

**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 34697		3. API Number 30-015-35135
5. Property Name KARLSBAD CORRAL 11 STATE		6. Well No. 004H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	11	25N	29E	H	1340	N	660	E	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 3089
14. Multiple N	15. Proposed Depth 7655	16. Formation Cherry Canyon	17. Contractor	18. Spud Date 9/1/2006
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: 13000 _____ 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	7655	1500	0

**Casing/Cement Program: Additional Comments**

We plan to drill a 12-1/4" hole to 750' with fresh water, run 9-5/8" 36 ppf J-55 casing and set at 750' with 400 sxs of cement circulating to surface. Drill a 8-3/4" directional (horizontal) hole to 7665' MD and set 5-1/4" production casing and cement with sufficient cement to cover 500 feet above all oil and gas bearing zones.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	3000	Shaffer
Annular	5000	1500	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: 9/11/2006	Expiration Date: 9/11/2007
Date: 8/9/2006	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

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Form C-102  
 Permit 35888

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-35135	2. Pool Code 96464	3. Pool Name CORRAL CANYON DELAWARE,NORTHWEST
4. Property Code 34697	5. Property Name KARLSBAD CORRAL 11 STATE	6. Well No. 004H
7. OGRID No. 148111	8. Operator Name SOUTHWESTERN ENERGY PRODUCTION COMPANY	9. Elevation 3089

**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 80.00	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**

	<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Justin Bender          Title: Manager          Date: 8/9/2006</p>
	<p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p>Surveyed By: Ronald Eidson          Date of Survey: 8/8/2006          Certificate Number: 3239</p>

## Permit Comments

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

**Well:** KARLSBAD CORRAL 11 STATE #004H

**API:** 30-015-35135

Created By	Comment	Comment Date
AGRIMSLEY	H2S Comment: We plan to drill this well in the Delaware and do not anticipate cutting any formations during the drilling of the well that contain H2S. Therefore, we do not believe an H2S Contingency Plan is necessary.	8/9/2006
AGRIMSLEY	Emailed directional Plan, Location and Pit Diagram, and Form C-102 to B Arrant on 8/9/2006	8/9/2006

# Permit Conditions of Approval

Operator: SOUTHWESTERN ENERGY PRODUCTION COMPANY , 148111

Well: KARLSBAD CORRAL 11 STATE #004H

API: 30-015-35135

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	Operator to set surface casing above the Salado. Please refer to offset geology for more information.