

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

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address SOUTHWESTERN ENERGY PRODUCTION COMPANY 2350 N. SAM HOUSTON PKWY E HOUSTON , TX 77032		2. OGRID Number 148111
4. Property Code 33618		3. API Number 30-015-34623
5. Property Name KARLSBAD CORRAL 2 STATE		6. Well No. 006H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	2	25S	29E	3	790	N	2498	W	EDDY

**8. Pool Information**

CORRAL CANYON DELAWARE,NORTHWEST	96464
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3064
14. Multiple N	15. Proposed Depth 7668	16. Formation Cherry Canyon	17. Contractor	18. Spud Date 3/1/2006
Depth to Ground water 140		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 15000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	750	400	0
Prod	8.75	5.5	17	7668	1500	0

**Casing/Cement Program: Additional Comments**

We plan to drill a 12-¼" hole to 750' with fresh water, run 9-5/8" 36 ppf J-55 casing and set at 750' with 500 sxs of cement circulating to surface; Drill 8-¾" hole to 7668' MD (see directional plan) with cut brine, set 5-½" production casing and cement with sufficient to cover 500 feet above all oil and gas bearing zones.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	1500	Shaffer
Annular	3000	1000	Shaffer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Electronically filed by Justin Bender	Approved By: Bryan Arrant	
Title: Manager	Title: Geologist	
Email Address: justin_bender@swn.com	Approved Date: 2/16/2006	Expiration Date: 2/16/2007
Date: 2/2/2006	Phone: 281-618-4797	Conditions of Approval Attached

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(505) 393-6161 Fax:(505) 393-0720

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

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1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102  
 Permit 22616

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34623	2. Pool Code 96464	3. Pool Name CORRAL CANYON DELAWARE,NORTHWEST
4. Property Code 33618	5. Property Name KARLSBAD CORRAL 2 STATE	6. Well No. 006H
7. OGRID No. 148111	8. Operator Name SOUTHWESTERN ENERGY PRODUCTION COMPANY	9. Elevation 3064

10. Surface Location

UL - Lot C	Section 2	Township 25S	Range 29E	Lot Idn	Feet From 790	N/S Line N	Feet From 2498	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 2	Township 25S	Range 29E	Lot Idn 1	Feet From 348	N/S Line N	Feet From 358	E/W Line E	County EDDY
12. Dedicated Acres 119.40		13. Joint or Infill		14. Consolidation Code			15. 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

OPERATOR CERTIFICATION

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

E-Signed By: Justin Bender

Title: Manager

Date: 2/2/2006

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.*

Surveyed By: Gary Edison

Date of Survey: 1/4/2006

Certificate Number: 12641

## Permit Comments

**Operator:** SOUTHWESTERN ENERGY PRODUCTION COMPANY , 148111

**Well:** KARLSBAD CORRAL 2 STATE #006H

**API:** 30-015-34623

Created By	Comment	Comment Date
AGRIMSLEY	H2S Comment: We plan to complete this well in the Delaware and do not anticipate cutting any formations during the drilling of this well that contain H2S. Therefore we do not believe an H2S Contingency Plan is necessary.	2/2/2006
AGRIMSLEY	The surface location for the Karlsbad Corral 2 #4-H is incorrectly listed as Lot C. The correct Lot is Lot N.	2/2/2006
AGRIMSLEY	Emailed directional plan and Form C-102 in tiff.	2/2/2006
BArrant	Well is NSL	2/6/2006

# Permit Conditions of Approval

Operator: SOUTHWESTERN ENERGY PRODUCTION COMPANY , 148111

Well: KARLSBAD CORRAL 2 STATE #006H

API: 30-015-34623

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	Will require a directional survey with the C-104
BArrant	As noted , operator to drill surface hole w/fresh water mud.
BArrant	Operator to set surface casing above Salado formation. Please refer to offset geology for more information.