

26 June.07 DATE IN	SUSPENSE	D. Catanzaro LOGGED IN	27 June.07 LOGGED IN	NSC TYPE	PLP0717840846 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name	Signature	Title	Date
		e-mail Address	



**Southwestern Energy
Production Company**

A subsidiary of Southwestern Energy Company

2350 N. Sam Houston Parkway East
Suite 300
Houston, Texas 77032
(281) 618-4700 FAX: (281) 618-4757

June 21, 2007

RECEIVED

JUN 26 2007

Richard Ezeanyim
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Ezeanyim:

Pursuant to Division Rule 104.F.(2), Southwestern Energy Production Company is requesting approval for of an unorthodox oil well location for the following well:

Well: Pickett Draw 16 Well No. 2-H
Location: 2,600 feet FNL & 1,530 feet FEL
Well Unit: SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 16, Township 25 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico

The well will be drilled to test the Cherry Canyon 4 formation (West Corral Canyon, Delaware Pool). The pool is spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line and for the subject well an exception to this 330' requirement is requested. A form C-102 is attached.

The proposed location is based on engineering reasons. The proposed well, Pickett Draw 16 #2-H, will be directionally drilled from an unorthodox surface location 2,600 feet from the North Line and 1,530 feet from the East Line of Section 16 to a bottom hole location 200 feet from the North Line and 1,530 feet from the East line.

The well plan consists of drilling a vertical hole to the KOP (kick off point) at 4,669' MD/TVD. The hole will be directional drilled utilizing a build rate of 12°/100' to penetrate the Cherry Canyon 4 Sand at 5,419' MD / 5,146' TVD at 90° of angle. The Cherry Canyon 4 will be intersected at 2,123' FNL and 1,530' FEL of Section 16 T25S R29E. The well will continue laterally (90°) for $\pm 2,399'$ of vertical displacement. The proposed BHL will be 200' FNL & 1,530' FEL of section 16. The top of the Delaware will be intersected at 3,019' MD/TVD at 2,600' FNL and 1,530' FEL of Section 16. A drilling prognosis, directional plot, and proposed survey report are attached.

Production casing will be run and cemented to TD. The Cherry Canyon 4 Sand will be selectively perforated, with all perforations being placed in accordance of a standard location of Section 16 T25S R29E (greater than 330' from any lease line).

Und.

By placing the surface location at 2,600' FNL and 1,530' FEL of Section 16, the maximum amount of reservoir rock in the Cherry Canyon 4 Sand in the producing area can be penetrated and produced.

Devon Energy Corporation, the offset lease operator, has been notified of our request for an unorthodox well location for the Pickett Draw 16 #2-H well.

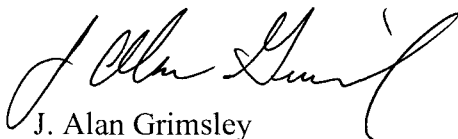
The Pickett Draw 16 #2-H will be drilled from Unit G and TD in Unit B of Section 16, T25S, R29E in Eddy County, New Mexico and will be 210' from the quarter-quarter line and 1000' from the proposed Southwestern Energy Production Co.'s Pickett Draw 16 #1-H well.

Furthermore, Southwestern Energy Production Company has gained 100% access to mineral interests in the NE¼ Section 16 via lease agreement with the state of New Mexico (Lease Serial No. VB10650000) A land plat is attached.

Your expedited approval of this unorthodox location is requested.

If you have any questions, I can be reached at 281-618-4068 or by email at alan_grimsley@swn.com.

Very truly yours,

A handwritten signature in black ink, appearing to read 'J. Alan Grimsley', written in a cursive style.

J. Alan Grimsley
Southwestern Energy Production Co.

Attachments
CC: District 2

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, 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 Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name PICKETT DRAW STATE 16	Well Number 2H
OGRID No.	Operator Name SOUTHWESTERN ENERGY PRODUCTION COMPANY	Elevation 2995'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	16	25-S	29-E		2600	NORTH	1530	EAST	EDDY

Bottom Hole Location If Different From Surface

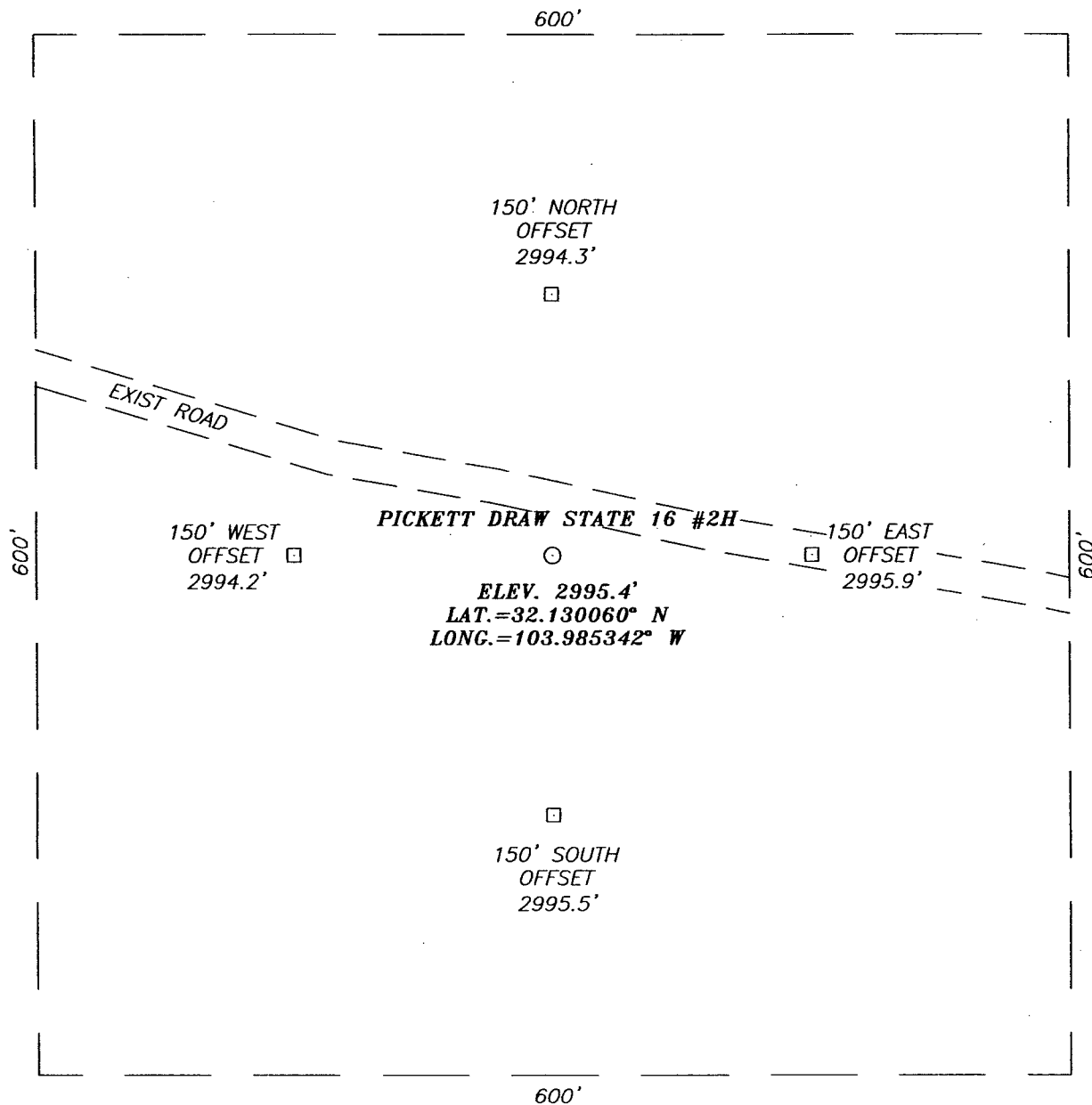
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	25-S	29-E		200	NORTH	1530	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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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

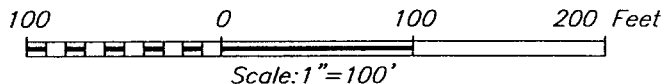
<p>BOTTOM HOLE Y=413611.4' N X=607708.0' E</p> <p>GR. AZ.=359°38'07" H. DIST.=2400.0'</p> <p>Producing Area</p> <p>Project Area</p> <p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=411212.0' N X=607723.2' E</p> <p>LAT.=32.130060° N LONG.=103.985342° W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>James Alan Grimsley</i> 5/3/07 Signature Date JAMES ALAN GRIMSLEY Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>DECEMBER 18, 2006</p> <p>Date Surveyed JR</p> <p>Signature & Seal of Professional Surveyor GARY EIDSON NEW MEXICO 1/21/07 06-11-1998</p> <p>Certificate No. GARY EIDSON 12641 CHAD HARCROW 17777</p>
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SECTION 16, TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #285 AND CO. RD. #725 (WHITEHORN RD.), GO NORTHEAST ON CO. RD. #725 APPROX. 5.5 MILES. TURN LEFT AND GO NORTH APPROX. 3.5 MILES. TURN LEFT AND GO NORTHWEST APPROX. 0.3 MILES. THIS LOCATION IS APPROX. 35 FEET SOUTH.



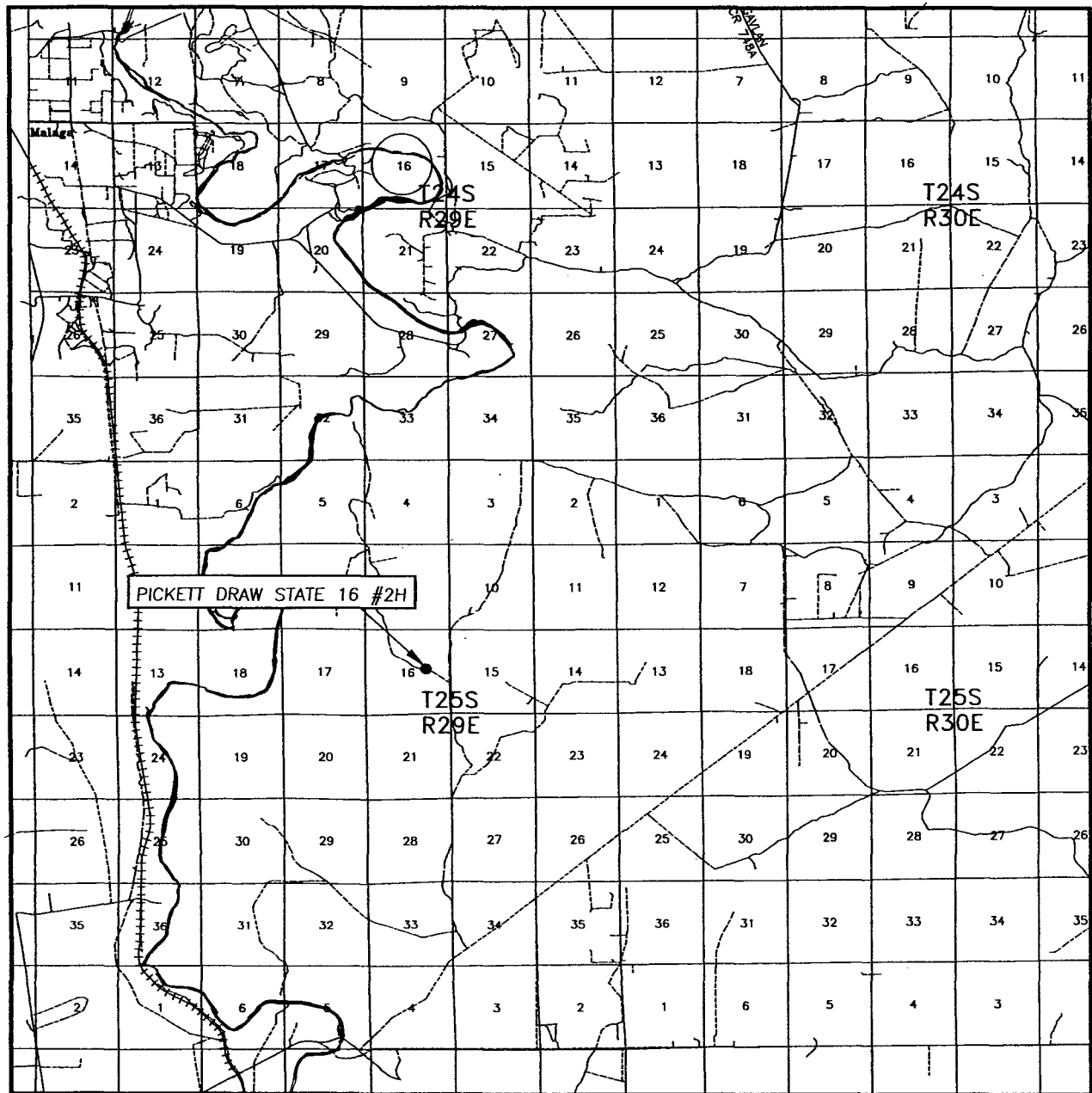
PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

SOUTHWESTERN ENERGY PRODUCTION COMPANY

PICKETT DRAW STATE 16 #2H
 LOCATED 2600 FEET FROM THE NORTH LINE
 AND 1530 FEET FROM THE EAST LINE OF SECTION 16,
 TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 12/18/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.1998	Dr By: J.R.
Date: 12/28/06	Disk: CD#6
06111998	Scale: 1"=100'

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 16 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.

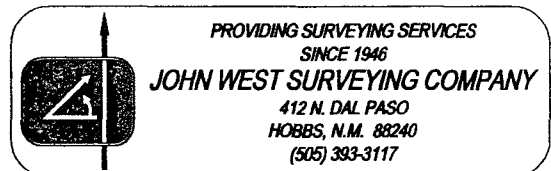
COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2600' FNL & 1530' FEL

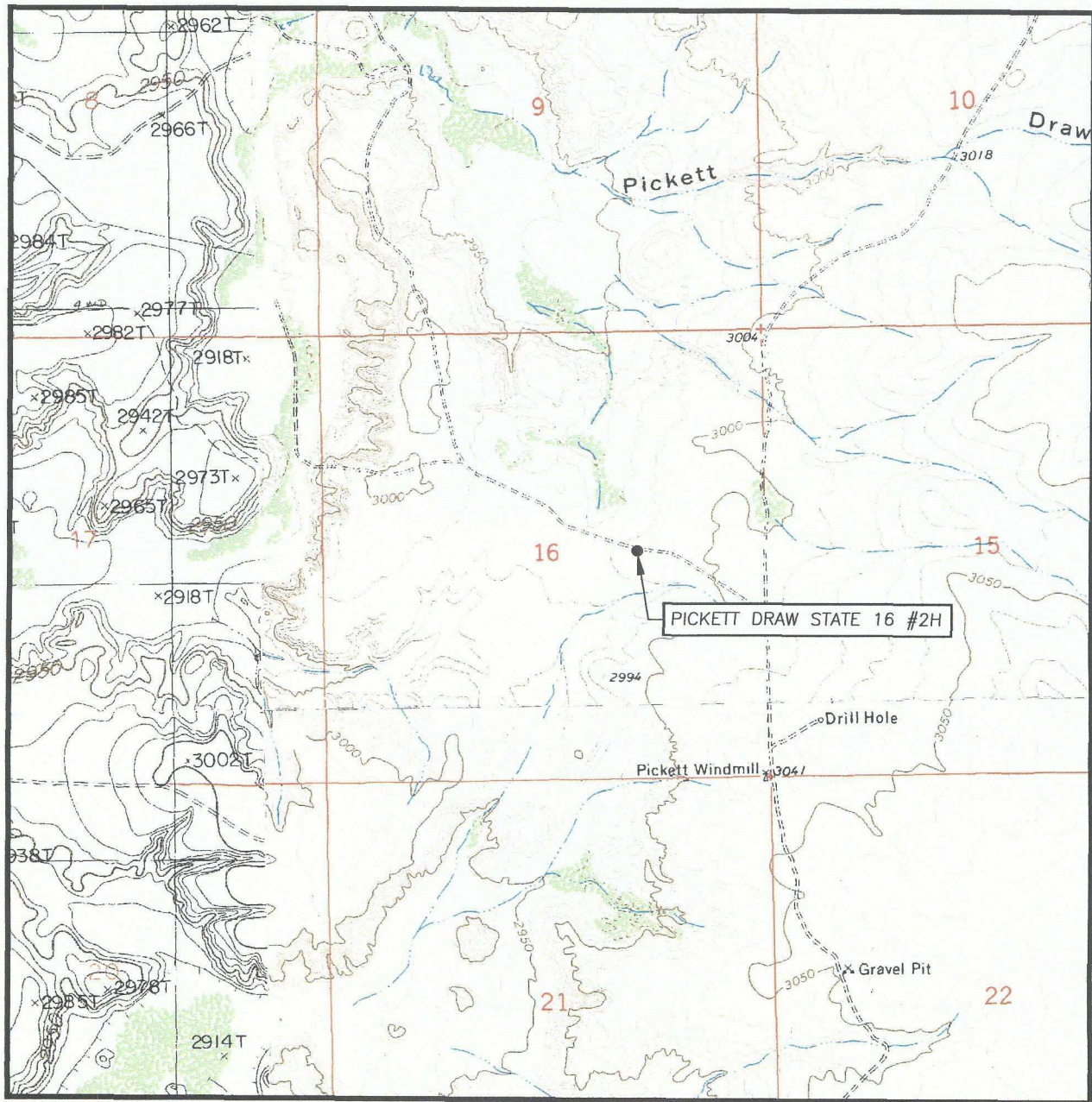
ELEVATION 2995'

SOUTHWESTERN ENERGY
OPERATOR PRODUCTION COMPANY

LEASE PICKETT DRAW STATE 16



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

SEC. 16 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2600' FNL & 1530' FEL

ELEVATION 2995'

OPERATOR SOUTHWESTERN ENERGY PRODUCTION COMPANY

LEASE PICKETT DRAW STATE 16

U.S.G.S. TOPOGRAPHIC MAP
PIERCE CANYON, N.M.

CONTOUR INTERVAL:
PIERCE CANYON, N.M. - 10'
ROSS RANCH, N.M. - 10'
RED BLUFF, N.M. - 10'
MALAGA, N.M. - 10'



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
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DRILLING PROGNOSIS
Southwestern Energy Production Company

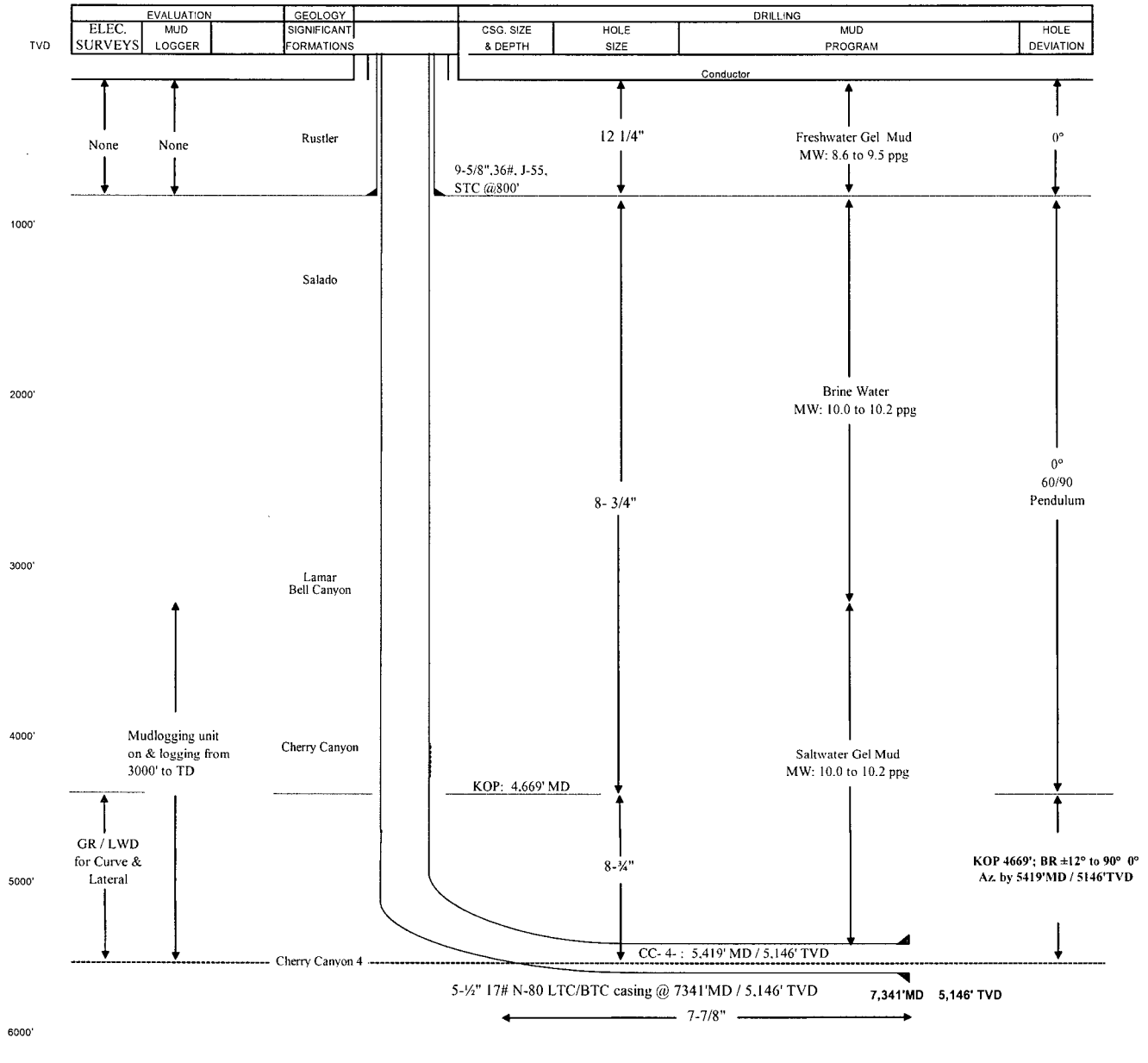
WELL NAME: Pickett Draw 16 #2-H

AFE NO.

LOCATION: Sec. 16, T25S, R29E
Eddy County NM
SL: 2600' FNL 1530' FEL
BHL: 200' FNL 1530' FEL
TGT ENTRY PT: 2123' FNL 1530' FEL
OBJECTIVE: Cherry Canyon Sd, CC-4

PROSPECT: West Corral Canyon

EST. ELEVATION: GL 2995'; RKB \pm 16"



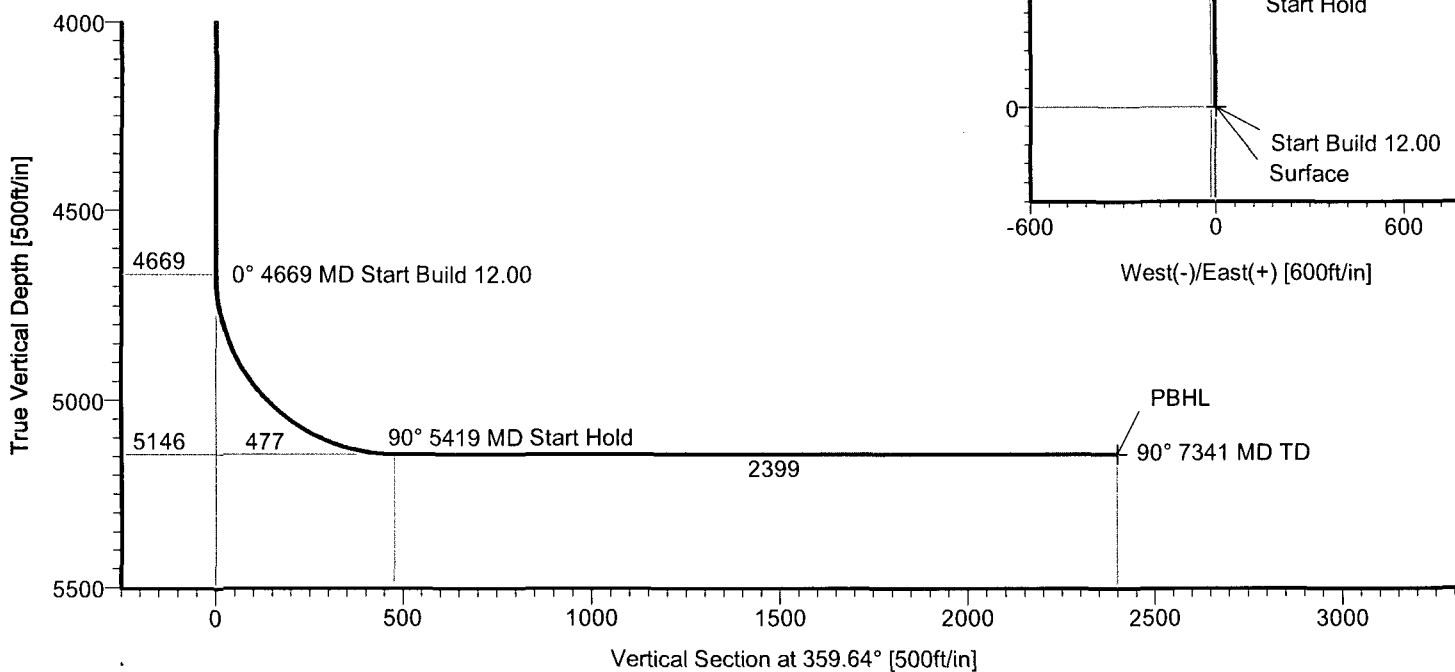
SOUTHWESTERN ENERGY COMPANY

Field: Eddy County, NM
 Site: Pickett Draw 16 #2H
 Well: #2H
 Wellpath: Original Hole
 Plan: Plan #1



Azimuths to Grid North
 True North: -0.19°
 Magnetic North: 8.05°

Magnetic Field
 Strength: 48962nT
 Dip Angle: 60.13°
 Date: 5/31/2007
 Model: igrf2005



TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
Surface	0.00	0.00	0.00	411212.00	607723.20	Point
PBHL	5146.00	2399.40	-15.20	413611.40	607708.00	Point

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	359.64	0.00	0.00	0.00	0.00	0.00	0.00	
2	4668.54	0.00	359.64	4668.54	0.00	0.00	0.00	0.00	0.00	
3	5418.54	90.00	359.64	5146.00	477.46	-3.02	12.00	359.64	477.46	
4	7340.52	90.00	359.64	5146.00	2399.40	-15.20	0.00	0.00	2399.45	PBHL

STRATA
 DIRECTIONAL TECHNOLOGY, INC.

STRATA DIRECTIONAL TECHNOLOGY, INC.
 1034 Regional Park Drive Houston, Texas 77060
 Phone: 713-934-9600 Fax: 713-934-9067

Plan: Plan #1 (#2H/Original Hole)
 Created By: Ashley Wischnewsky Date: 5/31/2007
 Checked: _____ Date: _____

Strata Directional Technologies, Inc.

Planning Report

Company: SOUTHWESTERN ENERGY COMPANY		Date: 5/31/2007	Time: 14:59:40	Page: 1
Field: Eddy County, NM		Co-ordinate(NE) Reference: Well: #2H, Grid North		
Site: Pickett Draw 16 #2H		Vertical (TVD) Reference: SITE 3011.0		
Well: #2H		Section (VS) Reference: Well (0.00N,0.00E,359.64Azi)		
Wellpath: Original Hole		Plan: Plan #1		

Field: Eddy County, NM	
Map System: US State Plane Coordinate System 1927	Map Zone: New Mexico, Eastern Zone
Geo Datum: NAD27 (Clarke 1866)	Coordinate System: Well Centre
Sys Datum: Mean Sea Level	Geomagnetic Model: igrf2005

Site: Pickett Draw 16 #2H	
Site Position:	Northing: 411212.00 ft
From: Map	Easting: 607723.20 ft
Position Uncertainty: 0.00 ft	Latitude: 32 7 48.216 N
Ground Level: 2995.00 ft	Longitude: 103 59 7.231 W
	North Reference: Grid
	Grid Convergence: 0.19 deg

Well: #2H		Slot Name:	
Well Position:	Northing: 411212.00 ft	Latitude: 32 7 48.216 N	
+N/-S 0.00 ft	Easting: 607723.20 ft	Longitude: 103 59 7.231 W	
+E/-W 0.00 ft			
Position Uncertainty: 0.00 ft			

Wellpath: Original Hole		Drilled From: Surface	
Current Datum: SITE	Height 3011.00 ft	Tie-on Depth: 0.00 ft	
Magnetic Data: 5/31/2007		Above System Datum: Mean Sea Level	
Field Strength: 48962 nT		Declination: 8.24 deg	
Vertical Section: Depth From (TVD)	+N/-S ft	Mag Dip Angle: 60.13 deg	
ft	ft	+E/-W ft	Direction deg
0.00	0.00	0.00	359.64

Plan: Plan #1		Date Composed: 5/31/2007
Principal: No		Version: 1
		Tied-to: From Surface

Plan Section Information										
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	359.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4668.54	0.00	359.64	4668.54	0.00	0.00	0.00	0.00	0.00	0.00	
5418.54	90.00	359.64	5146.00	477.46	-3.02	12.00	12.00	0.00	359.64	
7340.52	90.00	359.64	5146.00	2399.40	-15.20	0.00	0.00	0.00	0.00	PBHL

Survey										
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
4668.54	0.00	359.64	4668.54	0.00	0.00	0.00	0.00	0.00	0.00	
4675.00	0.78	359.64	4675.00	0.04	0.00	0.04	12.00	12.00	0.00	
4700.00	3.78	359.64	4699.98	1.04	-0.01	1.04	12.00	12.00	0.00	
4725.00	6.78	359.64	4724.87	3.33	-0.02	3.33	12.00	12.00	0.00	
4750.00	9.78	359.64	4749.61	6.93	-0.04	6.93	12.00	12.00	0.00	
4775.00	12.78	359.64	4774.12	11.82	-0.07	11.82	12.00	12.00	0.00	
4800.00	15.78	359.64	4798.35	17.98	-0.11	17.98	12.00	12.00	0.00	
4825.00	18.78	359.64	4822.21	25.41	-0.16	25.41	12.00	12.00	0.00	
4850.00	21.78	359.64	4845.66	34.07	-0.22	34.07	12.00	12.00	0.00	
4875.00	24.78	359.64	4868.63	43.95	-0.28	43.95	12.00	12.00	0.00	
4900.00	27.78	359.64	4891.04	55.01	-0.35	55.01	12.00	12.00	0.00	
4925.00	30.78	359.64	4912.84	67.24	-0.43	67.24	12.00	12.00	0.00	
4950.00	33.78	359.64	4933.98	80.59	-0.51	80.59	12.00	12.00	0.00	
4975.00	36.78	359.64	4954.39	95.02	-0.60	95.02	12.00	12.00	0.00	
5000.00	39.78	359.64	4974.01	110.51	-0.70	110.51	12.00	12.00	0.00	
5025.00	42.78	359.64	4992.80	126.99	-0.80	127.00	12.00	12.00	0.00	
5050.00	45.78	359.64	5010.69	144.45	-0.92	144.45	12.00	12.00	0.00	

Strata Directional Technologies, Inc.

Planning Report

Company: SOUTHWESTERN ENERGY COMPANY
Field: Eddy County, NM
Site: Pickett Draw 16 #2H
Well: #2H
Wellpath: Original Hole

Date: 5/31/2007
Co-ordinate(NE) Reference: Well: #2H, Grid North
Vertical (TVD) Reference: SITE 3011.0
Section (VS) Reference: Well (0.00N,0.00E,359.64Azi)
Plan: Plan #1

Page: 2

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
5075.00	48.78	359.64	5027.65	162.81	-1.03	162.81	12.00	12.00	0.00	
5100.00	51.78	359.64	5043.63	182.03	-1.15	182.04	12.00	12.00	0.00	
5125.00	54.78	359.64	5058.58	202.07	-1.28	202.07	12.00	12.00	0.00	
5150.00	57.78	359.64	5072.46	222.86	-1.41	222.86	12.00	12.00	0.00	
5175.00	60.78	359.64	5085.23	244.35	-1.55	244.35	12.00	12.00	0.00	
5200.00	63.78	359.64	5096.86	266.47	-1.69	266.48	12.00	12.00	0.00	
5225.00	66.78	359.64	5107.31	289.18	-1.83	289.19	12.00	12.00	0.00	
5250.00	69.78	359.64	5116.56	312.40	-1.98	312.41	12.00	12.00	0.00	
5275.00	72.78	359.64	5124.59	336.08	-2.13	336.08	12.00	12.00	0.00	
5300.00	75.78	359.64	5131.36	360.14	-2.28	360.14	12.00	12.00	0.00	
5325.00	78.78	359.64	5136.87	384.52	-2.44	384.53	12.00	12.00	0.00	
5350.00	81.78	359.64	5141.09	409.16	-2.59	409.16	12.00	12.00	0.00	
5375.00	84.78	359.64	5144.02	433.98	-2.75	433.99	12.00	12.00	0.00	
5400.00	87.78	359.64	5145.64	458.93	-2.91	458.93	12.00	12.00	0.00	
5418.54	90.00	359.64	5146.00	477.46	-3.02	477.46	12.00	12.00	0.00	
5500.00	90.00	359.64	5146.00	558.92	-3.54	558.93	0.00	0.00	0.00	
5600.00	90.00	359.64	5146.00	658.92	-4.17	658.93	0.00	0.00	0.00	
5700.00	90.00	359.64	5146.00	758.91	-4.81	758.93	0.00	0.00	0.00	
5800.00	90.00	359.64	5146.00	858.91	-5.44	858.93	0.00	0.00	0.00	
5900.00	90.00	359.64	5146.00	958.91	-6.07	958.93	0.00	0.00	0.00	
6000.00	90.00	359.64	5146.00	1058.91	-6.71	1058.93	0.00	0.00	0.00	
6100.00	90.00	359.64	5146.00	1158.91	-7.34	1158.93	0.00	0.00	0.00	
6200.00	90.00	359.64	5146.00	1258.90	-7.98	1258.93	0.00	0.00	0.00	
6300.00	90.00	359.64	5146.00	1358.90	-8.61	1358.93	0.00	0.00	0.00	
6400.00	90.00	359.64	5146.00	1458.90	-9.24	1458.93	0.00	0.00	0.00	
6500.00	90.00	359.64	5146.00	1558.90	-9.88	1558.93	0.00	0.00	0.00	
6600.00	90.00	359.64	5146.00	1658.90	-10.51	1658.93	0.00	0.00	0.00	
6700.00	90.00	359.64	5146.00	1758.89	-11.14	1758.93	0.00	0.00	0.00	
6800.00	90.00	359.64	5146.00	1858.89	-11.78	1858.93	0.00	0.00	0.00	
6900.00	90.00	359.64	5146.00	1958.89	-12.41	1958.93	0.00	0.00	0.00	
7000.00	90.00	359.64	5146.00	2058.89	-13.04	2058.93	0.00	0.00	0.00	
7100.00	90.00	359.64	5146.00	2158.89	-13.68	2158.93	0.00	0.00	0.00	
7200.00	90.00	359.64	5146.00	2258.88	-14.31	2258.93	0.00	0.00	0.00	
7300.00	90.00	359.64	5146.00	2358.88	-14.94	2358.93	0.00	0.00	0.00	
7340.52	90.00	359.64	5146.00	2399.40	-15.20	2399.45	0.00	0.00	0.00	PBHL

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude ---> Deg Min Sec			<--- Longitude ---> Deg Min Sec		
Surface			0.00	0.00	0.00	411212.00	607723.20	32	7	48.216 N	103	59	7.231 W
PBHL			5146.00	2399.40	-15.20	413611.40	607708.00	32	8	11.962 N	103	59	7.318 W



8

WILLS NE
SUPERIOR

1



9

10

BETTIS BO
PICKETT DRAW FEDERAL

3

BH: 200' FNL
1,530' FELDEVON ENE
CHIMAYO '16' STATE

1

DEVON ENE
CHIMAYO '16' STATE

2



17

16

SWN
Pickett Draw
State 16

2H

SL

SL: 2,600' FNL
1,530' FELSWN
Pickett Draw
State 16

1H

SL

15

BENNETT J
SUPERIOR-FEDERAL 15

1



MARBOB EN

21

Pickett Draw State 16

Proposed Well Type

● BH

□ SL

— Quarter Sec

■ SWN Lease



SOUTHWESTERN ENERGY COMPANY

Pickett Draw State 16 2H
Eddy Co. New Mexico
T25S - R29E Sec 16

Interp. By:

Date: 6-13-2007

(Z:\GIS\Alan-Grimsley\New_Mexico\Eddy\Pickett_Draw_State_16\Pickett_Draw.mxd)

Projection: New Mexico East - Nad 27

Scale: 1" = 1,000'



**Southwestern Energy
Production Company**

A subsidiary of Southwestern Energy Company

2350 N. Sam Houston Parkway East
Suite 300
Houston, Texas 77032
(281) 618-4700 FAX: (281) 618-4757

June 21, 2007

Via Certified Mail

Receipt #7006 3450 0000 6005 7339

Devon Energy Corporation
20 N. Broadway Ave
Suite 1500
Oklahoma City, Oklahoma 73102-8260

Attn: Mr. Ken Gray

Re: Pickett Draw 16 #2-H
Section 16 T25S, R29E
Corral Canyon West Prospect
Eddy County, New Mexico

This is to advise that Southwestern Energy Production Company ("SWN") is preparing to drill the above referenced well. The surface location for this horizontal well is 2,600 feet FNL & 1,530 feet FEL which is forty (40) feet from the lease boundary. A waiver of the distance requirements from the offset lease owner will facilitate the approval process for the non-standard location and APD permit.

The well will be drilled to test the Cherry Canyon formation (West Corral Canyon, Delaware Pool). The pool is spaced on 40 acres, with wells to be located no closer than 330 feet to a quarter-quarter section line and for the subject well an exception to this 330' requirement is requested.

The proposed well, Pickett Draw 16 #2-H, will be directionally drilled from an unorthodox surface location 2,600 feet from the North Line and 1,530 feet from the East Line of Section 16 to a bottom hole location 200 feet from the North Line and 1,530 feet from the East line. A survey plat that illustrates the Producing and Project Areas is attached.

The well plan consists of drilling a vertical hole to the KOP (kick off point) at 4,669' MD/TVD. The hole will be directional drilled utilizing a build rate of 12°/100' to penetrate the Cherry Canyon 4 Sand at 5,419' MD / 5,146' TVD at 90° of angle. The Cherry Canyon 4 will be intersected at 2,123' FNL and 1,530' FEL of Section 16 T25S R29E. The well will continue laterally (90°) for ±2,399' of vertical displacement. The proposed BHL will be 200' FNL & 1,530' FEL of section 16. The top of the Delaware will be intersected at 3,019' MD/TVD at 2,600' FNL and 1,530' FEL of Section 16. A drilling prognosis, directional plot, and proposed survey report are attached.

Production casing will be run and cemented to TD. The Cherry Canyon 4 Sand will be selectively perforated, with all perforations being placed in accordance of a standard location of Section 16 T25S R29E (greater than 330' from any lease line).

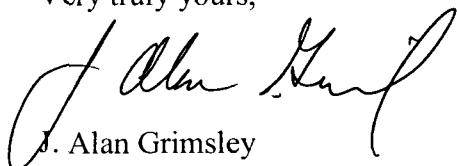
The Pickett Draw 16 #2-H will be drilled from Unit G and TD in Unit B of Section 16, T25S, R29E in Eddy County, New Mexico and will be 210' from the quarter-quarter line and 1000' from the proposed Southwestern Energy Production Co.'s Pickett Draw 16 #1-H well.

Please indicate your waiver of the distance requirements for the referenced well in the space provided below, then return one copy hereof to the attention of the undersigned via fax at 281-618-4758.

Thank you for your kind assistance on this matter and your prompt attention will be greatly appreciated.

If you have any questions, I can be reached at 281-618-4068 or by email at alan_grimsley@swn.com.

Very truly yours,



J. Alan Grimsley
Southwestern Energy Production Co.

Agreed to and accepted this _____ day of _____, 2006

Devon Energy Corporation

(Individual Name or Company Name)

By: _____

Name: _____

Title: _____

Attachments



**Southwestern Energy
Production Company**

A subsidiary of Southwestern Energy Company

RECEIVED
2007 JUL 31 AM 9 32
2350 N. Sam Houston Parkway East
Suite 800
Houston, Texas 77032
(281) 618-4700 FAX: (281) 618-4757

July 30, 2007

David Catanach
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Catanach:

I have mailed a copy of Southwestern Energy Production Company's request for a non-standard location to EOG Resources. Attached is a copy of the notification letter for your records.

If you have any questions, I can be reached at 281-618-4068 or by email at alan_grimsley@swn.com.

Very truly yours,

J. Alan Grimsley
Southwestern Energy Production Co.

Attachment



**Southwestern Energy
Production Company**

A subsidiary of Southwestern Energy Company

2350 N. Sam Houston Parkway East
Suite 300
Houston, Texas 77032
(281) 618-4700 FAX: (281) 618-4757

July 30, 2007

Via Certified Mail

Receipt #7006 3450 0000 6005 7452

EOG Resources, Inc
4000 North Big Spring
Suite 500
Midland, Texas 79705

Attn: Mr. Richard L. Lanning

Re: Pickett Draw 16 #2-H
Section 16 T25S, R29E
Corral Canyon West Prospect
Eddy County, New Mexico

This is to advise that Southwestern Energy Production Company ("SWN") is preparing to drill the above referenced well. The surface location for this horizontal well is 2,600 feet FNL & 1,530 feet FEL which is forty (40) feet from the lease boundary. A waiver of the distance requirements from the offset lease owner will facilitate the approval process for the non-standard location and APD permit.

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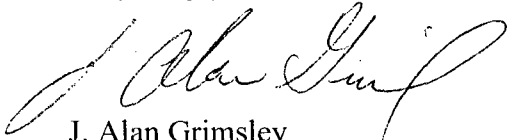
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Please indicate your waiver of the distance requirements for the referenced well in the space provided below, then return one copy hereof to the attention of the undersigned via fax at 281-618-4758.

Thank you for your kind assistance on this matter and your prompt attention will be greatly appreciated.

If you have any questions, I can be reached at 281-618-4068 or by email at alan_grimsley@swn.com.

Very truly yours,



J. Alan Grimsley
Southwestern Energy Production Co.

Agreed to an accepted this _____ day of _____, 2006

EOG Resources, Inc

(Individual Name or Company Name)

By: _____

Name: _____

Title: _____

Attachments

Catanach, David, EMNRD

From: Alan Grimsley [Alan_Grimsley@SWN.COM]
Sent: Wednesday, July 25, 2007 10:01 AM
To: Catanach, David, EMNRD
Cc: Al D. Gomez; Sarah E. Golding; Randy Wells
Subject: RE: Picket Draw 16 no. 2H

David,

Devon operates the acreage due south of the surface location.

In our internal field development plan for the Pickett Draw 16 North East Quarter Section lease, we placed both of our wells, the #1-H & #2-H (spaced 1000' apart) in the optimum geological location to maximize the anticipated reservoir quality and thickness that we would encounter. We believe our target reservoir, the Cherry Canyon 4 sand, has better development in the eastern portion of the quarter section.

Let me know if I can provide any additional information.

My apologies for not providing information on the encroachment on the eastern boundary. The only party affected would be Southwestern Energy.

Regards,
Alan

Alan Grimsley
Drilling Engineer
Permian Basin/Gulf Coast Team
Unconventional Resources Team
Office: (281) 618-4068
Fax: (281) 618-4758
Mobile: (713) 492-1657
email: alan_grimsley@swn.com

From: Catanach, David, EMNRD [mailto:david.catanach@state.nm.us]
Sent: Wednesday, July 25, 2007 10:32 AM
To: Alan Grimsley
Subject: Picket Draw 16 no. 2H

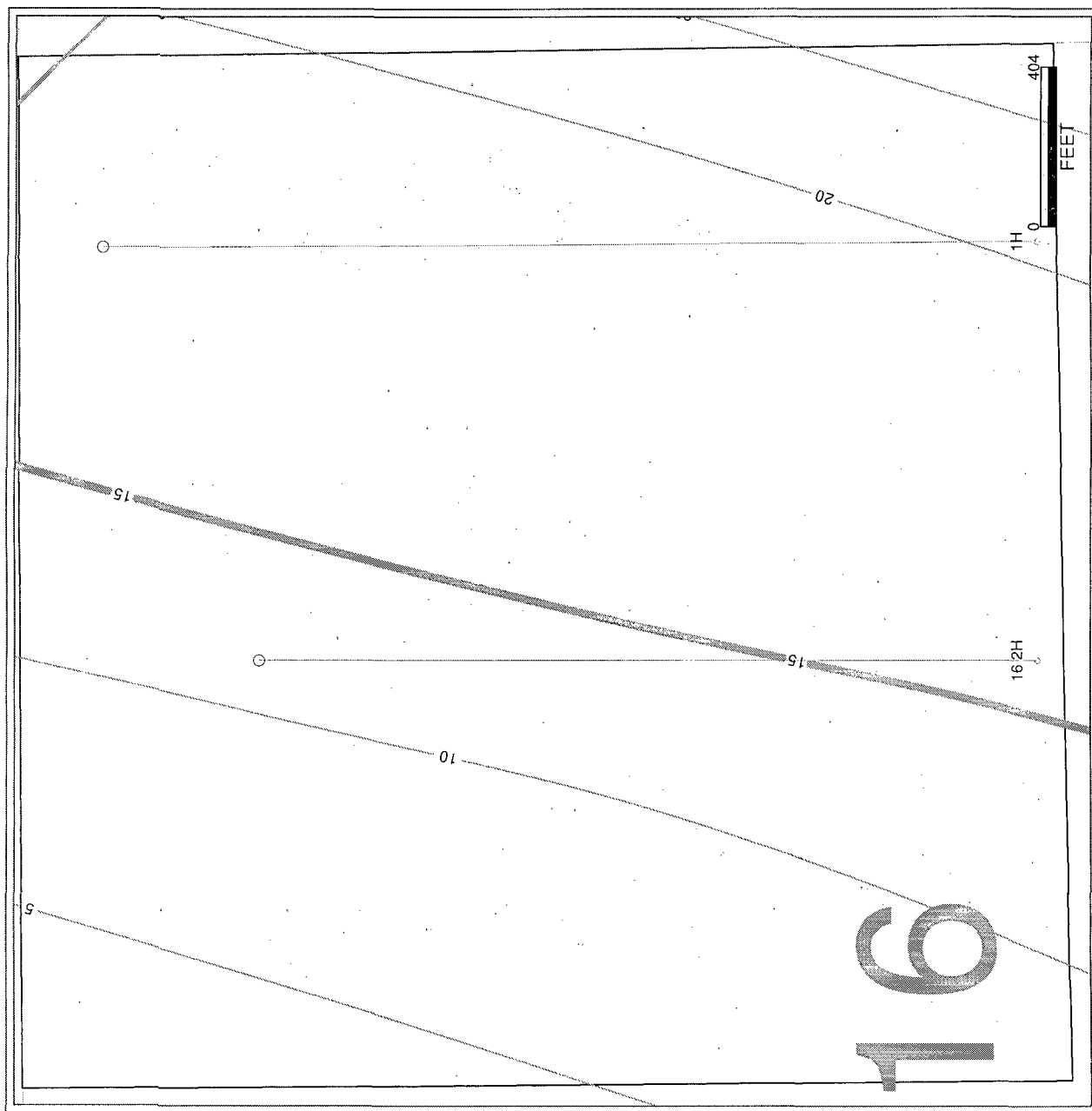
Hi Alan,

I was reviewing the subject application for a non-standard location and I have a question. I understand why the well is unorthodox with respect to the southern and northern boundaries of the project area, however, the application really does not provide information as to why the well needs to encroach upon the eastern boundary of the project area. (1530 feet from the east line of Section 16, or 120 feet closer to the eastern boundary than allowed). Can you please elaborate? Also, can you please tell me what acreage Devon operates?

Thanks,

David Catanach
Engineer

7/25/2007



PETRA 7/25/2007 2:29:37 PM