

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

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 2562

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address SOUTHWESTERN ENERGY PRODUCTION COMPANY 2350 N San Houston Pkwy E Houston, TX 77032		OGRID Number 148111
		API Number 30-015-33722
Property Code 33618	Property Name KARLSBAD CORRAL 2 STATE	Well No. 003H

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	2	25S	29E	P	331	S	678	E	Eddy

Bottom Holes

Pool: CORRAL CANYON DELAWARE,NORTHWEST 96464									
UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	2	25S	29E	I	2310	S	660	E	Eddy

Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3084
Multiple N	Proposed Depth 7166	Formation Cherry Canyon	Contractor	Spud Date 12/01/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	850	275	0
Prod	8.75	7	23	5100	275	3500

Casing/Cement Program: Additional Comments

9.625 casing - cement w/ lead 125 sacks (35.65 Poz (fly Ash): Class C + 6% bwoc Bentonite + 2% bwoc Calcium Chloride + 0.25 lbs/sack Cello Flake + 106.5% fresh water, tail 150 sacks Class C + 2% bwoc Calcium Chloride + 56.4% fresh water.
7 casing - cement w/ lead 185 sacks (35.65) Poz (Fly Ash): Class C + 6% bwoc Bentonite + 5% bwow Sodium Chloride + 111.6% Fresh Water, tail w/ 90 sacks Class C + 1% bwoc FL-62 + 0.3% bwoc CD-32 + 3% bwow Sodium Chloride + 56.4% Fresh Water.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

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

Electronically Signed By: Vonnie Bass

Title: Production/Drilling Analyst

Date: 11/16/2004

Phone: 281-618-4739

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 11/18/2004

Expiration Date: 11/18/2005

Conditions of Approval:

There are conditions. See Attached.