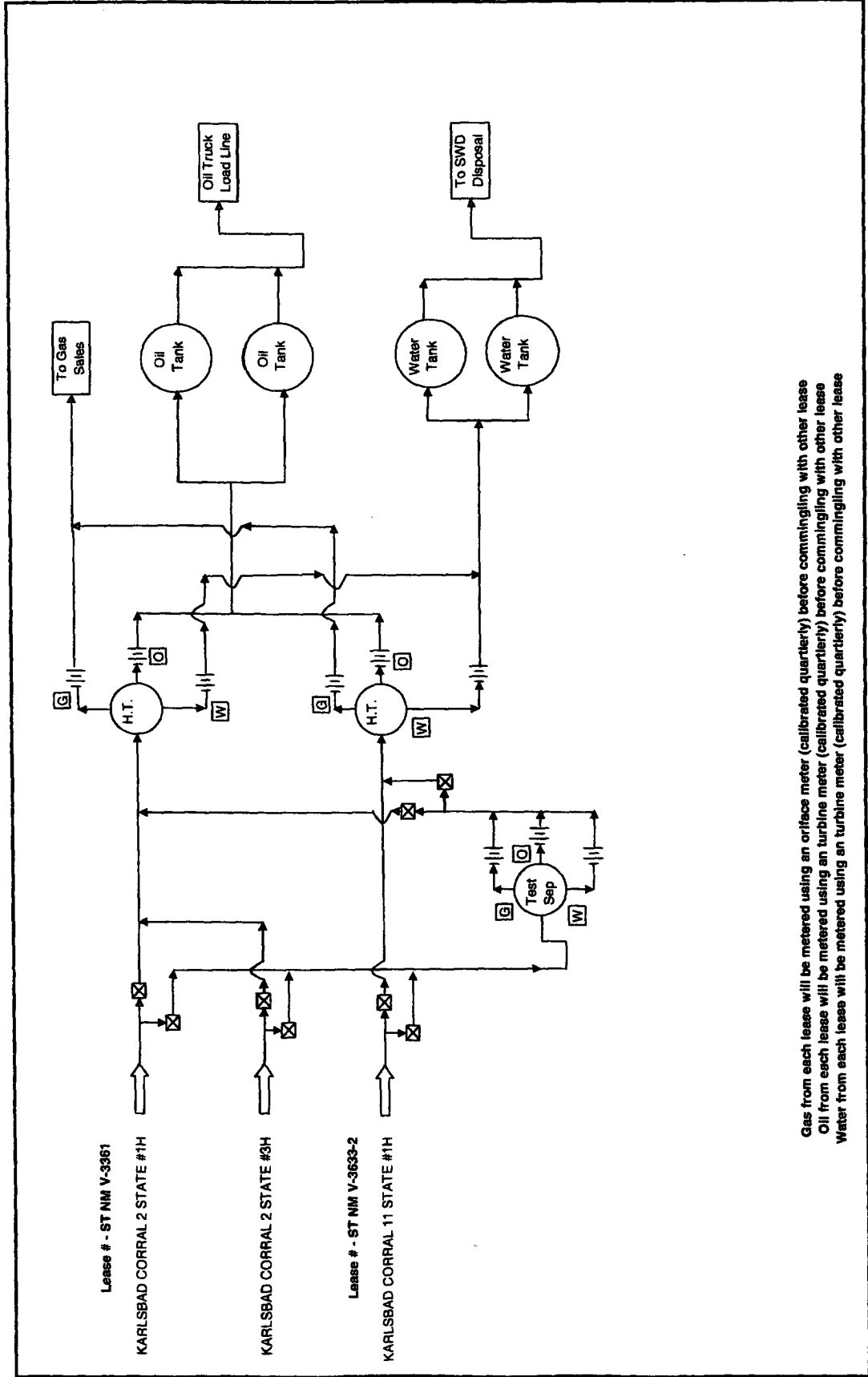
#### **State Lease No. V-3361**

**Karlsbad Corral 2 State #1-H – API # 30-015-33324**  
**Karlsbad Corral 2 State #3-H – API # 30-015-33722**

#### **State Lease No. V-3633-2**

**Karlsbad Corral 11 State #1-H – API # 30-015-33983**

# KARLSBAD CORRAL PRODUCTION FACILITY FACILITY DRAWING SECTIONS 2 AND 11, T-25-S, R-29-E, EDDY COUNTY, NEW MEXICO

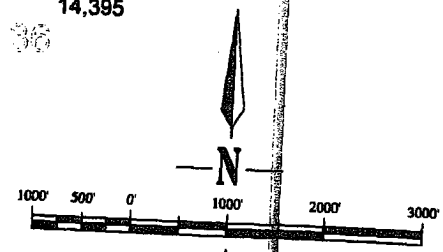


Gas from each lease will be metered using an orifice meter (calibrated quarterly) before commingling with other lease  
 Oil from each lease will be metered using a turbine meter (calibrated quarterly) before commingling with other lease  
 Water from each lease will be metered using a turbine meter (calibrated quarterly) before commingling with other lease

PIERCE GROSSING 36  
14,000

SUPERIOR OIL  
FORCENERGY GAS  
CONCHO  
Oscar St  
14,395  
WD-1

MITCHELL ENERGY  
Corral Fly '35' Fed  
14,000



EASTLAND OIL  
New Year Fed  
5,850

State Lease  
No V-3361  
SANTA FE ENERGY  
Corral Fly Unit  
14,002  
SWN  
Karlsbad Corral 12 S  
7,240

SANTA FE ENERGY  
Corral Fly 11  
8,395

State Lease  
No. V-3633-2

SWN  
Karlsbad Corral 11  
3H

CORRAL FLY  
"CC - 4"

POGO PRODG  
Bradley '13' Fed  
8,600


25S 29E

MOBIL  
Latham Fed  
5,300

MOBIL  
Corral Draw Unit  
15,585

POGO PRODG  
Bradley '13' Fed  
6,000

MOBIL  
Latham Fed  
5,500

**SOUTHWESTERN ENERGY**  
PRODUCTION COMPANY

KARLSBAD CORAL  
EDDY COUNTY, NEW MEXICO

KARLSBAD CORAL AREA  
GAS GATHERING SYSTEM

INTERP. BY: CHUCK CORNISH	DATE: 11-APR-05
DRAFTED BY: S.D.P.	CADFILE: s:\corral fly\corral fly_cc3_8a11
LOC:	GGFFX FILE:

STOVALL  
Fed