Submit 3 Copies To Appropriate District Form C-103 State of New Mexico Office May 27, 2004 Energy, Minerals and Natural Resources District I WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 30-015-35341 District II CAL CONSERVATION DIVISION 1301 W. Grand Ave., Artesia, NM 88210 5. Indicate Type of Lease District III 1220 South St. Francis Dr. STATE Z FEE \square 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe. NM 87505 6. State Oil & Gas Lease No. District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 SUNDRY NOTICES AND REPORTS ON WELLS 7. Lease Name or Unit Agreement Name (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUE Karlsbad Corral SWD DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH 8. Well Number PROPOSALS.) 1. Type of Well: Oil Well Gas Well Other 9. OGRID Number 148111 2. Name of Operator SOUTHWESTERN ENERGY PRODUCTION COMPANY 3. Address of Operator 10. Pool name or Wildcat SWD: Delaware 2350 N. SAM HOUSTON PARKWAY, EAST, HOUSTON, TX 77032 4. Well Location : 2222 feet from the South line and 2640 feet from the East line 11 Township 25S Range 29E Section **NMPM** County Eddy 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3093' GL Pit or Below-grade Tank Application or Closure Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Pit Liner Thickness: Below-Grade Tank: Volume bbls; Construction Material 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK □ PLUG AND ABANDON □ REMEDIAL WORK ALTERING CASING COMMENCE DRILLING OPNS. TEMPORARILY ABANDON **CHANGE PLANS** P AND A **PULL OR ALTER CASING** MULTIPLE COMPL CASING/CEMENT JOB OTHER: OTHER: Perforate 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. (see attached). Anticipate rig up completion unit 02/27/2007. Tag float collar @ 3948' and run GR-CBL. Given sufficient cement bond and zone isolation across authorized injection interval, perforate lower Bell Canyon from approximately 3648' - 3925' (100 holes non-continuous). Stimulate with 4500 gal 15% HCl and perform injection test. If insufficient injectivity, perform sand fracture stimulation using 99,000# 16/30 sand and 53,000 gal 25# cross-link gel. If lower Bell Canyon still has insufficient injectivity, perforate upper interval from approximately 3278'-3604' (100 holes noncontinuous). Repeat above acid and possible sand fracture stimulations as above. Install 2-7/8" internally-coated injection tubing with injection packer set at approximately 180' above top perforations. Perform mechanical integrity test and commence injection. Notify OCD 24 hrs. prior to I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or belowgrade tank has been/will be constructed or closed according to NMOCD guidelines [], a general permit [] or an (attached) alternative OCD-approved plan []. Martha C Howard TITLE Staff Reg. Analyst DATE 2:21:2007 SIGNATURE Type or print name Martha C. Howard For State Use Only **BRYAN G. ARRANT** DISTRICT II GEOLOGIST TITLE APPROVED BY:

Conditions of Approval (if any):