

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

Energy, Minerals and Natural Resources

Form C-103
Permit 36423

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL API NUMBER

30-015-34936

5. Indicate Type of Lease

S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

KARLSBAD CORRAL 2 STATE

8. Well Number

007H

9. OGRID Number

148111

10. Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: ☐

2. Name of Operator

SOUTHWESTERN ENERGY PRODUCTION COMPANY

3. Address of Operator

2350 N. SAM HOUSTON PKWY E., SUITE 300 HOUSTON, TX 77032

4. Well Location

Unit Letter K : 2510 feet from the S line and 1980 feet from the W line
Section 2 Township 25S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, KB, BT, GR, etc.)

3026 GR.

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐

CASING/CEMENT JOB ☐

Other: **Drilling/Cement** ☒

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.

TD'd well @ 1130 hrs 8/10/2006. Drilled 8-3/4" hole to 5545' and 7-7/8" hole to 7545' MD. Ran 5-1/2" casing to 7545' MD. Cemented with 750 sxs Class "C" at 14.8 ppg (1.33 yield). Dropped dart and opened stage tool at 5,012' MD. Cemented 2nd stage with 910 sxs 50/50 Poz @ 11.7 ppg (2.48 yield) followed by 100 sxs Class "C" @ 14.8 ppg (1.33 Yield). Circulated 11 bbls to surface. Bumped plug. Released pressure and floats held. PU BOP stack and set casing slips. Made final cut on 5-1/2" casing. NU 11" 3M x 7-1/16" 5M tubing head and tested to 1000 psig. ok. Installed dry hole tree. Rel

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
07/23/06	Surf	FreshWater	12.25	9.625	36	J-55	0	769	325	1.88	Poz "C"		1000	0	Y
07/23/06	Surf	FreshWater	12.25	9.625	36	J-55	469	769	200	1.34	C		1000	0	Y
08/13/06	Prod	Brine	7.875	5.5	17	P-110	5012	7545	750	1.33	C				Y
08/13/06	Prod	Brine	7.875	5.5	17	P-110	0	7545	910	2.48	Poz				Y

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 below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed

TITLE Manager

DATE 8/16/2006

Type or print name Justin Bender

E-mail address justin_bender@swn.com

Telephone No. 281-618-4797

For State Use Only:

APPROVED BY: Bryan Arrant

TITLE Geologist

DATE 8/17/2006 9:15:46 AM

Drilling Comments

OGRID: [148111] SOUTHWESTERN ENERGY PRODUCTION COMPANY

Permit Number: 36423

Permit Type: Drilling

Created By	Comment	Comment Date
BArrant	Operator to comply with submitting all regulatory reports as in submitting e-logs, well deviation report, completion reports, etc. In addition, but not limited to, operator to comply with NMOC Rules 19.15.4.201 & 19.15.4.202.	8/17/2006