



**Southwestern Energy  
Production Company**

A subsidiary of Southwestern Energy Company

**Samuel Glenn Thompson**  
Senior Exploration Landman

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

July 24, 2000

**VIA CERTIFIED MAIL**

**Potential Working Interest Owners**

Re: Well Proposal – Big Bluff “31” State Com #1  
N/2 Section 31-17S-28E  
Eddy County, New Mexico

Gentlemen:

Southwestern Energy Production Company (“SWN”) proposes the drilling of a 10,200’ Morrow Test at a legal location 660’ FEL and 660’ FNL of Section 31-17S-28E. The proposed unit would be the N/2 of Section 31.

You will find enclosed our AFE reflecting a dry hole cost of \$592,500 and a completed well cost of \$884,500. If you elect to participate, please sign and return one copy of the AFE at your earliest opportunity.

In the event you would rather farmout, SWN offers you an ORRI equal to the difference between existing lease burdens and 18.75%, with the option to convert your retained ORRI to a 25% WI after payout.

If you need any further information, please do not hesitate to contact the undersigned landman.

Respectfully,

  
S. G. Thompson

OIL CONSERVATION DIVISION  
CASE NUMBER 12500  
EXHIBIT 4



**Southwestern Energy  
Production Company**

A subsidiary of Southwestern Energy Company

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 818-4700 FAX: (281) 618-4757

**Samuel Glenn Thompson**  
Staff Landman-Exploration

**January 5, 2001**

**CERTIFIED MAIL**

**WORKING INTEREST OWNERS**

**Re: Well Proposal-SWN Big Bluff"31" State Com #1  
1980' FWL & 1980' FNL  
N/2 Section 31-17S-28E  
Eddy County, New Mexico**

**Ladies and Gentlemen:**

**On July 24, 2000 SWN proposed the captioned well in the NE/NE of captioned section but the well has not been drilled. SWN's latest geologic interpretation suggests that the best location is 1980' FWL and 1980' FNL of Section 31-17S-28E and Southwestern hereby proposes a 10,200' Morrow Test at the captioned location.**

**You will find enclosed SWN's revised AFE and page 4 of the Model Form Operating Agreement dated September 15, 2000. If you elect to participate please execute and return one copy of the AFE and obviously your approval would be subject to a mutually acceptable Operating Agreement which will be provided as requested.**

**If you need further information please contact the undersigned landman.**

**Respectfully,**

  
**SGThompson**

**enclosures**



**Southwestern Energy  
Production Company**

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

**Samuel Glenn Thompson**  
Staff Landman-Exploration

February 8, 2001

**WORKING INTEREST OWNERS**

**Re: Big Bluff "31" State Com #1  
1980' FWL & 1980' FNL  
N/2 Sec 31-17S-28E  
Eddy County, NM**

**Gentlemen:**

**You will find enclosed the latest AFE and Operating Agreement relative to the drilling of the captioned well. The Exhibit A has been changed to reflect the changes.**

**Please review, sign and return one copy of the AFE and OA together with your geological requirement sheet. If you need further information please contact the undersigned landman at your earliest opportunity.**

**Respectfully,**

**SGThompson**