

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Southwestern Energy*  
*Corral Fly Fed #2-H*  
*5589*

**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  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

2007 FEB 20 AM 9 16

February 19, 2007

Richard Ezeanyim  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 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: Corral Fly Federal No. 2-H  
Location: 2,520' feet FNL & 660 feet FEL  
Well Unit: SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10, 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 as Exhibit A.

The proposed location is based on engineering reasons. The proposed well, Corral Fly Federal #2-H, will be directionally drilled from an unorthodox surface location 2,520 feet from the North Line and 660 feet from the East Line of Section 10 to a bottom hole location 200 feet from the North Line and 660 feet from the East line.

The well plan consists of drilling a vertical pilot hole to 5,600' MD and run wireline logs to confirm the Cherry Canyon 4 target zone. The well will be plugged back and prepared to the estimated KOP (kick off point) at 4,823' MD/TVD. The hole will be directional drilled utilizing a build rate of 12°/100' to penetrate the Cherry Canyon 4 Sand at 5,573' MD / 5,300' TVD at 90° of angle. The Cherry Canyon 4 will be intersected at 2,998' FNL and 660' FEL of Section 10 T25S R29E. The well will continue laterally (90°) for  $\pm 2320'$  of vertical displacement. The proposed BHL will be 200' FNL & 660' FEL of section 10. The top of the Delaware will be intersected at 3145' MD/TVD at 2,520' FNL and 660' FEL of Section 10. A drilling prognosis, directional plot, and proposed survey report are attached as Exhibit B.

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 10 T25S R29E (greater than 330' from any lease line).

*Southwest D-11, M-2*

By placing the surface location at 2,520' FNL and 660' FEL of Section 10, the maximum amount of reservoir rock in the Cherry Canyon 4 Sand in the producing area can be penetrated and produced.

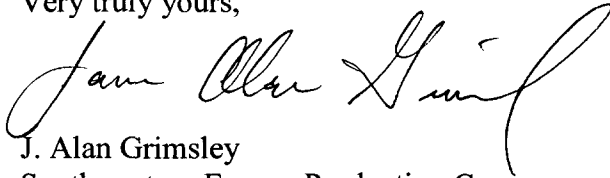
Attachment C is a list of all interest owners that will be affected with the unorthodox surface location. Each interest owner has been provided a copy of this request via certified mail.

Furthermore, Southwestern Energy Production Company has gained 100% access to the mineral interests to the Cherry Canyon formation in the Delaware Mountain Group of Section 10 via farmout agreement with EOG (Lease Serial No. NM-15303). A land plat is attached as Exhibit D.

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](mailto:alan_grimsley@swn.com).

Very truly yours,

A handwritten signature in cursive script that reads "J. Alan Grimsley". The signature is written in black ink and is positioned above the typed name and company name.

J. Alan Grimsley  
Southwestern Energy Production Co.

Attachments  
CC: District 2  
BLM – Carlsbad Office

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., HOBBBS, 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

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 <b>CORRAL FLY FEDERAL</b>	Well Number 2H
OGRID No.	Operator Name <b>SOUTHWESTERN ENERGY PRODUCTION COMPANY</b>	Elevation 3059'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	10	25-S	29-E		2520	NORTH	660	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
A	10	25-S	29-E		200	NORTH	660	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

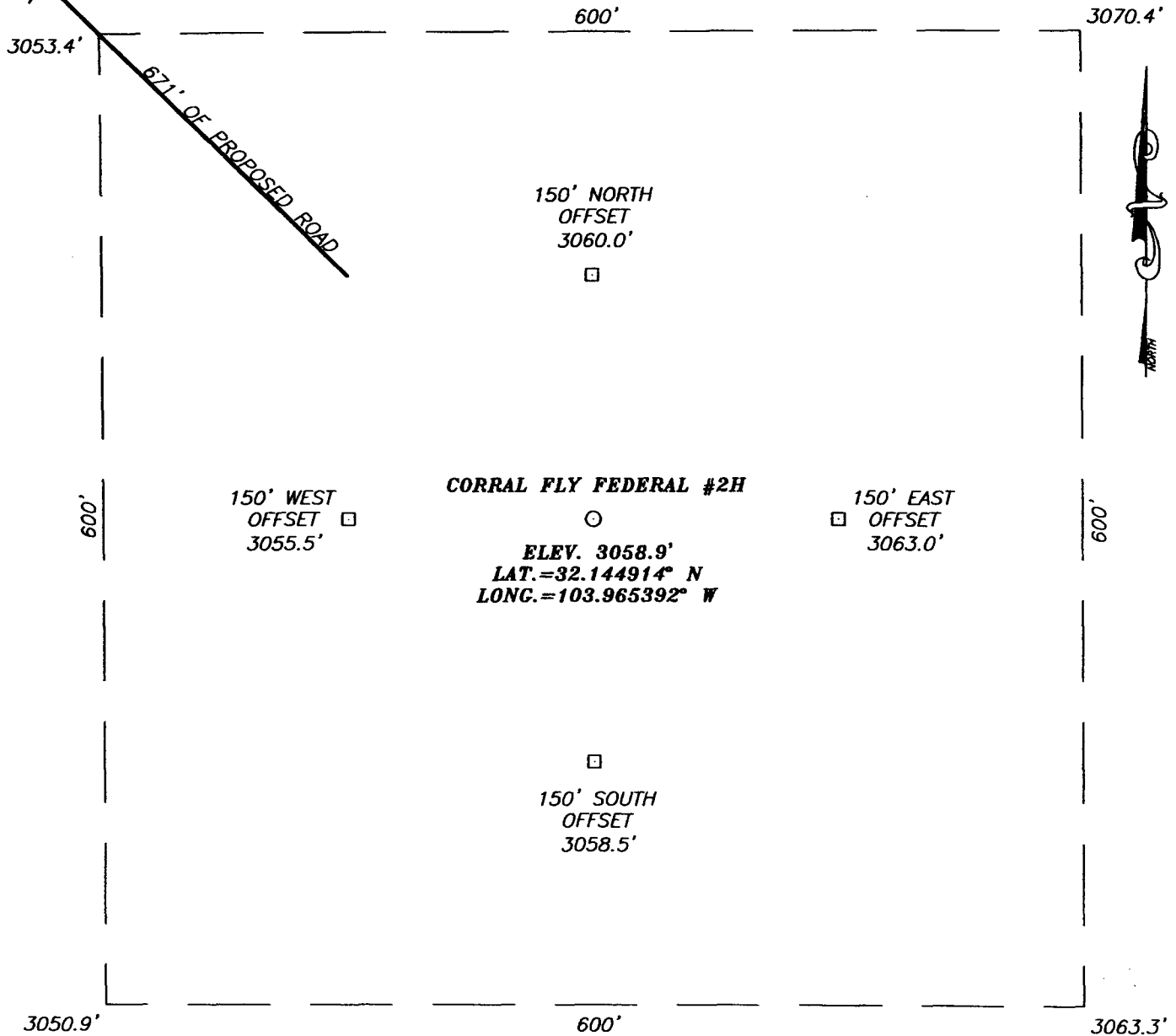
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>BOTTOM HOLE Y=418955.5 N X=613873.9 E</p> <p>GR. AZ.=359°50'01" H. DIST.=2320'</p> <p>Project Area</p> <p>Producing Area</p> <p>200' BH</p> <p>660'</p> <p>2520'</p> <p>3053.4'</p> <p>3070.4'</p> <p>600' SL</p> <p>660'</p> <p>3050.9'</p> <p>3063.3'</p>	<p><b>OPERATOR CERTIFICATION</b></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 Brinsley</i> 1/12/07 Signature Date</p> <p>JAMES ALAN BRINSLEY Printed Name</p>
	<p><b>SURVEYOR CERTIFICATION</b></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 19, 2006</p> <p>Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Gary K. Edson</i> 1/2/06 06.11.2000</p> <p>Certificate No. GARY EDSON 12841 CHAD HARGROW 17777</p>
<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=416636.0 N X=613880.5 E</p> <p>LAT.=32.144914° N LONG.=103.965392° W</p>	

**SECTION 10, TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,**

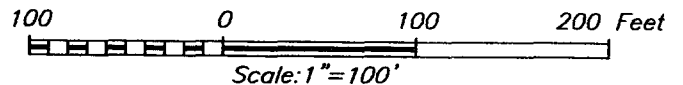
EDDY COUNTY,


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. 4.2 MILES. VEER RIGHT AND GO NORTHEAST APPROX. 1.0 MILE TO A PROPOSED ROAD SURVEY. FOLLOW PROPOSED ROAD SURVEY SOUTHEAST APPROX. 883 FEET TO THIS LOCATION.



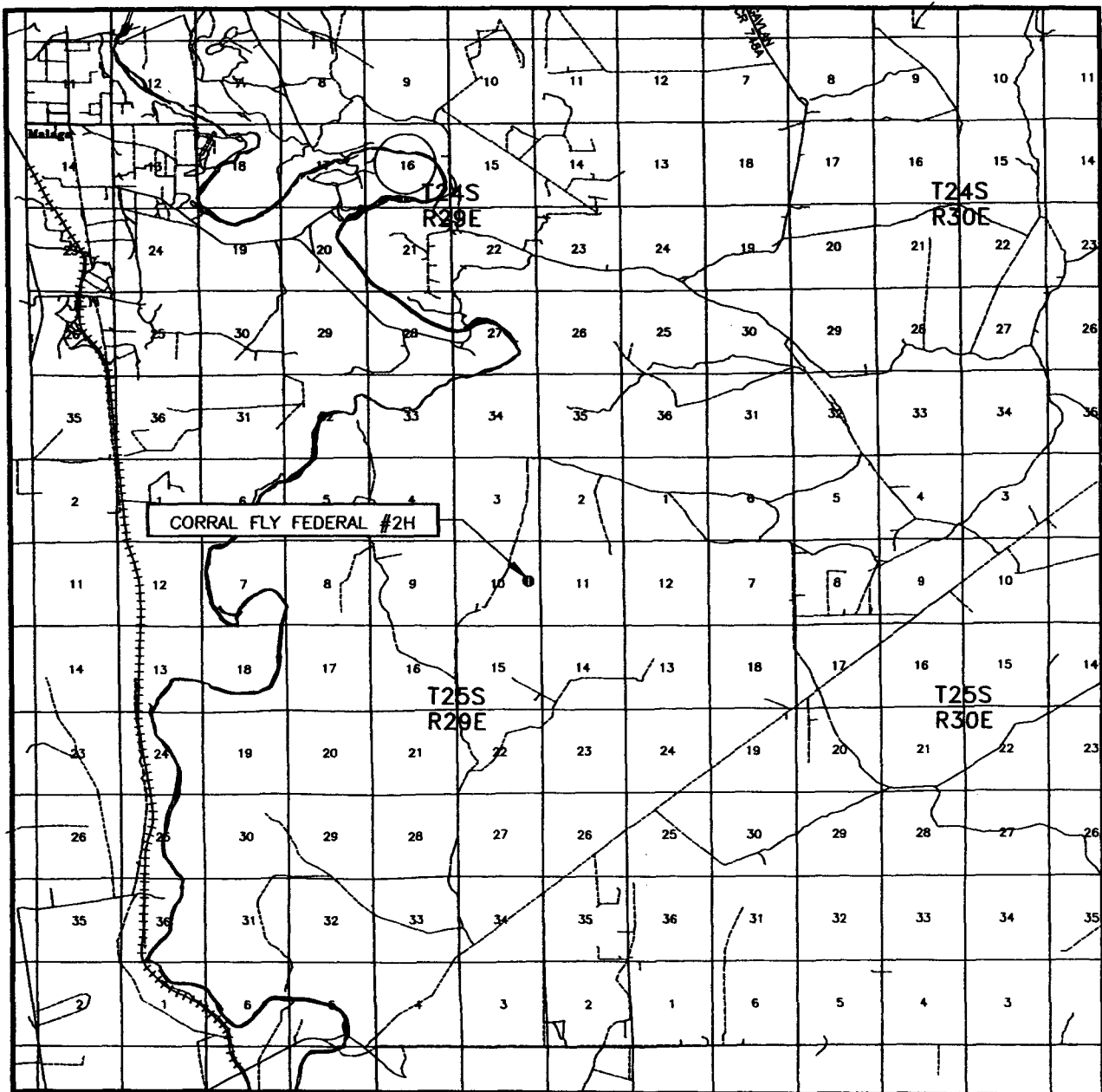

**PROVIDING SURVEYING SERVICES**  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

**SOUTHWESTERN ENERGY PRODUCTION COMPANY**

CORRAL FLY FEDERAL #2H  
 LOCATED 2520 FEET FROM THE NORTH LINE  
 AND 660 FEET FROM THE EAST LINE OF SECTION 10,  
 TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.


Survey Date: 12/19/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.2000	Dr By: J.R.
Date: 12/28/06	Disk: CD#6
06112000	Scale: 1"=100'
Rev 1: N/A	

# VICINITY MAP



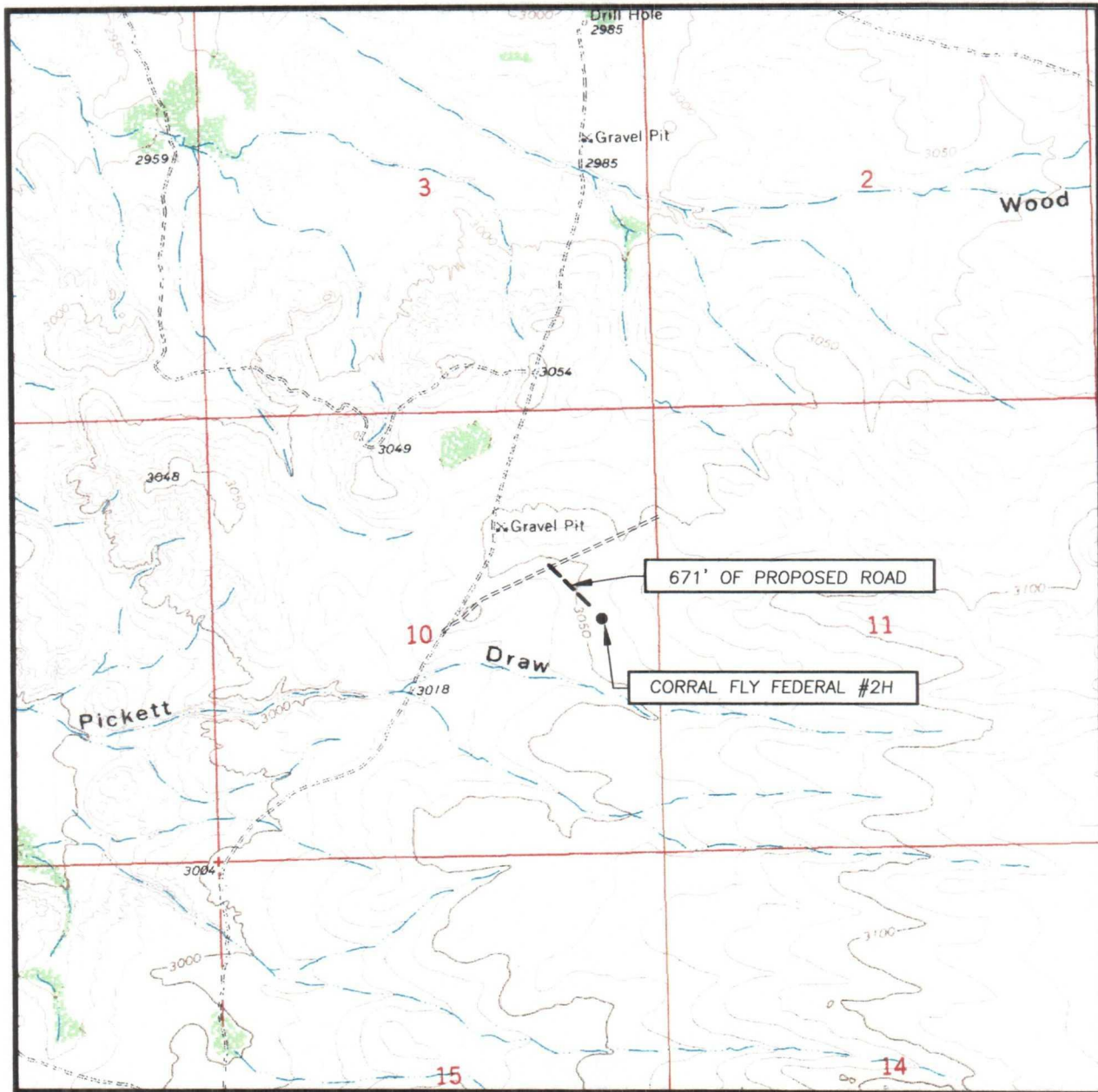
SCALE: 1" = 2 MILES

SEC. 10 TWP. 25-S RGE. 29-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY STATE NEW MEXICO  
 DESCRIPTION 2520' FNL & 660' FEL  
 ELEVATION 3059'  
 OPERATOR SOUTHWESTERN ENERGY PRODUCTION COMPANY  
 LEASE CORRAL FLY FEDERAL



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

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
PIERCE CANYON, N.M. - 10'

SEC. 10 TWP. 25-S RGE. 29-E

SURVEY \_\_\_\_\_ N.M.P.M.

COUNTY EDDY STATE NEW MEXICO


DESCRIPTION 2520' FNL & 660' FEL

ELEVATION 3059'

OPERATOR SOUTHWESTERN ENERGY PRODUCTION COMPANY

LEASE CORRAL FLY FEDERAL

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



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



# DRILLING PROGNOSIS

## Southwestern Energy Production Company

**WELL NAME:** Corral Fly Federal #2-H

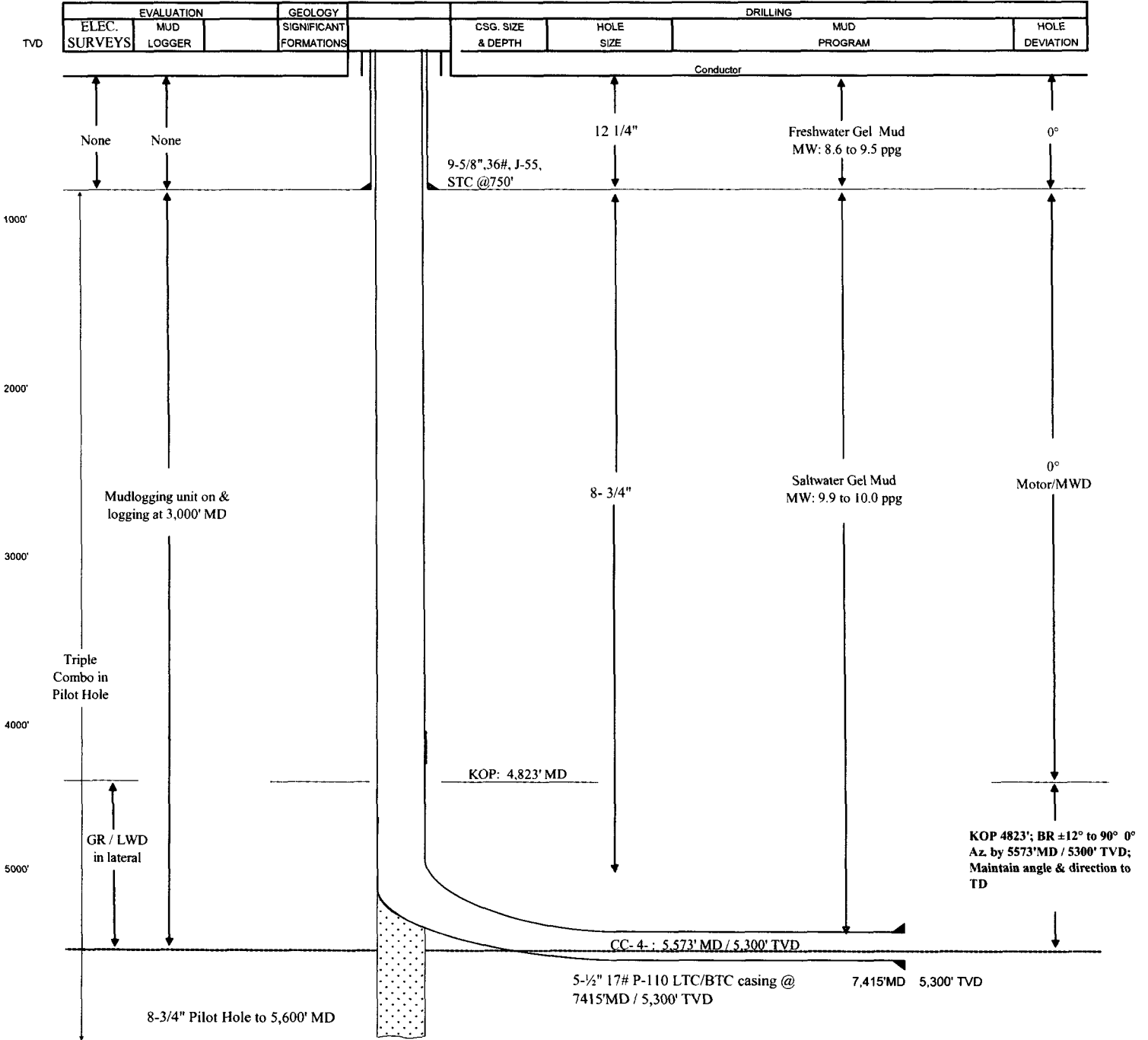
**AFE NO.**

**LOCATION:** Sec. 10, T25S, R29E  
 Eddy County NM  
 SL: 2520' FSL 660' FEL  
 BHL: 200' FNL 660' FEL  
 TGT ENTRY PT: 2,998' FNL 660' FEL

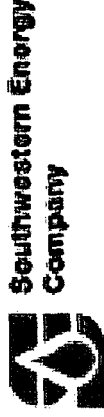
**PROSPECT:** Corral Fly

**OBJECTIVE:** Cherry Canyon Sd, CC-4

**EST. ELEVATION:** GL 3059'; RKB ±16"







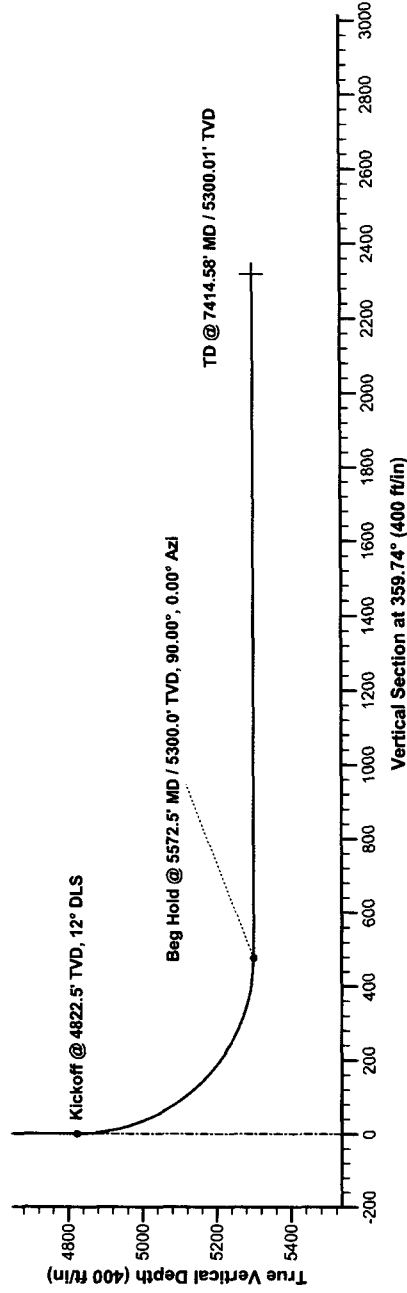
Southwestern Energy Production Co.  
 Corral Fly Federal #2H  
 Corral Fly Section 10 - T25S R29E  
 Eddy County New Mexico  
 Plan #1 - Rev 1



Rev 1 :  
 Surface Location revised to Actual  
 Coordinates ( 2-16-07 )

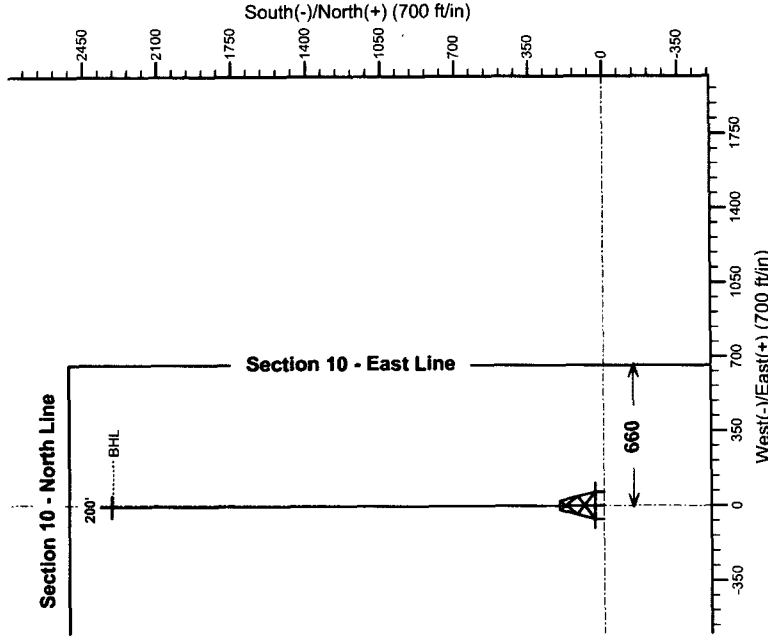
Surface Location	Ground Elevation: 6300.00ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)				Slot
+N-S	+E-W	Northing	Easting	Latitude	Longitude
0.00	-0.05	416636.00	613880.50	32°8'41.683N	103°57'55.425W

TARGET LOCATIONS					
Name	TVD	+N-S	+E-W	Northing	Easting
BHL	5300.01	2319.50	-6.65	418955.50	613873.90



SECTION DETAILS									
Sec	MD	Inc	Azi	TVD	+N-S	+E-W	DLeg	TFace	VSec
1	0.00	0.00	359.84	0.00	0.00	-0.05	0.00	0.00	0.00
2	4822.54	0.00	359.84	4822.54	0.00	-0.05	0.00	0.00	0.00
3	5572.55	90.00	359.84	5300.01	477.46	-1.41	12.00	359.84	477.47
4	7414.59	90.00	359.84	5300.01	2319.50	-6.65	0.00	0.00	2319.51

BHL (Corral Fly Federal #2H)



# **Southwestern Energy Production Co.**

**Eddy County New Mexico  
Corral Fly Section 10 - T25S R29E  
Corral Fly Federal #2H  
Wellbore #1**

**Plan: Plan #1 - Rev 1**

## **Standard Planning Report**

**16 February, 2007**

## Crescent Directional Drilling Planning Report

<b>Database:</b>	COMPASS_2003.11_CDDSVR	<b>Local Co-ordinate Reference:</b>	Well Corral Fly Federal #2H
<b>Company:</b>	Southwestern Energy Production Co.	<b>TVD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Project:</b>	Eddy County New Mexico	<b>MD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Site:</b>	Corral Fly Section 10 - T25S R29E	<b>North Reference:</b>	Grid
<b>Well:</b>	Corral Fly Federal #2H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan #1 - Rev 1		

<b>Project</b>	Eddy County New Mexico		
<b>Map System:</b>	US State Plane 1927 (Exact solution)	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	NAD 1927 (NADCON CONUS)		
<b>Map Zone:</b>	New Mexico East 3001		

<b>Site</b>	Corral Fly Section 10 - T25S R29E		
<b>Site Position:</b>		<b>Northing:</b>	608,723.22 ft
<b>From:</b>	Map	<b>Easting:</b>	460,993.92 ft
<b>Position Uncertainty:</b>	0.00 ft	<b>Slot Radius:</b>	in
		<b>Latitude:</b>	32° 40' 24.286" N
		<b>Longitude:</b>	104° 27' 36.359" W
		<b>Grid Convergence:</b>	-0.07 °

<b>Well</b>	Corral Fly Federal #2H		
<b>Well Position</b>	<b>+N/-S</b>	0.00 ft	<b>Northing:</b>
	<b>+E/-W</b>	-0.05 ft	<b>Easting:</b>
			416,636.00 ft
			<b>Latitude:</b>
			32° 08' 41.683" N
			<b>Longitude:</b>
			103° 57' 55.425" W
<b>Position Uncertainty</b>		0.00 ft	<b>Wellhead Elevation:</b>
			ft
			<b>Ground Level:</b>
			6,300.00 ft

<b>Wellbore</b>	Wellbore #1				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination</b>	<b>Dip Angle</b>	<b>Field Strength</b>
			(°)	(°)	(nT)
	IGRF2005-10	12/17/2006	8.28	60.16	48,968

<b>Design</b>	Plan #1 - Rev 1			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PROTOTYPE	<b>Tie On Depth:</b>	0.00
<b>Vertical Section:</b>	<b>Depth From (TVD)</b>	<b>+N/-S</b>	<b>+E/-W</b>	<b>Direction</b>
	(ft)	(ft)	(ft)	(°)
	0.00	0.00	-0.05	359.74

<b>Plan Sections</b>										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	359.84	0.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,822.54	0.00	359.84	4,822.54	0.00	-0.05	0.00	0.00	0.00	0.00	
5,572.55	90.00	359.84	5,300.01	477.46	-1.41	12.00	12.00	0.00	359.84	
7,414.59	90.00	359.84	5,300.01	2,319.50	-6.65	0.00	0.00	0.00	0.00	0.00 BHL (Corral Fly Feder

## Crescent Directional Drilling Planning Report

<b>Database:</b>	COMPASS_2003.11_CDDSVR	<b>Local Co-ordinate Reference:</b>	Well Corral Fly Federal #2H
<b>Company:</b>	Southwestern Energy Production Co.	<b>TVD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Project:</b>	Eddy County New Mexico	<b>MD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Site:</b>	Corral Fly Section 10 - T25S R29E	<b>North Reference:</b>	Grid
<b>Well:</b>	Corral Fly Federal #2H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan #1 - Rev 1		

### Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00	0.00	359.84	0.00	0.00	-0.05	0.00	0.00	0.00	0.00
100.00	0.00	359.84	100.00	0.00	-0.05	0.00	0.00	0.00	0.00
200.00	0.00	359.84	200.00	0.00	-0.05	0.00	0.00	0.00	0.00
300.00	0.00	359.84	300.00	0.00	-0.05	0.00	0.00	0.00	0.00
400.00	0.00	359.84	400.00	0.00	-0.05	0.00	0.00	0.00	0.00
500.00	0.00	359.84	500.00	0.00	-0.05	0.00	0.00	0.00	0.00
600.00	0.00	359.84	600.00	0.00	-0.05	0.00	0.00	0.00	0.00
700.00	0.00	359.84	700.00	0.00	-0.05	0.00	0.00	0.00	0.00
800.00	0.00	359.84	800.00	0.00	-0.05	0.00	0.00	0.00	0.00
900.00	0.00	359.84	900.00	0.00	-0.05	0.00	0.00	0.00	0.00
1,000.00	0.00	359.84	1,000.00	0.00	-0.05	0.00	0.00	0.00	0.00
1,100.00	0.00	359.84	1,100.00	0.00	-0.05	0.00	0.00	0.00	0.00
1,200.00	0.00	359.84	1,200.00	0.00	-0.05	0.00	0.00	0.00	0.00
1,300.00	0.00	359.84	1,300.00	0.00	-0.05	0.00	0.00	0.00	0.00
1,400.00	0.00	359.84	1,400.00	0.00	-0.05	0.00	0.00	0.00	0.00
1,500.00	0.00	359.84	1,500.00	0.00	-0.05	0.00	0.00	0.00	0.00
1,600.00	0.00	359.84	1,600.00	0.00	-0.05	0.00	0.00	0.00	0.00
1,700.00	0.00	359.84	1,700.00	0.00	-0.05	0.00	0.00	0.00	0.00
1,800.00	0.00	359.84	1,800.00	0.00	-0.05	0.00	0.00	0.00	0.00
1,900.00	0.00	359.84	1,900.00	0.00	-0.05	0.00	0.00	0.00	0.00
2,000.00	0.00	359.84	2,000.00	0.00	-0.05	0.00	0.00	0.00	0.00
2,100.00	0.00	359.84	2,100.00	0.00	-0.05	0.00	0.00	0.00	0.00
2,200.00	0.00	359.84	2,200.00	0.00	-0.05	0.00	0.00	0.00	0.00
2,300.00	0.00	359.84	2,300.00	0.00	-0.05	0.00	0.00	0.00	0.00
2,400.00	0.00	359.84	2,400.00	0.00	-0.05	0.00	0.00	0.00	0.00
2,500.00	0.00	359.84	2,500.00	0.00	-0.05	0.00	0.00	0.00	0.00
2,600.00	0.00	359.84	2,600.00	0.00	-0.05	0.00	0.00	0.00	0.00
2,700.00	0.00	359.84	2,700.00	0.00	-0.05	0.00	0.00	0.00	0.00
2,800.00	0.00	359.84	2,800.00	0.00	-0.05	0.00	0.00	0.00	0.00
2,900.00	0.00	359.84	2,900.00	0.00	-0.05	0.00	0.00	0.00	0.00
3,000.00	0.00	359.84	3,000.00	0.00	-0.05	0.00	0.00	0.00	0.00
3,100.00	0.00	359.84	3,100.00	0.00	-0.05	0.00	0.00	0.00	0.00
3,200.00	0.00	359.84	3,200.00	0.00	-0.05	0.00	0.00	0.00	0.00
3,300.00	0.00	359.84	3,300.00	0.00	-0.05	0.00	0.00	0.00	0.00
3,400.00	0.00	359.84	3,400.00	0.00	-0.05	0.00	0.00	0.00	0.00
3,500.00	0.00	359.84	3,500.00	0.00	-0.05	0.00	0.00	0.00	0.00
3,600.00	0.00	359.84	3,600.00	0.00	-0.05	0.00	0.00	0.00	0.00
3,700.00	0.00	359.84	3,700.00	0.00	-0.05	0.00	0.00	0.00	0.00
3,800.00	0.00	359.84	3,800.00	0.00	-0.05	0.00	0.00	0.00	0.00
3,900.00	0.00	359.84	3,900.00	0.00	-0.05	0.00	0.00	0.00	0.00
4,000.00	0.00	359.84	4,000.00	0.00	-0.05	0.00	0.00	0.00	0.00
4,100.00	0.00	359.84	4,100.00	0.00	-0.05	0.00	0.00	0.00	0.00
4,200.00	0.00	359.84	4,200.00	0.00	-0.05	0.00	0.00	0.00	0.00
4,300.00	0.00	359.84	4,300.00	0.00	-0.05	0.00	0.00	0.00	0.00
4,400.00	0.00	359.84	4,400.00	0.00	-0.05	0.00	0.00	0.00	0.00
4,500.00	0.00	359.84	4,500.00	0.00	-0.05	0.00	0.00	0.00	0.00
4,600.00	0.00	359.84	4,600.00	0.00	-0.05	0.00	0.00	0.00	0.00
4,700.00	0.00	359.84	4,700.00	0.00	-0.05	0.00	0.00	0.00	0.00
4,800.00	0.00	359.84	4,800.00	0.00	-0.05	0.00	0.00	0.00	0.00
4,822.54	0.00	359.84	4,822.54	0.00	-0.05	0.00	0.00	0.00	0.00
<b>Kickoff @ 4822.5' TVD, 12° DLS</b>									
4,900.00	9.29	359.84	4,899.66	6.27	-0.07	6.27	12.00	12.00	0.00

## Crescent Directional Drilling Planning Report

<b>Database:</b>	COMPASS_2003.11_CDDSVR	<b>Local Co-ordinate Reference:</b>	Well Corral Fly Federal #2H
<b>Company:</b>	Southwestern Energy Production Co.	<b>TVD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Project:</b>	Eddy County New Mexico	<b>MD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Site:</b>	Corral Fly Section 10 - T25S R29E	<b>North Reference:</b>	Grid
<b>Well:</b>	Corral Fly Federal #2H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan #1 - Rev 1		

5,000.00	21.29	359.84	4,995.94	32.60	-0.14	32.60	12.00	12.00	0.00
5,100.00	33.29	359.84	5,084.65	78.37	-0.27	78.37	12.00	12.00	0.00
5,200.00	45.29	359.84	5,161.90	141.59	-0.45	141.59	12.00	12.00	0.00
5,300.00	57.29	359.84	5,224.31	219.48	-0.67	219.48	12.00	12.00	0.00
5,400.00	69.29	359.84	5,269.17	308.65	-0.93	308.65	12.00	12.00	0.00
5,500.00	81.29	359.84	5,294.51	405.20	-1.20	405.20	12.00	12.00	0.00
5,572.55	90.00	359.84	5,300.01	477.46	-1.41	477.47	12.00	12.00	0.00
<b>Beg Hold @ 5572.5' MD / 5300.0' TVD, 90.00°, 0.00° Azi</b>									
5,600.00	90.00	359.84	5,300.01	504.92	-1.49	504.92	0.00	0.00	0.00
5,700.00	90.00	359.84	5,300.01	604.92	-1.77	604.92	0.00	0.00	0.00
5,800.00	90.00	359.84	5,300.01	704.92	-2.06	704.92	0.00	0.00	0.00
5,900.00	90.00	359.84	5,300.01	804.92	-2.34	804.92	0.00	0.00	0.00
6,000.00	90.00	359.84	5,300.01	904.92	-2.62	904.92	0.00	0.00	0.00
6,100.00	90.00	359.84	5,300.01	1,004.92	-2.91	1,004.92	0.00	0.00	0.00
6,200.00	90.00	359.84	5,300.01	1,104.91	-3.19	1,104.92	0.00	0.00	0.00
6,300.00	90.00	359.84	5,300.01	1,204.91	-3.48	1,204.92	0.00	0.00	0.00
6,400.00	90.00	359.84	5,300.01	1,304.91	-3.76	1,304.92	0.00	0.00	0.00
6,500.00	90.00	359.84	5,300.01	1,404.91	-4.05	1,404.92	0.00	0.00	0.00
6,600.00	90.00	359.84	5,300.01	1,504.91	-4.33	1,504.92	0.00	0.00	0.00
6,700.00	90.00	359.84	5,300.01	1,604.91	-4.62	1,604.92	0.00	0.00	0.00
6,800.00	90.00	359.84	5,300.01	1,704.91	-4.90	1,704.92	0.00	0.00	0.00
6,900.00	90.00	359.84	5,300.01	1,804.91	-5.19	1,804.92	0.00	0.00	0.00
7,000.00	90.00	359.84	5,300.01	1,904.91	-5.47	1,904.92	0.00	0.00	0.00
7,100.00	90.00	359.84	5,300.01	2,004.91	-5.75	2,004.92	0.00	0.00	0.00
7,200.00	90.00	359.84	5,300.01	2,104.91	-6.04	2,104.92	0.00	0.00	0.00
7,300.00	90.00	359.84	5,300.01	2,204.91	-6.32	2,204.92	0.00	0.00	0.00
7,400.00	90.00	359.84	5,300.01	2,304.91	-6.61	2,304.92	0.00	0.00	0.00
7,414.59	90.00	359.84	5,300.01	2,319.50	-6.65	2,319.51	0.00	0.00	0.00
<b>TD @ 7414.58' MD / 5300.01' TVD</b>									

### Targets

#### Target Name

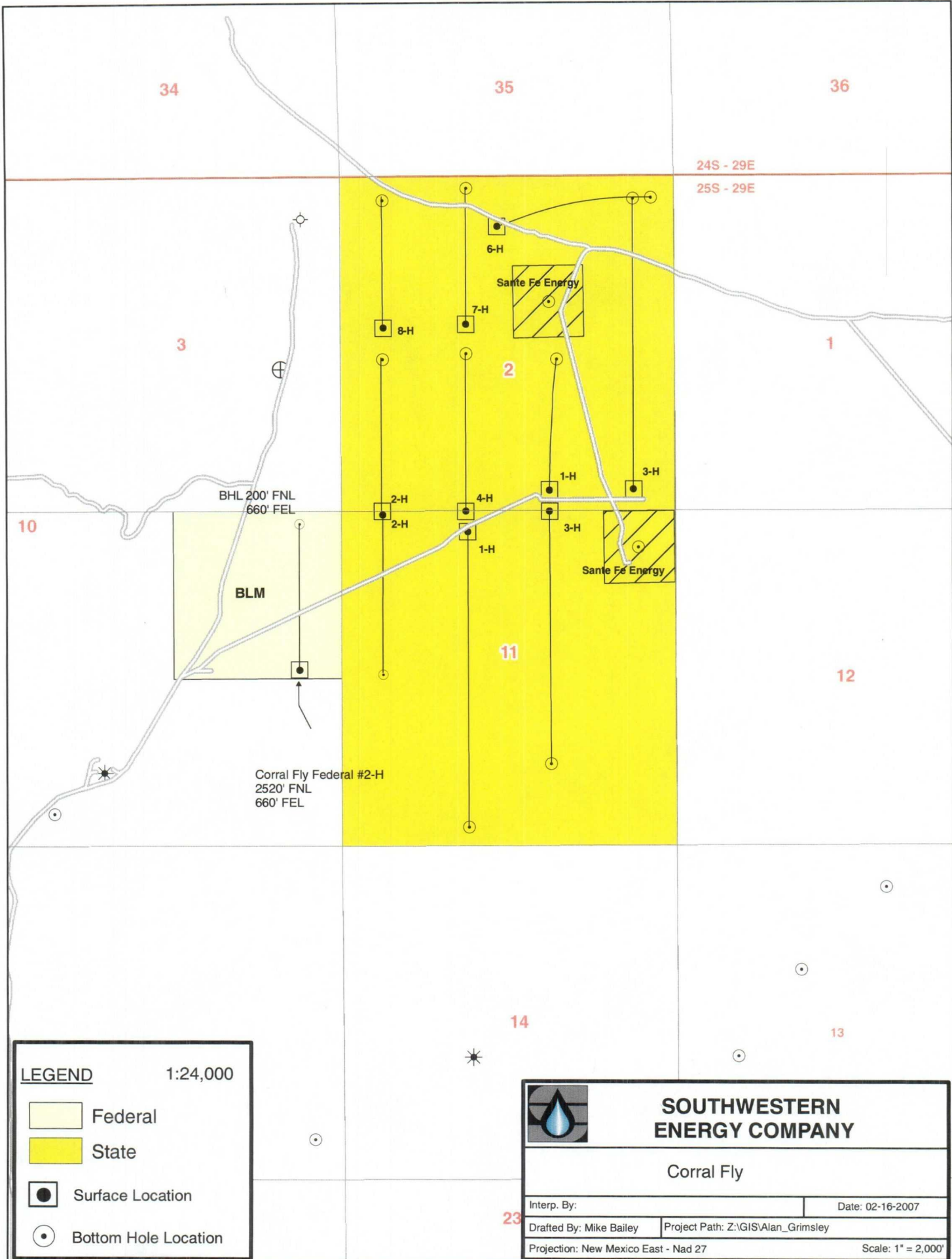
- hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S ft	+E/-W ft	Northing (ft)	Easting (ft)	Latitude	Longitude
BHL (Corral Fly Federal #2H) - plan misses by 14.59ft at 7400.00ft MD (5300.01 TVD, 2304.91 N, -6.61 E) - Point	0.00	0.00	5,300.01	2,319.50	-6.65	418,955.50	613,873.90	32° 09' 04.638" N	103° 57' 55.409" W
SECT 10 (Corral Fly Federal #2H) - plan misses by 1983.58ft at 0.00ft MD (0.00 TVD, 0.00 N, -0.05 E) - Rectangle (sides W5,280.01 H5,280.01 D0.00)	0.00	0.00	0.00	-120.00	-1,980.00	416,516.00	611,900.55	32° 08' 40.562" N	103° 58' 18.459" W

### Plan Annotations





Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
4,822.54	4,822.54	0.00	0.00	Kickoff @ 4822.5' TVD, 12° DLS
5,572.55	5,300.01	477.46	-1.37	Beg Hold @ 5572.5' MD / 5300.0' TVD, 90.00°, 0.00° Azi
7,414.58	5,300.01	2,319.49	-6.65	TD @ 7414.58' MD / 5300.01' TVD

**Attachment C**  
**Corral Fly Federal #2-H**  
**Offset Leasehold Notification List**

Pogo Producing Company P.O. Box 2504 Houston, Texas 77252	Receipt # 7006 2150 0002 1398 020
Bettis Brothers, Inc. 500 W. Wall, Suite 312 Midland, Texas 79701	Receipt # 7006 2150 0002 1398 0190
Sonic Oil & Gas, LP P.O. Box 1240 Graham, Texas 76450	Receipt # 7006 2150 0002 1398 0213
Norman D. Stovall, Jr. P.O. Box 10 Graham, Texas 76046	Receipt # 7006 2150 0002 1398 0220
H. M. Bettis, Inc. P.O. Box 1240 Graham, Texas 76046	Receipt # 7006 2150 0002 1398 0237
James R. Quinn 210 E. Abram, Suite 650 Arlington, Texas 76010	Receipt # 7006 2150 0002 1398 0244
The Allar Company P.O. Box 630 Graham, Texas 76046	Receipt # 7006 2150 0002 1398 0251
Eleven Sands Exploration, Inc. RR 8 Box 104 Guthrie, Texas 73044	Receipt # 7006 2150 0002 1398 0268
B.A.G.A.M., Ltd. P.O. Box 37 Graham, Texas 76046	Receipt # 7006 2150 0002 1398 0275
L. E. Opperman 1505 Neely Midland, Texas 79705	Receipt # 7006 2150 0002 1398 0282



**LEGEND** 1:24,000

-  Federal
-  State
-  Surface Location
-  Bottom Hole Location

	
<b>SOUTHWESTERN ENERGY COMPANY</b>	
Corral Fly	
Interp. By:	Date: 02-16-2007
Drafted By: Mike Bailey	Project Path: Z:\GIS\Alan_Grimsley
Projection: New Mexico East - Nad 27	Scale: 1" = 2,000'



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

2007 FEB 20 AM 9 16

February 19, 2007

Richard Ezeanyim  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 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: Corral Fly Federal No. 2-H  
Location: 2,520' feet FNL & 660 feet FEL  
Well Unit: SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10, 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 as Exhibit A.

The proposed location is based on engineering reasons. The proposed well, Corral Fly Federal #2-H, will be directionally drilled from an unorthodox surface location 2,520 feet from the North Line and 660 feet from the East Line of Section 10 to a bottom hole location 200 feet from the North Line and 660 feet from the East line.

The well plan consists of drilling a vertical pilot hole to 5,600' MD and run wireline logs to confirm the Cherry Canyon 4 target zone. The well will be plugged back and prepared to the estimated KOP (kick off point) at 4,823' MD/TVD. The hole will be directional drilled utilizing a build rate of 12°/100' to penetrate the Cherry Canyon 4 Sand at 5,573' MD / 5,300' TVD at 90° of angle. The Cherry Canyon 4 will be intersected at 2,998' FNL and 660' FEL of Section 10 T25S R29E. The well will continue laterally (90°) for  $\pm$ 2320' of vertical displacement. The proposed BHL will be 200' FNL & 660' FEL of section 10. The top of the Delaware will be intersected at 3145' MD/TVD at 2,520' FNL and 660' FEL of Section 10. A drilling prognosis, directional plot, and proposed survey report are attached as Exhibit B.

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 10 T25S R29E (greater than 330' from any lease line).



By placing the surface location at 2,520' FNL and 660' FEL of Section 10, the maximum amount of reservoir rock in the Cherry Canyon 4 Sand in the producing area can be penetrated and produced.

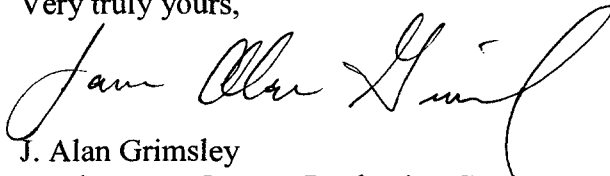
Attachment C is a list of all interest owners that will be affected with the unorthodox surface location. Each interest owner has been provided a copy of this request via certified mail.

Furthermore, Southwestern Energy Production Company has gained 100% access to the mineral interests to the Cherry Canyon formation in the Delaware Mountain Group of Section 10 via farmout agreement with EOG (Lease Serial No. NM-15303). A land plat is attached as Exhibit D.

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](mailto:alan_grimsley@swn.com).

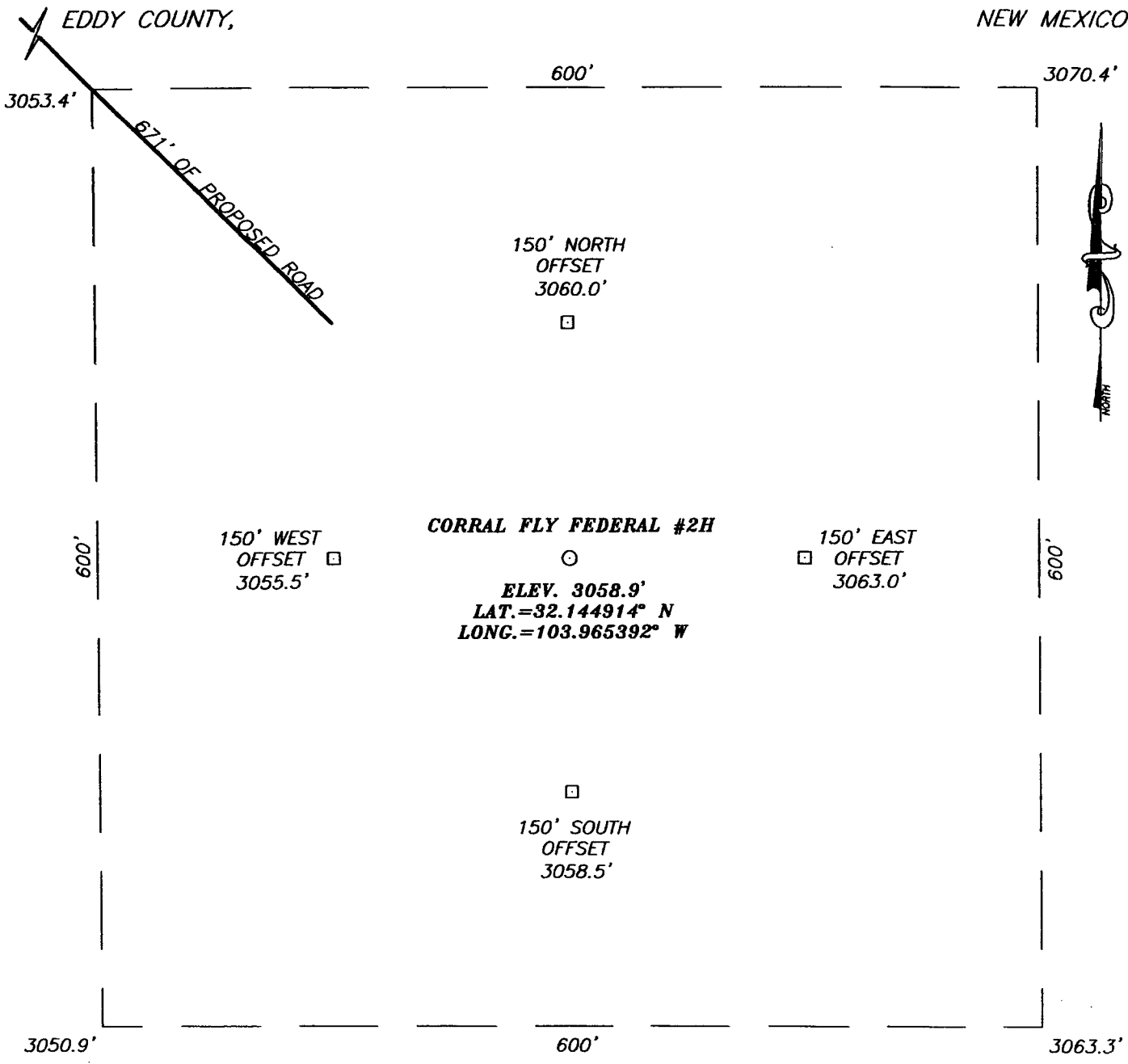
Very truly yours,

A handwritten signature in cursive script that reads "J. Alan Grimsley". The signature is written in black ink and is positioned above the printed name and company name.

J. Alan Grimsley  
Southwestern Energy Production Co.

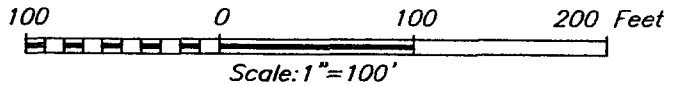
Attachments  
CC: District 2  
BLM – Carlsbad Office

**SECTION 10, 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. 4.2 MILES. VEER RIGHT AND GO NORTHEAST APPROX. 1.0 MILE TO A PROPOSED ROAD SURVEY. FOLLOW PROPOSED ROAD SURVEY SOUTHEAST APPROX. 883 FEET TO THIS LOCATION.



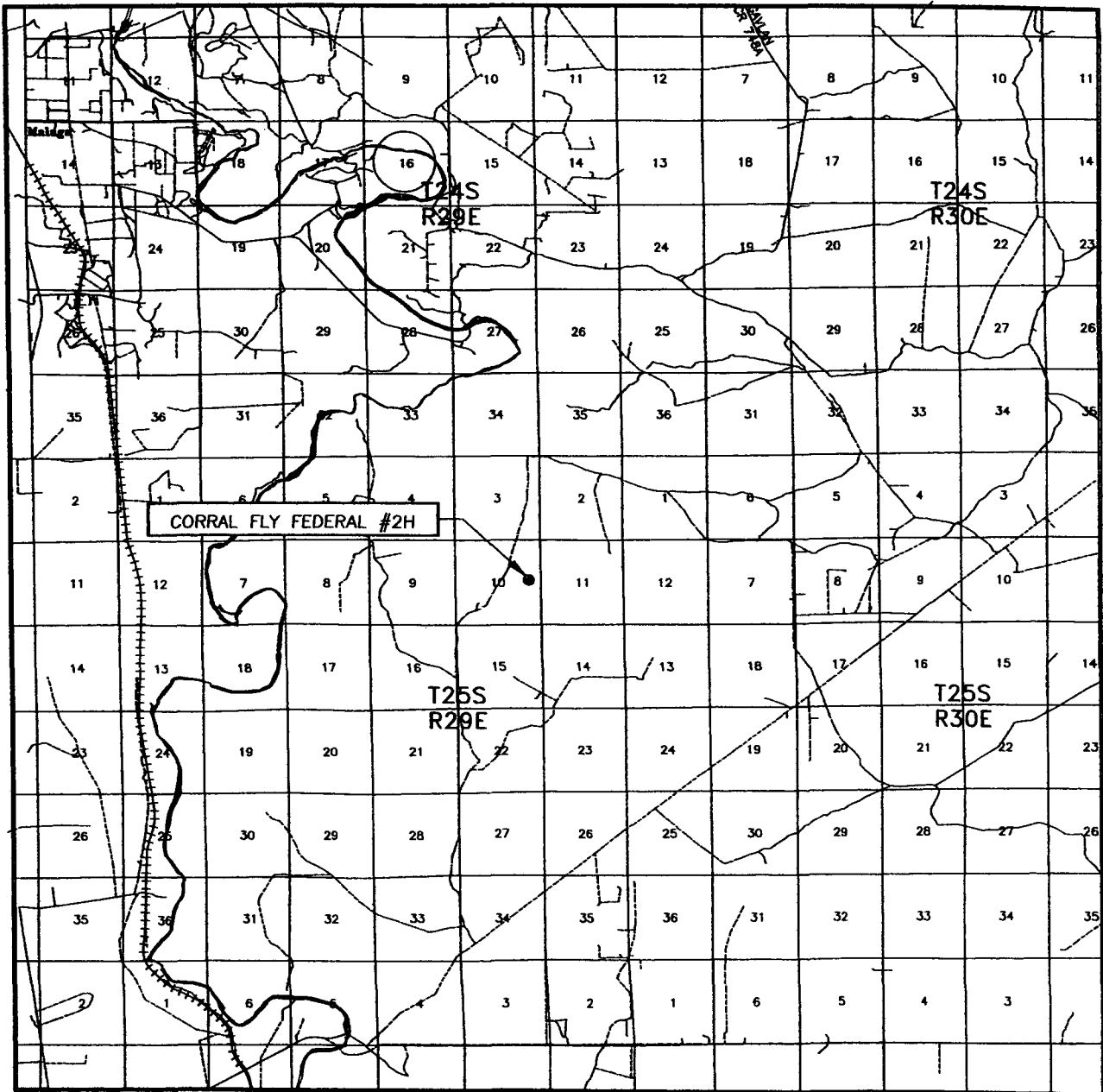
PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (505) 393-3117

**SOUTHWESTERN ENERGY PRODUCTION COMPANY**

CORRAL FLY FEDERAL #2H  
 LOCATED 2520 FEET FROM THE NORTH LINE  
 AND 660 FEET FROM THE EAST LINE OF SECTION 10,  
 TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

Survey Date: 12/19/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.2000	Dr By: J.R. Rev 1:N/A
Date: 12/28/06	Disk: CD#6 06112000 Scale: 1"=100'

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 10 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.

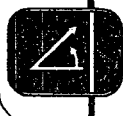
COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2520' FNL & 660' FEL

ELEVATION 3059'

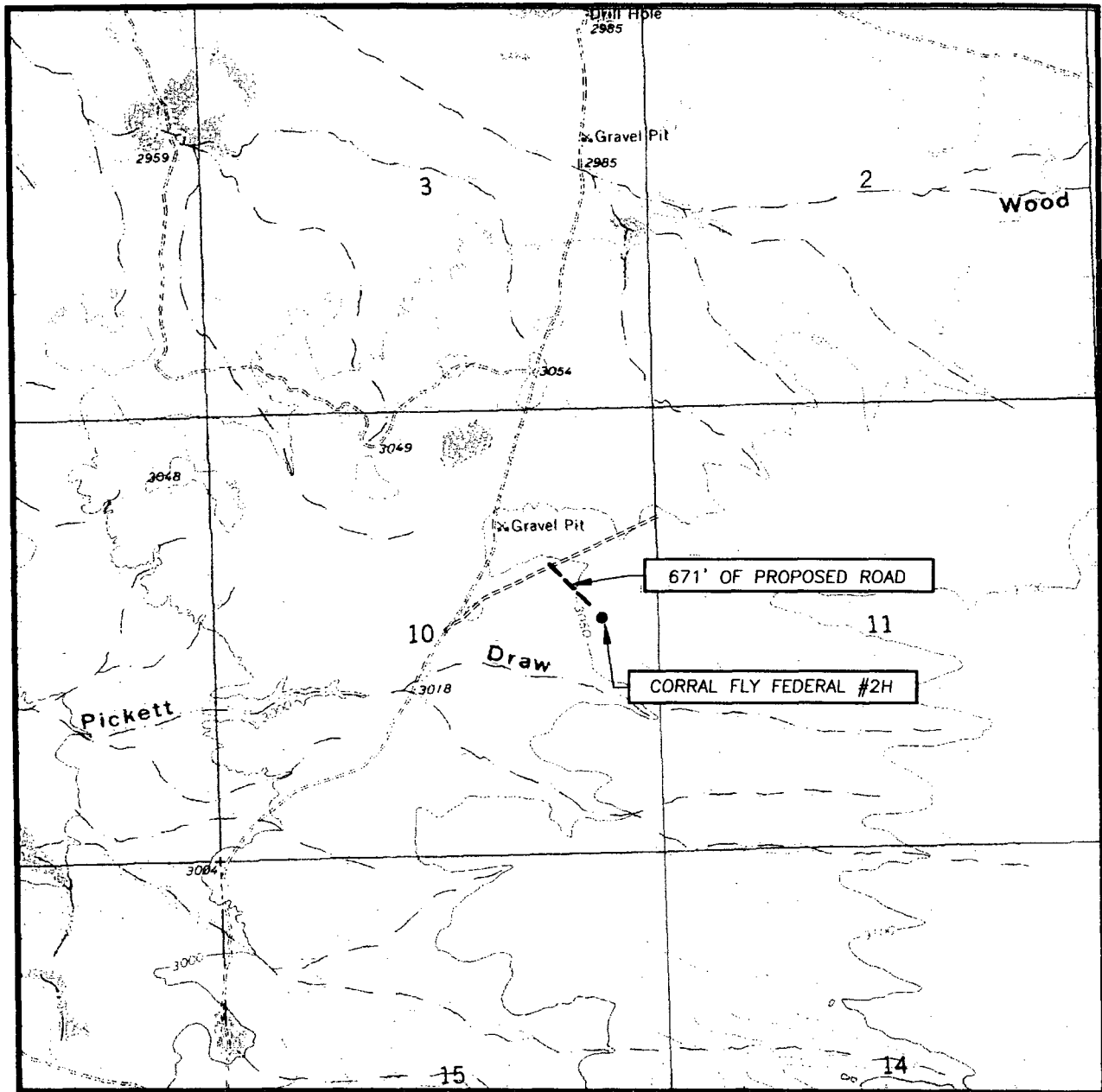
OPERATOR SOUTHWESTERN ENERGY PRODUCTION COMPANY

LEASE CORRAL FLY FEDERAL



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

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
PIERCE CANYON, N.M. - 10'

SEC. 10 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO


DESCRIPTION 2520' FNL & 660' FEL

ELEVATION 3059'

OPERATOR SOUTHWESTERN ENERGY PRODUCTION COMPANY

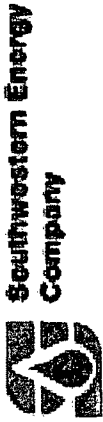
LEASE CORRAL FLY FEDERAL

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



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





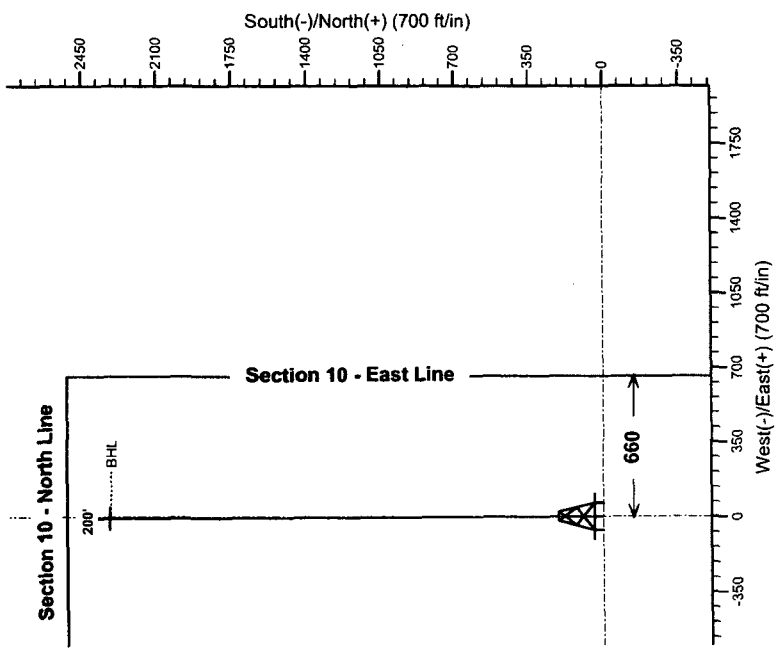
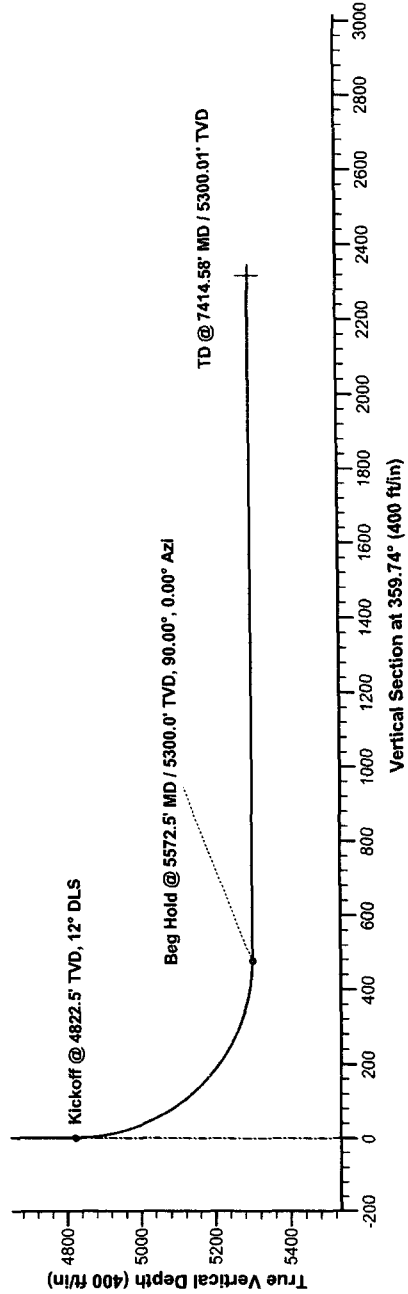
Southwestern Energy Production Co.  
 Corral Fly Federal #2H  
 Corral Fly Section 10 - T25S R29E  
 Eddy County New Mexico  
 Plan #1 - Rev 1



Rev 1 :  
 Surface Location revised to Actual  
 Coordinates ( 2-16-07 )

Surface Location		Ground Elevation: 6300.00 ESTIMATED RKB @ 6325.01R (RIG NOT SPECIFIED)		Slot	
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	-0.05	416636.00	613880.50	32° 8' 41.683N	103° 57' 55.425W

TARGET LOCATIONS					
Name	TVD	+N/-S	+E/-W	Northing	Easting
BHL	5300.01	2319.50	-6.65	418955.50	613873.90



SECTION DETAILS									
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec
1	0.00	0.00	359.84	0.00	0.00	-0.05	0.00	0.00	0.00
2	4822.54	0.00	359.84	4822.54	0.00	-0.05	0.00	0.00	0.00
3	5572.55	90.00	359.84	5300.01	477.46	-1.41	12.00	359.84	477.47
4	7414.59	90.00	359.84	5300.01	2319.50	-6.65	0.00	0.00	2319.51

BHL (Corral Fly Federal #2H)

# **Southwestern Energy Production Co.**

**Eddy County New Mexico  
Corral Fly Section 10 - T25S R29E  
Corral Fly Federal #2H  
Wellbore #1**

**Plan: Plan #1 - Rev 1**

## **Standard Planning Report**

**16 February, 2007**

# Crescent Directional Drilling Planning Report

<b>Database:</b>	COMPASS_2003.11_CDDSVR	<b>Local Co-ordinate Reference:</b>	Well Corral Fly Federal #2H
<b>Company:</b>	Southwestern Energy Production Co.	<b>TVD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Project:</b>	Eddy County New Mexico	<b>MD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Site:</b>	Corral Fly Section 10 - T25S R29E	<b>North Reference:</b>	Grid
<b>Well:</b>	Corral Fly Federal #2H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan #1 - Rev 1		

<b>Project</b> Eddy County New Mexico			
<b>Map System:</b>	US State Plane 1927 (Exact solution)	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	NAD 1927 (NADCON CONUS)		
<b>Map Zone:</b>	New Mexico East 3001		

<b>Site</b> Corral Fly Section 10 - T25S R29E					
<b>Site Position:</b>		<b>Northing:</b>	608,723.22 ft	<b>Latitude:</b>	32° 40' 24.286" N
<b>From:</b>	Map	<b>Easting:</b>	460,993.92 ft	<b>Longitude:</b>	104° 27' 36.359" W
<b>Position Uncertainty:</b>	0.00 ft	<b>Slot Radius:</b>	in	<b>Grid Convergence:</b>	-0.07 °

<b>Well</b> Corral Fly Federal #2H					
<b>Well Position</b>	<b>+N/-S</b>	0.00 ft	<b>Northing:</b>	416,636.00 ft	<b>Latitude:</b> 32° 08' 41.683" N
	<b>+E/-W</b>	-0.05 ft	<b>Easting:</b>	613,880.50 ft	<b>Longitude:</b> 103° 57' 55.425" W
<b>Position Uncertainty</b>		0.00 ft	<b>Wellhead Elevation:</b>	ft	<b>Ground Level:</b> 6,300.00 ft

<b>Wellbore</b> Wellbore #1					
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination</b>	<b>Dip Angle</b>	<b>Field Strength</b>
	IGRF2005-10	12/17/2006	(°)	(°)	(nT)
			8.28	60.16	48,968

<b>Design</b> Plan #1 - Rev 1					
<b>Audit Notes:</b>					
<b>Version:</b>	<b>Phase:</b>	PROTOTYPE	<b>Tie On Depth:</b>	0.00	
<b>Vertical Section:</b>	<b>Depth From (TVD)</b>	<b>+N/-S</b>	<b>+E/-W</b>	<b>Direction</b>	
	(ft)	(ft)	(ft)	(°)	
	0.00	0.00	-0.05	359.74	

<b>Plan Sections</b>										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	359.84	0.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,822.54	0.00	359.84	4,822.54	0.00	-0.05	0.00	0.00	0.00	0.00	
5,572.55	90.00	359.84	5,300.01	477.46	-1.41	12.00	12.00	0.00	359.84	
7,414.59	90.00	359.84	5,300.01	2,319.50	-6.65	0.00	0.00	0.00	0.00	BHL (Corral Fly Feder



## Crescent Directional Drilling Planning Report

<b>Database:</b>	COMPASS_2003.11_CDDSVR	<b>Local Co-ordinate Reference:</b>	Well Corral Fly Federal #2H
<b>Company:</b>	Southwestern Energy Production Co.	<b>TVD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Project:</b>	Eddy County New Mexico	<b>MD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Site:</b>	Corral Fly Section 10 - T25S R29E	<b>North Reference:</b>	Grid
<b>Well:</b>	Corral Fly Federal #2H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan #1 - Rev 1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0.00	0.00	359.84	0.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
100.00	0.00	359.84	100.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
200.00	0.00	359.84	200.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
300.00	0.00	359.84	300.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
400.00	0.00	359.84	400.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
500.00	0.00	359.84	500.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
600.00	0.00	359.84	600.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
700.00	0.00	359.84	700.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
800.00	0.00	359.84	800.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
900.00	0.00	359.84	900.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	359.84	1,000.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	359.84	1,100.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	359.84	1,200.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	359.84	1,300.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	359.84	1,400.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	359.84	1,500.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	359.84	1,600.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	359.84	1,700.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	359.84	1,800.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	359.84	1,900.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	359.84	2,000.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	359.84	2,100.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	359.84	2,200.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	359.84	2,300.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	359.84	2,400.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	359.84	2,500.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	359.84	2,600.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	359.84	2,700.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	359.84	2,800.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	359.84	2,900.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	359.84	3,000.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	359.84	3,100.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	359.84	3,200.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	359.84	3,300.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	359.84	3,400.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	359.84	3,500.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	359.84	3,600.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	359.84	3,700.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	359.84	3,800.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	359.84	3,900.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	359.84	4,000.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	359.84	4,100.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	359.84	4,200.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	359.84	4,300.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	359.84	4,400.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	359.84	4,500.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	359.84	4,600.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,700.00	0.00	359.84	4,700.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	359.84	4,800.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,822.54	0.00	359.84	4,822.54	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
<b>Kickoff @ 4822.5' TVD, 12° DLS</b>										
4,900.00	9.29	359.84	4,899.66	6.27	-0.07	6.27	12.00	12.00	0.00	0.00

## Crescent Directional Drilling Planning Report

<b>Database:</b>	COMPASS_2003.11_CDDSVR	<b>Local Co-ordinate Reference:</b>	Well Corral Fly Federal #2H
<b>Company:</b>	Southwestern Energy Production Co.	<b>TVD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Project:</b>	Eddy County New Mexico	<b>MD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Site:</b>	Corral Fly Section 10 - T25S R29E	<b>North Reference:</b>	Grid
<b>Well:</b>	Corral Fly Federal #2H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan #1 - Rev 1		

5,000.00	21.29	359.84	4,995.94	32.60	-0.14	32.60	12.00	12.00	0.00
5,100.00	33.29	359.84	5,084.65	78.37	-0.27	78.37	12.00	12.00	0.00
5,200.00	45.29	359.84	5,161.90	141.59	-0.45	141.59	12.00	12.00	0.00
5,300.00	57.29	359.84	5,224.31	219.48	-0.67	219.48	12.00	12.00	0.00
5,400.00	69.29	359.84	5,269.17	308.65	-0.93	308.65	12.00	12.00	0.00
5,500.00	81.29	359.84	5,294.51	405.20	-1.20	405.20	12.00	12.00	0.00
5,572.55	90.00	359.84	5,300.01	477.46	-1.41	477.47	12.00	12.00	0.00
<b>Beg Hold @ 5572.5' MD / 5300.0' TVD, 90.00°, 0.00° Azi</b>									
5,600.00	90.00	359.84	5,300.01	504.92	-1.49	504.92	0.00	0.00	0.00
5,700.00	90.00	359.84	5,300.01	604.92	-1.77	604.92	0.00	0.00	0.00
5,800.00	90.00	359.84	5,300.01	704.92	-2.06	704.92	0.00	0.00	0.00
5,900.00	90.00	359.84	5,300.01	804.92	-2.34	804.92	0.00	0.00	0.00
6,000.00	90.00	359.84	5,300.01	904.92	-2.62	904.92	0.00	0.00	0.00
6,100.00	90.00	359.84	5,300.01	1,004.92	-2.91	1,004.92	0.00	0.00	0.00
6,200.00	90.00	359.84	5,300.01	1,104.91	-3.19	1,104.92	0.00	0.00	0.00
6,300.00	90.00	359.84	5,300.01	1,204.91	-3.48	1,204.92	0.00	0.00	0.00
6,400.00	90.00	359.84	5,300.01	1,304.91	-3.76	1,304.92	0.00	0.00	0.00
6,500.00	90.00	359.84	5,300.01	1,404.91	-4.05	1,404.92	0.00	0.00	0.00
6,600.00	90.00	359.84	5,300.01	1,504.91	-4.33	1,504.92	0.00	0.00	0.00
6,700.00	90.00	359.84	5,300.01	1,604.91	-4.62	1,604.92	0.00	0.00	0.00
6,800.00	90.00	359.84	5,300.01	1,704.91	-4.90	1,704.92	0.00	0.00	0.00
6,900.00	90.00	359.84	5,300.01	1,804.91	-5.19	1,804.92	0.00	0.00	0.00
7,000.00	90.00	359.84	5,300.01	1,904.91	-5.47	1,904.92	0.00	0.00	0.00
7,100.00	90.00	359.84	5,300.01	2,004.91	-5.75	2,004.92	0.00	0.00	0.00
7,200.00	90.00	359.84	5,300.01	2,104.91	-6.04	2,104.92	0.00	0.00	0.00
7,300.00	90.00	359.84	5,300.01	2,204.91	-6.32	2,204.92	0.00	0.00	0.00
7,400.00	90.00	359.84	5,300.01	2,304.91	-6.61	2,304.92	0.00	0.00	0.00
7,414.59	90.00	359.84	5,300.01	2,319.50	-6.65	2,319.51	0.00	0.00	0.00
<b>TD @ 7414.58' MD / 5300.01' TVD</b>									

Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(ft)	ft	ft	(ft)	(ft)		
- Shape									
BHL (Corral Fly Federal #2H)	0.00	0.00	5,300.01	2,319.50	-6.65	418,955.50	613,873.90	32° 09' 04.638" N	103° 57' 55.409" W
- plan misses by 14.59ft at 7400.00ft MD (5300.01 TVD, 2304.91 N, -6.61 E)									
- Point									
SECT 10 (Corral Fly Federal #2H)	0.00	0.00	0.00	-120.00	-1,980.00	416,516.00	611,900.55	32° 08' 40.562" N	103° 58' 18.459" W
- plan misses by 1983.58ft at 0.00ft MD (0.00 TVD, 0.00 N, -0.05 E)									
- Rectangle (sides W5,280.01 H5,280.01 D0.00)									

Plan Annotations				
Measured Depth	Vertical Depth	Local Coordinates		Comment
(ft)	(ft)	+N/-S	+E/-W	
		(ft)	(ft)	
4,822.54	4,822.54	0.00	0.00	Kickoff @ 4822.5' TVD, 12° DLS
5,572.55	5,300.01	477.46	-1.37	Beg Hold @ 5572.5' MD / 5300.0' TVD, 90.00°, 0.00° Azi
7,414.58	5,300.01	2,319.49	-6.65	TD @ 7414.58' MD / 5300.01' TVD

**Attachment C**  
**Corral Fly Federal #2-H**  
**Offset Leasehold Notification List**

Pogo Producing Company  
P.O. Box 2504  
Houston, Texas 77252

Receipt # 7006 2150 0002 1398 020

Bettis Brothers, Inc.  
500 W. Wall, Suite 312  
Midland, Texas 79701

Receipt # 7006 2150 0002 1398 0190

Sonic Oil & Gas, LP  
P.O. Box 1240  
Graham, Texas 76450

Receipt # 7006 2150 0002 1398 0213

Norman D. Stovall, Jr.  
P.O. Box 10  
Graham, Texas 76046

Receipt # 7006 2150 0002 1398 0220

H. M. Bettis, Inc.  
P.O. Box 1240  
Graham, Texas 76046

Receipt # 7006 2150 0002 1398 0237

James R. Quinn  
210 E. Abram, Suite 650  
Arlington, Texas 76010

Receipt # 7006 2150 0002 1398 0244

The Allar Company  
P.O. Box 630  
Graham, Texas 76046

Receipt # 7006 2150 0002 1398 0251

Eleven Sands Exploration, Inc.  
RR 8 Box 104  
Guthrie, Texas 73044

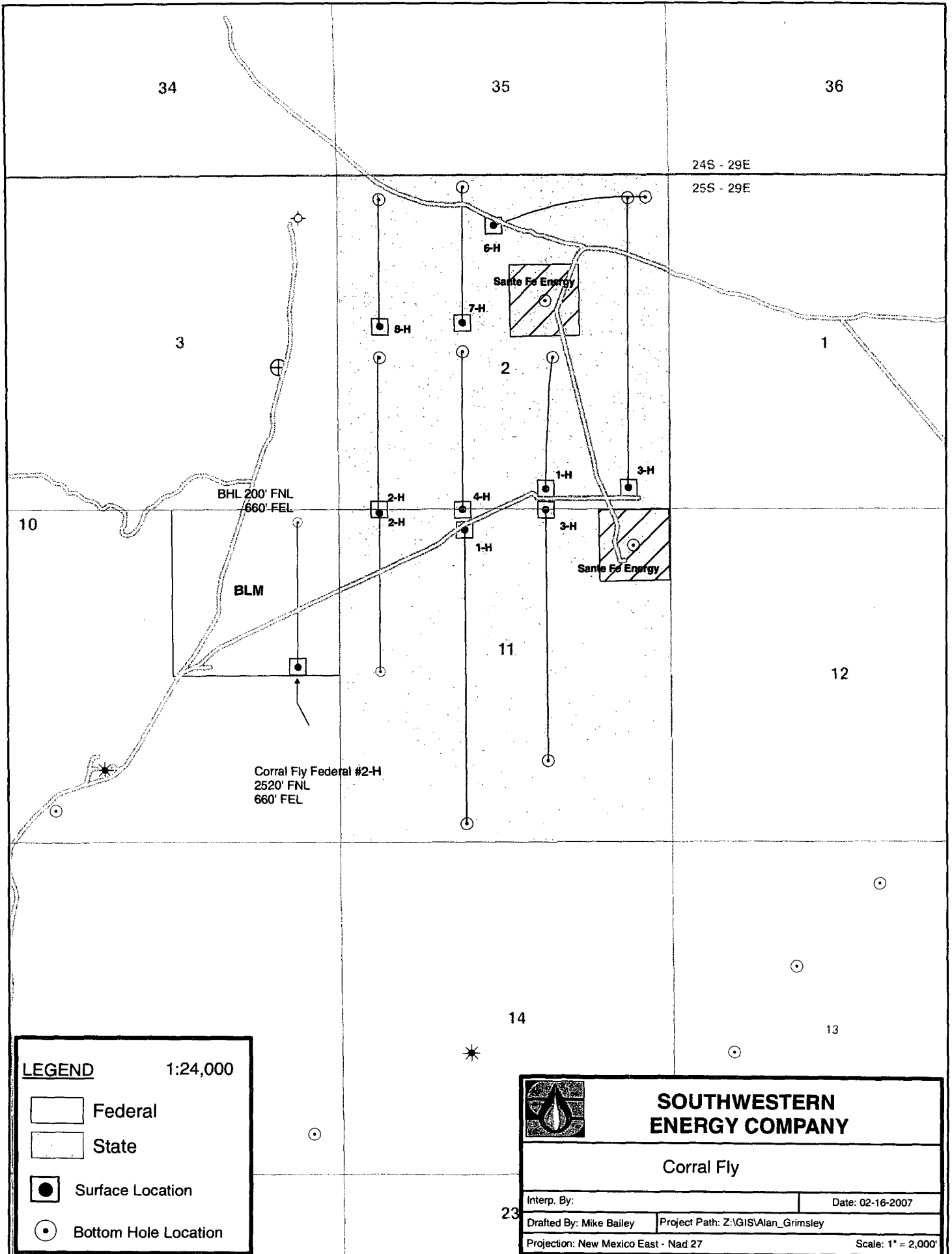
Receipt # 7006 2150 0002 1398 0268

B.A.G.A.M., Ltd.  
P.O. Box 37  
Graham, Texas 76046





Receipt # 7006 2150 0002 1398 0275


L. E. Opperman  
1505 Neely  
Midland, Texas 79705

Receipt # 7006 2150 0002 1398 0282



**LEGEND** 1:24,000

-  Federal
-  State
-  Surface Location
-  Bottom Hole Location

	
<b>SOUTHWESTERN ENERGY COMPANY</b>	
Corral Fly	
Interp. By:	Date: 02-16-2007
Drafted By: Mike Bailey	Project Path: Z:\GIS\Alan_Grimsley
Projection: New Mexico East - Nad 27	Scale: 1" = 2,000'



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

2007 FEB 20 AM 9 16

February 19, 2007

Richard Ezeanyim  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 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: Corral Fly Federal No. 2-H  
Location: 2,520' feet FNL & 660 feet FEL  
Well Unit: SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10, 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 as Exhibit A.

The proposed location is based on engineering reasons. The proposed well, Corral Fly Federal #2-H, will be directionally drilled from an unorthodox surface location 2,520 feet from the North Line and 660 feet from the East Line of Section 10 to a bottom hole location 200 feet from the North Line and 660 feet from the East line.

The well plan consists of drilling a vertical pilot hole to 5,600' MD and run wireline logs to confirm the Cherry Canyon 4 target zone. The well will be plugged back and prepared to the estimated KOP (kick off point) at 4,823' MD/TVD. The hole will be directional drilled utilizing a build rate of 12°/100' to penetrate the Cherry Canyon 4 Sand at 5,573' MD / 5,300' TVD at 90° of angle. The Cherry Canyon 4 will be intersected at 2,998' FNL and 660' FEL of Section 10 T25S R29E. The well will continue laterally (90°) for ±2320' of vertical displacement. The proposed BHL will be 200' FNL & 660' FEL of section 10. The top of the Delaware will be intersected at 3145' MD/TVD at 2,520' FNL and 660' FEL of Section 10. A drilling prognosis, directional plot, and proposed survey report are attached as Exhibit B.

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 10 T25S R29E (greater than 330' from any lease line).

By placing the surface location at 2,520' FNL and 660' FEL of Section 10, the maximum amount of reservoir rock in the Cherry Canyon 4 Sand in the producing area can be penetrated and produced.

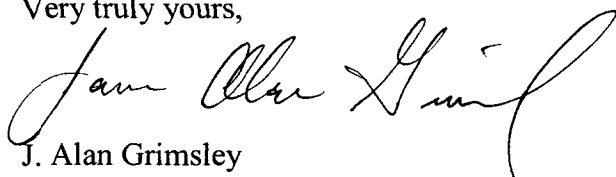
Attachment C is a list of all interest owners that will be affected with the unorthodox surface location. Each interest owner has been provided a copy of this request via certified mail.

Furthermore, Southwestern Energy Production Company has gained 100% access to the mineral interests to the Cherry Canyon formation in the Delaware Mountain Group of Section 10 via farmout agreement with EOG (Lease Serial No. NM-15303). A land plat is attached as Exhibit D.

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](mailto:alan_grimsley@swn.com).

Very truly yours,



J. Alan Grimsley  
Southwestern Energy Production Co.

Attachments  
CC: District 2  
BLM – Carlsbad Office

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., BOBBS, NM 86240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 86210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1230 S. ST. FRANCIS DR., SANTA FE, NM 87505

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 <b>CORRAL FLY FEDERAL</b>	Well Number 2H
OGRID No.	Operator Name <b>SOUTHWESTERN ENERGY PRODUCTION COMPANY</b>	Elevation 3059'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	10	25-S	29-E		2520	NORTH	660	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
A	10	25-S	29-E		200	NORTH	660	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	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

**BOTTOM HOLE**  
 Y=418955.5 N  
 X=613873.9 E  
  
 GR. AZ.=359°50'01"  
 H. DIST.=2320.1'

Project Area  
  
 Producing Area

GEODETIC COORDINATES  
 NAD 27 NME  
 SURFACE LOCATION  
 Y=416636.0 N  
 X=613880.5 E  
  
 LAT.=32.144914° N  
 LONG.=103.965392° W

**OPERATOR CERTIFICATION**

*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.*

*James Alan Grimsley* 1/12/07  
 Signature Date  
**JAMES ALAN GRIMSLEY**  
 Printed Name

---

**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.*

DECEMBER 19, 2006

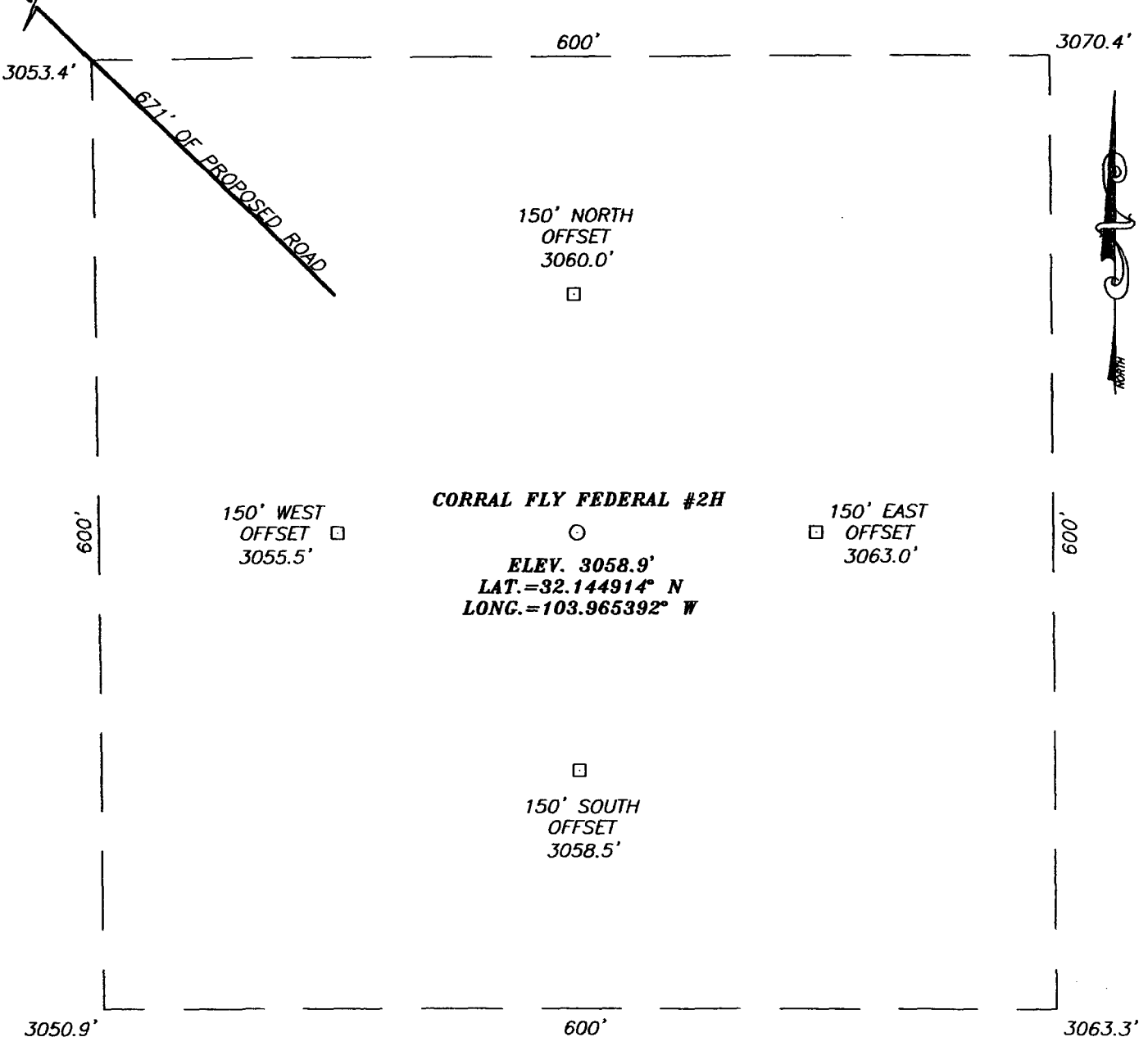
Date Surveyed JR

Signature & Seal of Professional Surveyor

*Gary Edson* 1/2/06  
 06.11.2006

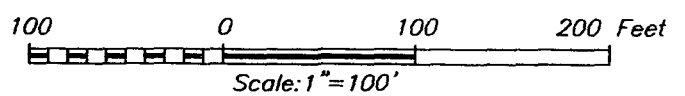
Certificate No. **GARY EDSON** 12841  
**CHAD BARGROW** 17777

**SECTION 10, 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. 4.2 MILES. VEER RIGHT AND GO NORTHEAST APPROX. 1.0 MILE TO A PROPOSED ROAD SURVEY. FOLLOW PROPOSED ROAD SURVEY SOUTHEAST APPROX. 883 FEET TO THIS LOCATION.



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

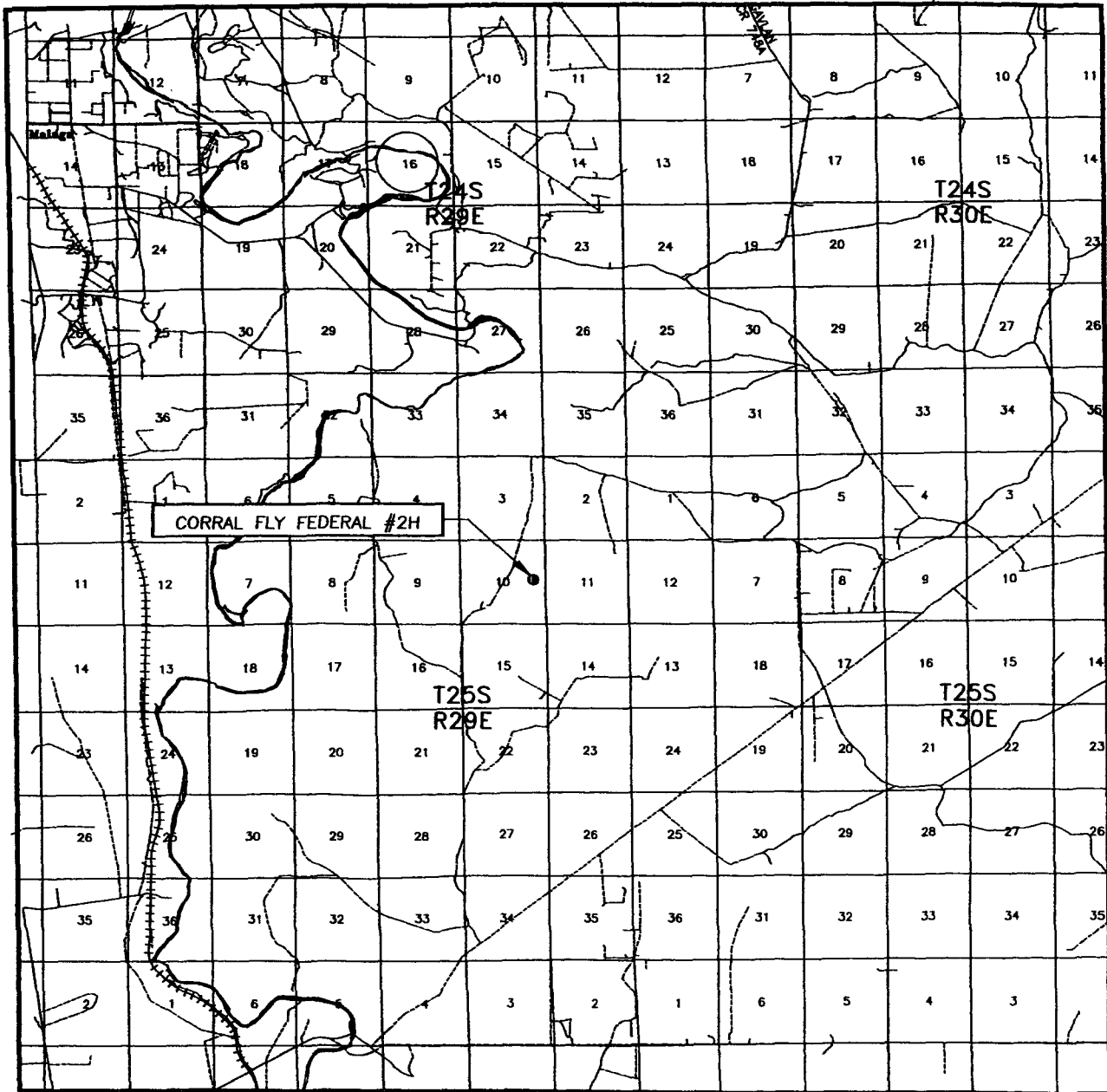
**SOUTHWESTERN ENERGY PRODUCTION COMPANY**

CORRAL FLY FEDERAL #2H  
 LOCATED 2520 FEET FROM THE NORTH LINE  
 AND 660 FEET FROM THE EAST LINE OF SECTION 10,  
 TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

Survey Date: 12/19/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.2000	Dr By: J.R. Rev 1:N/A
Date: 12/28/06	Disk: CD#6 06112000 Scale: 1"=100'



# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 10 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.


COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2520' FNL & 660' FEL

ELEVATION 3059'

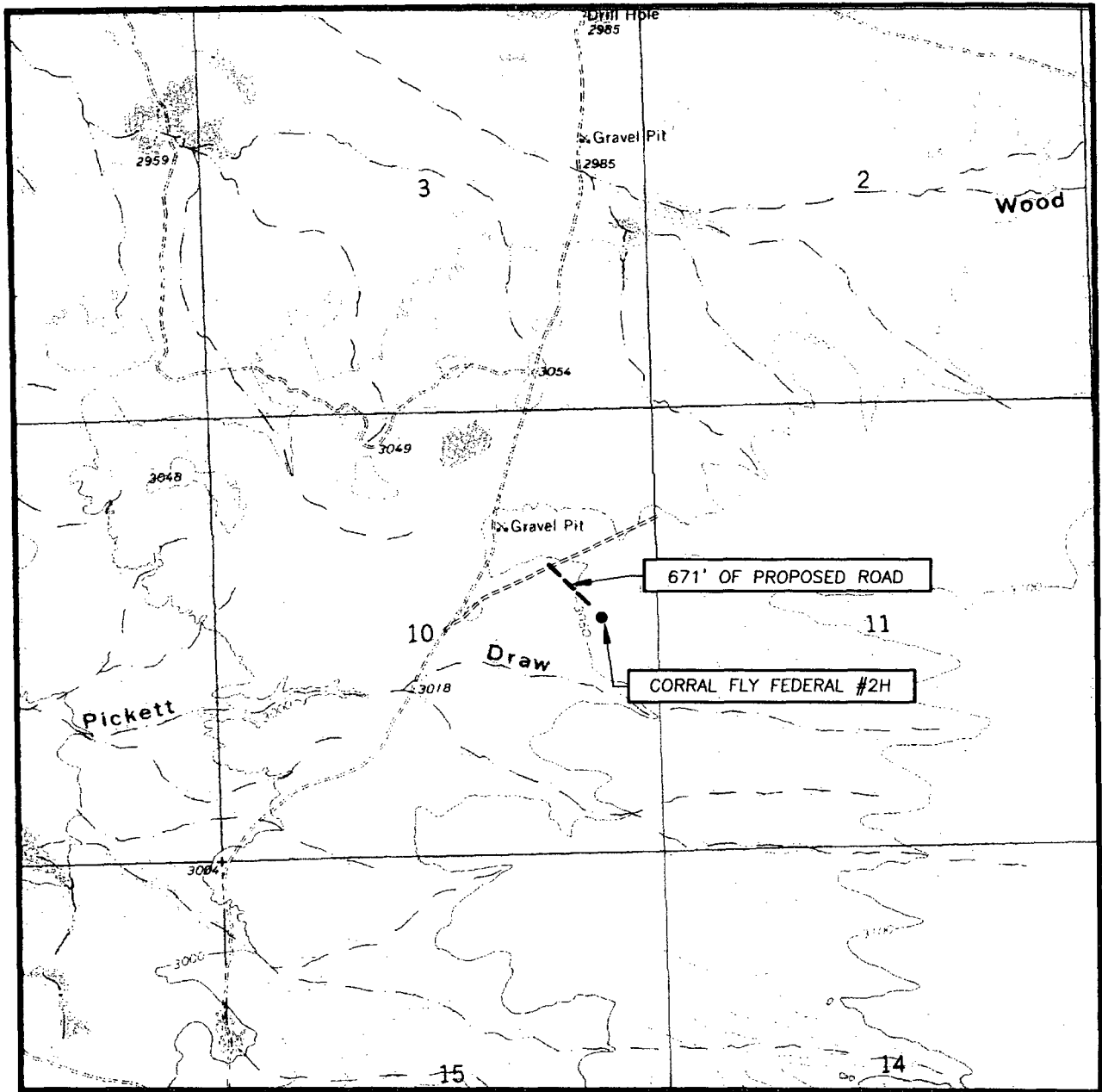
OPERATOR SOUTHWESTERN ENERGY PRODUCTION COMPANY

LEASE CORRAL FLY FEDERAL



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

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
PIERCE CANYON, N.M. - 10'

SEC. 10 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO


DESCRIPTION 2520' FNL & 660' FEL

ELEVATION 3059'

OPERATOR SOUTHWESTERN ENERGY  
PRODUCTION COMPANY

LEASE CORRAL FLY FEDERAL

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



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



# DRILLING PROGNOSIS

## Southwestern Energy Production Company

**WELL NAME:** Corral Fly Federal #2-H

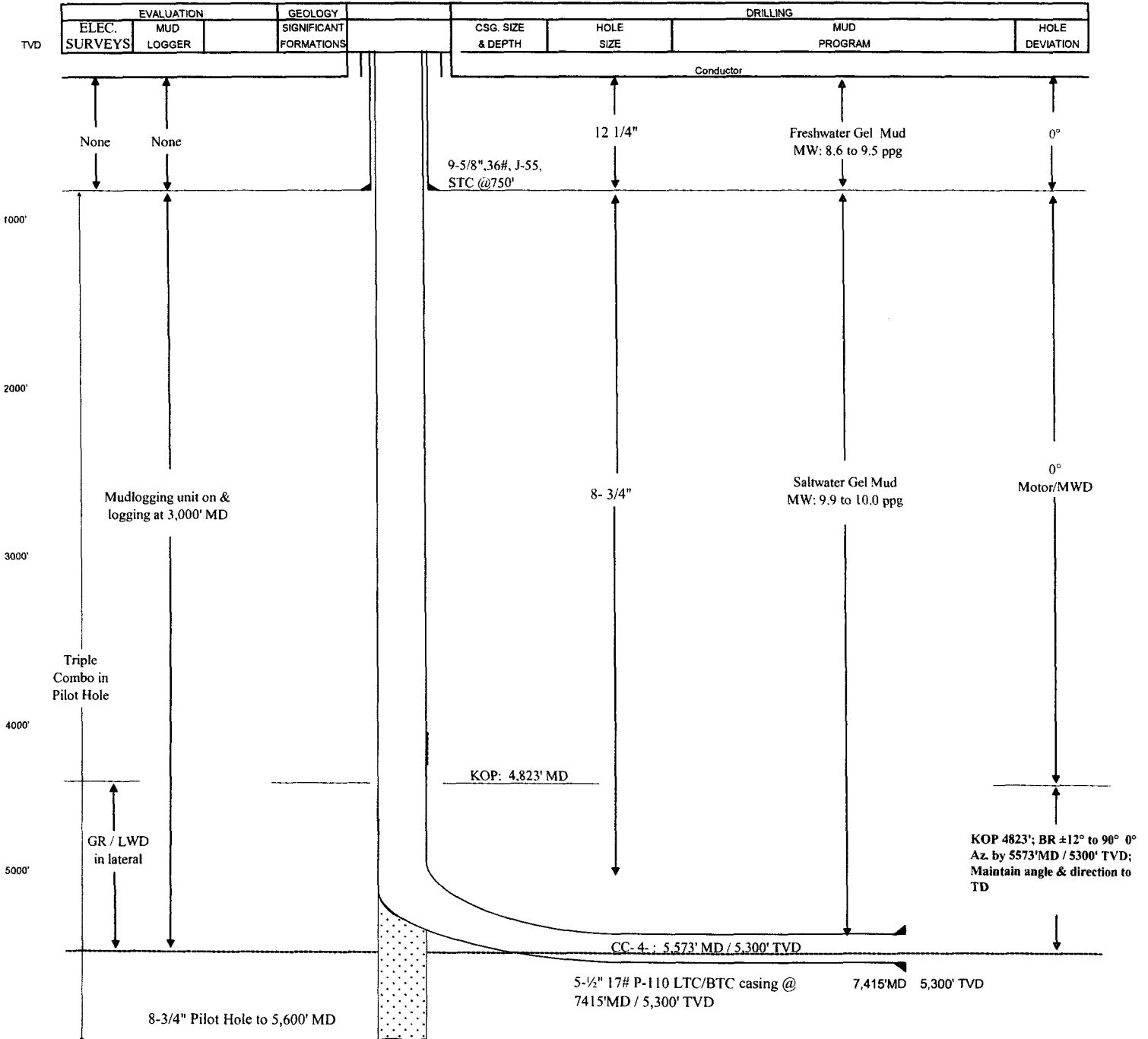
**AFE NO.**

**LOCATION:** Sec. 10, T25S, R29E  
 Eddy County NM  
 SL: 2520' FSL 660' FEL  
 BHL: 200' FNL 660' FEL  
 TGT ENTRY PT: 2,998' FNL 660' FEL

**PROSPECT:** Corral Fly

**OBJECTIVE:** Cherry Canyon Sd, CC-4

**EST. ELEVATION:** GL 3059'; RKB ±16"



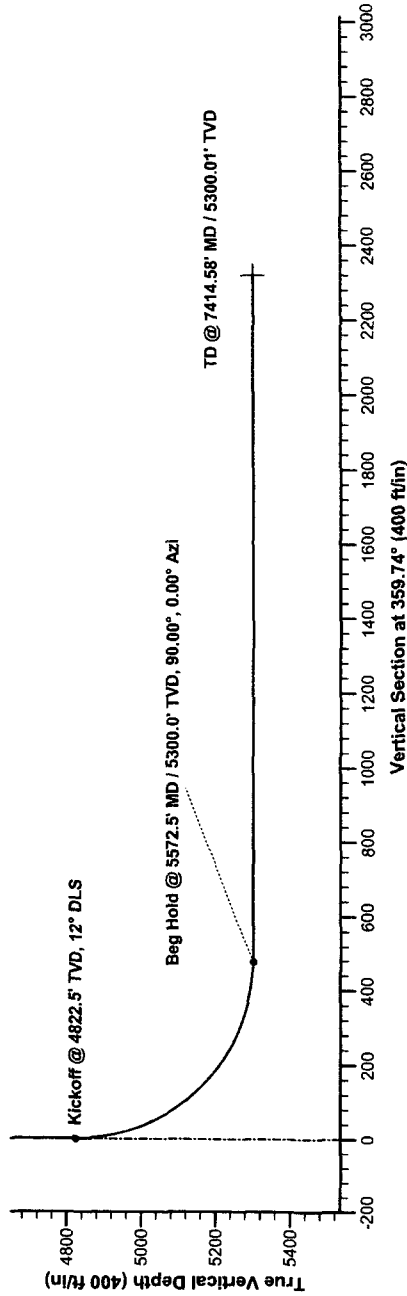


Southwestern Energy Production Co.  
 Corral Fly Federal #2H  
 Corral Fly Section 10 - T25S R29E  
 Eddy County New Mexico  
 Plan #1 - Rev 1

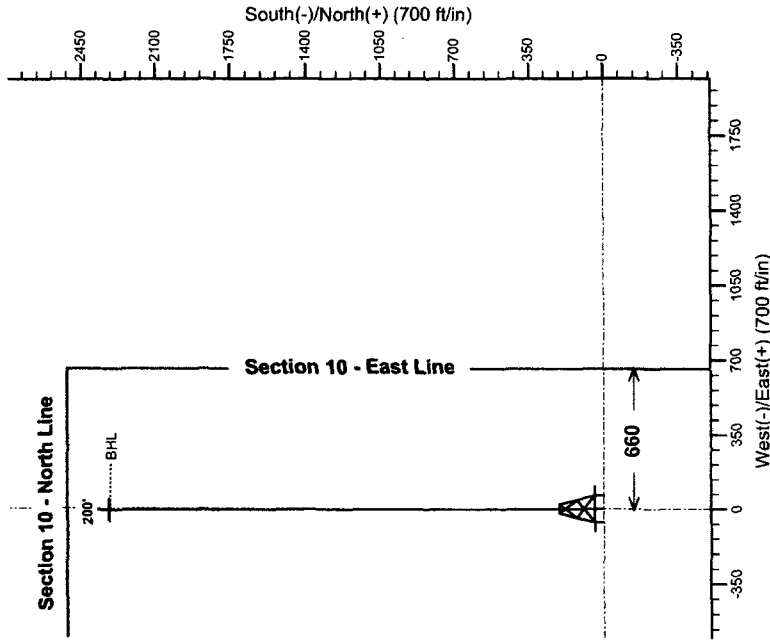
Surface Location	Ground Elevation: 6300.00 ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)			
+N/-S	+E/-W	Northing	Easting	Slot
0.00	-0.05	416636.00	613880.50	
		Latitude	Longitude	
		32°8'41.683N	103°57'55.425W	

Rev 1 :  
 Surface Location revised to Actual  
 Coordinates ( 2-16-07 )

TARGET LOCATIONS				
Name	TVD	+N/-S	+E/-W	Slot
BHL	5300.01	2319.50	-6.65	613873.90



SECTION DETAILS							
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	VSec
1	0.00	0.00	359.84	0.00	0.00	-0.05	0.00
2	4822.54	0.00	359.84	4822.54	0.00	-0.05	0.00
3	5572.55	90.00	359.84	5300.01	477.46	-1.41	359.84
4	7414.59	90.00	359.84	5300.01	2319.50	-6.65	477.47
							2319.51
							BHL (Corral Fly Federal #2H)



# **Southwestern Energy Production Co.**

**Eddy County New Mexico  
Corral Fly Section 10 - T25S R29E  
Corral Fly Federal #2H  
Wellbore #1**

**Plan: Plan #1 - Rev 1**

## **Standard Planning Report**

**16 February, 2007**

# Crescent Directional Drilling Planning Report

<b>Database:</b>	COMPASS_2003.11_CDDSVR	<b>Local Co-ordinate Reference:</b>	Well Corral Fly Federal #2H
<b>Company:</b>	Southwestern Energy Production Co.	<b>TVD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Project:</b>	Eddy County New Mexico	<b>MD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Site:</b>	Corral Fly Section 10 - T25S R29E	<b>North Reference:</b>	Grid
<b>Well:</b>	Corral Fly Federal #2H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan #1 - Rev 1		

<b>Project</b> Eddy County New Mexico			
<b>Map System:</b>	US State Plane 1927 (Exact solution)	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	NAD 1927 (NADCON CONUS)		
<b>Map Zone:</b>	New Mexico East 3001		

<b>Site</b> Corral Fly Section 10 - T25S R29E					
<b>Site Position:</b>		<b>Northing:</b>	608,723.22 ft	<b>Latitude:</b>	32° 40' 24.286" N
<b>From:</b>	Map	<b>Easting:</b>	460,993.92 ft	<b>Longitude:</b>	104° 27' 36.359" W
<b>Position Uncertainty:</b>	0.00 ft	<b>Slot Radius:</b>	in	<b>Grid Convergence:</b>	-0.07 °

<b>Well</b> Corral Fly Federal #2H					
<b>Well Position</b>	<b>+N/-S</b>	0.00 ft	<b>Northing:</b>	416,636.00 ft	<b>Latitude:</b> 32° 08' 41.683" N
	<b>+E/-W</b>	-0.05 ft	<b>Easting:</b>	613,880.50 ft	<b>Longitude:</b> 103° 57' 55.425" W
<b>Position Uncertainty</b>		0.00 ft	<b>Wellhead Elevation:</b>	ft	<b>Ground Level:</b> 6,300.00 ft

<b>Wellbore</b> Wellbore #1					
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination</b>	<b>Dip Angle</b>	<b>Field Strength</b>
	IGRF2005-10	12/17/2006	(°) 8.28	(°) 60.16	(nT) 48,968

<b>Design</b> Plan #1 - Rev 1					
<b>Audit Notes:</b>					
<b>Version:</b>	<b>Phase:</b>	PROTOTYPE	<b>Tie On Depth:</b>	0.00	
<b>Vertical Section:</b>	<b>Depth From (TVD)</b>	<b>+N/-S</b>	<b>+E/-W</b>	<b>Direction</b>	
	(ft)	(ft)	(ft)	(°)	
	0.00	0.00	-0.05	359.74	

<b>Plan Sections</b>										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	359.84	0.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,822.54	0.00	359.84	4,822.54	0.00	-0.05	0.00	0.00	0.00	0.00	
5,572.55	90.00	359.84	5,300.01	477.46	-1.41	12.00	12.00	0.00	359.84	
7,414.59	90.00	359.84	5,300.01	2,319.50	-6.65	0.00	0.00	0.00	0.00	BHL (Corral Fly Feder

## Crescent Directional Drilling Planning Report

<b>Database:</b>	COMPASS_2003.11_CDDSVR	<b>Local Co-ordinate Reference:</b>	Well Corral Fly Federal #2H
<b>Company:</b>	Southwestern Energy Production Co.	<b>TVD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Project:</b>	Eddy County New Mexico	<b>MD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Site:</b>	Corral Fly Section 10 - T25S R29E	<b>North Reference:</b>	Grid
<b>Well:</b>	Corral Fly Federal #2H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan #1 - Rev 1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0.00	0.00	359.84	0.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
100.00	0.00	359.84	100.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
200.00	0.00	359.84	200.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
300.00	0.00	359.84	300.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
400.00	0.00	359.84	400.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
500.00	0.00	359.84	500.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
600.00	0.00	359.84	600.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
700.00	0.00	359.84	700.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
800.00	0.00	359.84	800.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
900.00	0.00	359.84	900.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	359.84	1,000.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	359.84	1,100.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	359.84	1,200.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	359.84	1,300.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	359.84	1,400.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	359.84	1,500.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	359.84	1,600.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	359.84	1,700.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	359.84	1,800.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	359.84	1,900.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	359.84	2,000.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	359.84	2,100.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	359.84	2,200.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	359.84	2,300.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	359.84	2,400.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	359.84	2,500.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	359.84	2,600.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	359.84	2,700.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	359.84	2,800.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	359.84	2,900.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	359.84	3,000.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	359.84	3,100.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	359.84	3,200.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	359.84	3,300.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	359.84	3,400.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	359.84	3,500.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	359.84	3,600.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	359.84	3,700.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	359.84	3,800.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	359.84	3,900.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	359.84	4,000.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	359.84	4,100.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	359.84	4,200.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	359.84	4,300.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	359.84	4,400.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	359.84	4,500.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	359.84	4,600.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,700.00	0.00	359.84	4,700.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	359.84	4,800.00	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
4,822.54	0.00	359.84	4,822.54	0.00	-0.05	0.00	0.00	0.00	0.00	0.00
<b>Kickoff @ 4822.5' TVD, 12° DLS</b>										
4,900.00	9.29	359.84	4,899.66	6.27	-0.07	6.27	12.00	12.00	0.00	

## Crescent Directional Drilling Planning Report

<b>Database:</b>	COMPASS_2003.11_CDDSVR	<b>Local Co-ordinate Reference:</b>	Well Corral Fly Federal #2H
<b>Company:</b>	Southwestern Energy Production Co.	<b>TVD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Project:</b>	Eddy County New Mexico	<b>MD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Site:</b>	Corral Fly Section 10 - T25S R29E	<b>North Reference:</b>	Grid
<b>Well:</b>	Corral Fly Federal #2H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan #1 - Rev 1		

5,000.00	21.29	359.84	4,995.94	32.60	-0.14	32.60	12.00	12.00	0.00
5,100.00	33.29	359.84	5,084.65	78.37	-0.27	78.37	12.00	12.00	0.00
5,200.00	45.29	359.84	5,161.90	141.59	-0.45	141.59	12.00	12.00	0.00
5,300.00	57.29	359.84	5,224.31	219.48	-0.67	219.48	12.00	12.00	0.00
5,400.00	69.29	359.84	5,269.17	308.65	-0.93	308.65	12.00	12.00	0.00
5,500.00	81.29	359.84	5,294.51	405.20	-1.20	405.20	12.00	12.00	0.00
5,572.55	90.00	359.84	5,300.01	477.46	-1.41	477.47	12.00	12.00	0.00
<b>Beg Hold @ 5572.5' MD / 5300.0' TVD, 90.00°, 0.00° Azi</b>									
5,600.00	90.00	359.84	5,300.01	504.92	-1.49	504.92	0.00	0.00	0.00
5,700.00	90.00	359.84	5,300.01	604.92	-1.77	604.92	0.00	0.00	0.00
5,800.00	90.00	359.84	5,300.01	704.92	-2.06	704.92	0.00	0.00	0.00
5,900.00	90.00	359.84	5,300.01	804.92	-2.34	804.92	0.00	0.00	0.00
6,000.00	90.00	359.84	5,300.01	904.92	-2.62	904.92	0.00	0.00	0.00
6,100.00	90.00	359.84	5,300.01	1,004.92	-2.91	1,004.92	0.00	0.00	0.00
6,200.00	90.00	359.84	5,300.01	1,104.91	-3.19	1,104.92	0.00	0.00	0.00
6,300.00	90.00	359.84	5,300.01	1,204.91	-3.48	1,204.92	0.00	0.00	0.00
6,400.00	90.00	359.84	5,300.01	1,304.91	-3.76	1,304.92	0.00	0.00	0.00
6,500.00	90.00	359.84	5,300.01	1,404.91	-4.05	1,404.92	0.00	0.00	0.00
6,600.00	90.00	359.84	5,300.01	1,504.91	-4.33	1,504.92	0.00	0.00	0.00
6,700.00	90.00	359.84	5,300.01	1,604.91	-4.62	1,604.92	0.00	0.00	0.00
6,800.00	90.00	359.84	5,300.01	1,704.91	-4.90	1,704.92	0.00	0.00	0.00
6,900.00	90.00	359.84	5,300.01	1,804.91	-5.19	1,804.92	0.00	0.00	0.00
7,000.00	90.00	359.84	5,300.01	1,904.91	-5.47	1,904.92	0.00	0.00	0.00
7,100.00	90.00	359.84	5,300.01	2,004.91	-5.75	2,004.92	0.00	0.00	0.00
7,200.00	90.00	359.84	5,300.01	2,104.91	-6.04	2,104.92	0.00	0.00	0.00
7,300.00	90.00	359.84	5,300.01	2,204.91	-6.32	2,204.92	0.00	0.00	0.00
7,400.00	90.00	359.84	5,300.01	2,304.91	-6.61	2,304.92	0.00	0.00	0.00
7,414.59	90.00	359.84	5,300.01	2,319.50	-6.65	2,319.51	0.00	0.00	0.00
<b>TD @ 7414.58' MD / 5300.01' TVD</b>									

Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(ft)	ft	ft	(ft)	(ft)		
- Shape									
BHL (Corral Fly Federat	0.00	0.00	5,300.01	2,319.50	-6.65	418,955.50	613,873.90	32° 09' 04.638" N	103° 57' 55.409" W
- plan misses by 14.59ft at 7400.00ft MD (5300.01 TVD, 2304.91 N, -6.61 E)									
- Point									
SECT 10 (Corral Fly F	0.00	0.00	0.00	-120.00	-1,980.00	416,516.00	611,900.55	32° 08' 40.562" N	103° 58' 18.459" W
- plan misses by 1983.58ft at 0.00ft MD (0.00 TVD, 0.00 N, -0.05 E)									
- Rectangle (sides W5,280.01 H5,280.01 D0.00)									

Plan Annotations				
Measured Depth	Vertical Depth	Local Coordinates		Comment
(ft)	(ft)	+N/-S	+E/-W	
		(ft)	(ft)	
4,822.54	4,822.54	0.00	0.00	Kickoff @ 4822.5' TVD, 12° DLS
5,572.55	5,300.01	477.46	-1.37	Beg Hold @ 5572.5' MD / 5300.0' TVD, 90.00°, 0.00° Azi
7,414.58	5,300.01	2,319.49	-6.65	TD @ 7414.58' MD / 5300.01' TVD



**Attachment C**  
**Corral Fly Federal #2-H**  
**Offset Leasehold Notification List**

Pogo Producing Company  
P.O. Box 2504  
Houston, Texas 77252

Receipt # 7006 2150 0002 1398 020

Bettis Brothers, Inc.  
500 W. Wall, Suite 312  
Midland, Texas 79701

Receipt # 7006 2150 0002 1398 0190

Sonic Oil & Gas, LP  
P.O. Box 1240  
Graham, Texas 76450

Receipt # 7006 2150 0002 1398 0213

Norman D. Stovall, Jr.  
P.O. Box 10  
Graham, Texas 76046

Receipt # 7006 2150 0002 1398 0220

H. M. Bettis, Inc.  
P.O. Box 1240  
Graham, Texas 76046

Receipt # 7006 2150 0002 1398 0237

James R. Quinn  
210 E. Abram, Suite 650  
Arlington, Texas 76010

Receipt # 7006 2150 0002 1398 0244

The Allar Company  
P.O. Box 630  
Graham, Texas 76046

Receipt # 7006 2150 0002 1398 0251

Eleven Sands Exploration, Inc.  
RR 8 Box 104  
Guthrie, Texas 73044

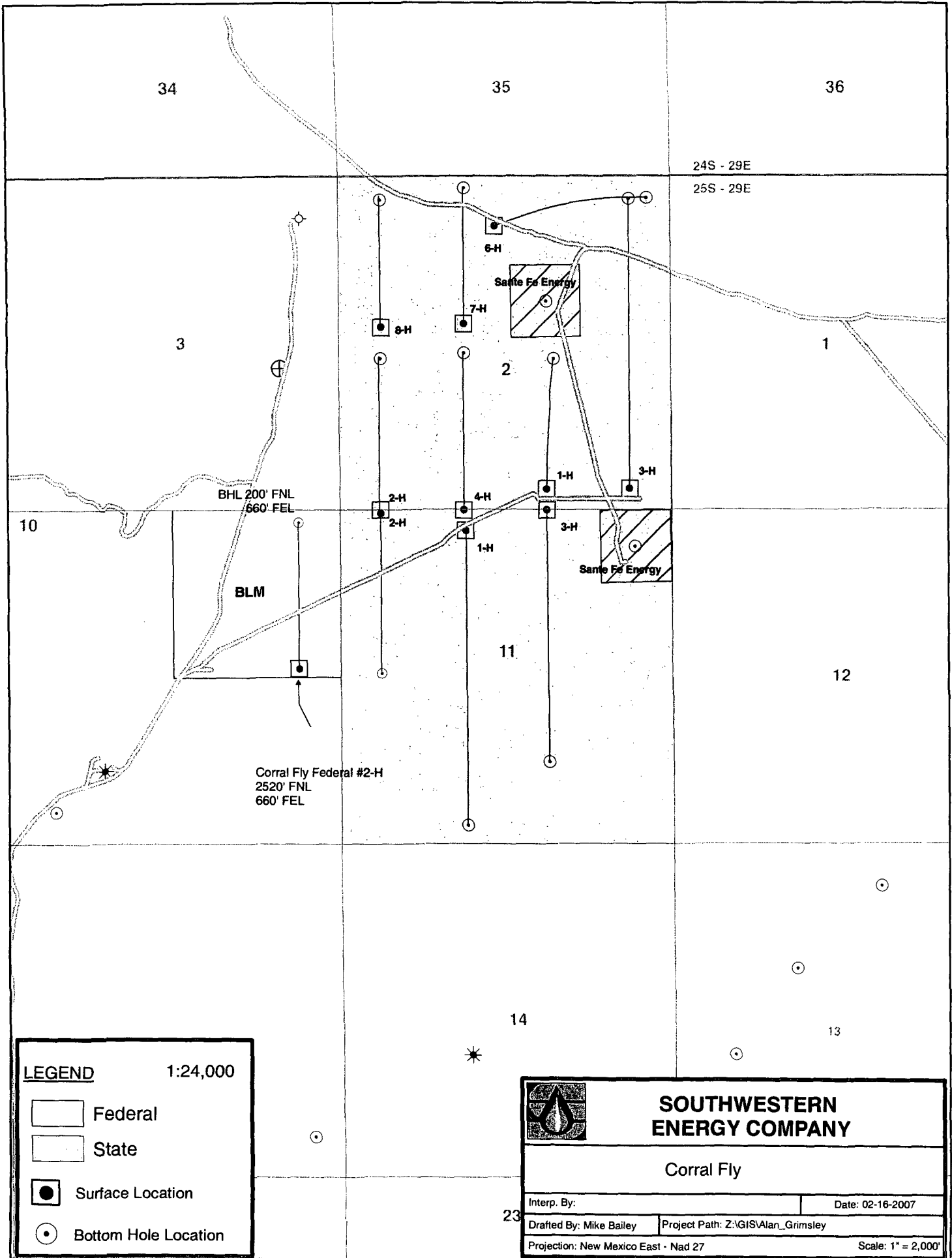
Receipt # 7006 2150 0002 1398 0268

B.A.G.A.M., Ltd.  
P.O. Box 37  
Graham, Texas 76046





Receipt # 7006 2150 0002 1398 0275

L. E. Opperman  
1505 Neely  
Midland, Texas 79705

Receipt # 7006 2150 0002 1398 0282



**LEGEND** 1:24,000

-  Federal
-  State
-  Surface Location
-  Bottom Hole Location

**SOUTHWESTERN ENERGY COMPANY**

Corral Fly

Interp. By:	Date: 02-16-2007
Drafted By: Mike Bailey	Project Path: Z:\GIS\Alan_Grimsley
Projection: New Mexico East - Nad 27	Scale: 1" = 2,000'



**Southwestern Energy  
Company**

2350 N. Sam Houston Parkway East  
Suite 300  
Houston, Texas 77032  
(281) 618-4700 FAX: (281) 618-4818

February 19, 2007

2007 FEB 20 AM 9 16

Richard Ezeanyim  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 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: Corral Fly Federal No. 2-H  
Location: 2,520' feet FNL & 660 feet FEL  
Well Unit: SE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10, 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 as Exhibit A.

The proposed location is based on engineering reasons. The proposed well, Corral Fly Federal #2-H, will be directionally drilled from an unorthodox surface location 2,520 feet from the North Line and 660 feet from the East Line of Section 10 to a bottom hole location 200 feet from the North Line and 660 feet from the East line.

The well plan consists of drilling a vertical pilot hole to 5,600' MD and run wireline logs to confirm the Cherry Canyon 4 target zone. The well will be plugged back and prepared to the estimated KOP (kick off point) at 4,823' MD/TVD. The hole will be directional drilled utilizing a build rate of 12°/100' to penetrate the Cherry Canyon 4 Sand at 5,573' MD / 5,300' TVD at 90° of angle. The Cherry Canyon 4 will be intersected at 2,998' FNL and 660' FEL of Section 10 T25S R29E. The well will continue laterally (90°) for  $\pm$ 2320' of vertical displacement. The proposed BHL will be 200' FNL & 660' FEL of section 10. The top of the Delaware will be intersected at 3145' MD/TVD at 2,520' FNL and 660' FEL of Section 10. A drilling prognosis, directional plot, and proposed survey report are attached as Exhibit B.

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 10 T25S R29E (greater than 330' from any lease line).

By placing the surface location at 2,520' FNL and 660' FEL of Section 10, the maximum amount of reservoir rock in the Cherry Canyon 4 Sand in the producing area can be penetrated and produced.

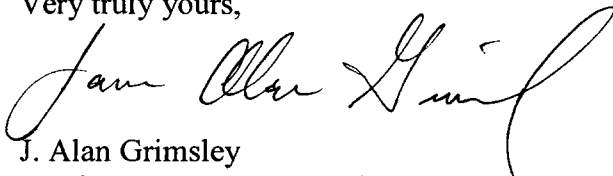
Attachment C is a list of all interest owners that will be affected with the unorthodox surface location. Each interest owner has been provided a copy of this request via certified mail.

Furthermore, Southwestern Energy Production Company has gained 100% access to the mineral interests to the Cherry Canyon formation in the Delaware Mountain Group of Section 10 via farmout agreement with EOG (Lease Serial No. NM-15303). A land plat is attached as Exhibit D.

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](mailto:alan_grimsley@swn.com).

Very truly yours,



J. Alan Grimsley  
Southwestern Energy Production Co.

Attachments  
CC: District 2  
BLM – Carlsbad Office

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I  
1625 N. FRENCH DR., HOBBBS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

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 <b>CORRAL FLY FEDERAL</b>	Well Number 2H
OGRID No.	Operator Name <b>SOUTHWESTERN ENERGY PRODUCTION COMPANY</b>	Elevation 3059'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	10	25-S	29-E		2520	NORTH	660	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
A	10	25-S	29-E		200	NORTH	660	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	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

**BOTTOM HOLE**  
Y=418955.5 N  
X=613873.9 E

GR. AZ.=359°50'01"  
H. DIST.=2320'

Project Area

Producing Area

Dimensions: 2520', 660', 3053.4', 3070.4', 3050.9', 3063.3', 600', 660'

**GEODETIC COORDINATES**  
NAD 27 NME  
SURFACE LOCATION  
Y=416636.0 N  
X=613880.5 E

LAT.=32.144914° N  
LONG.=103.965392° W

**OPERATOR CERTIFICATION**

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.

*James Alan Grimsley* 1/12/07  
Signature Date

**JAMES ALAN GRIMSLEY**  
Printed Name

---

**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.

DECEMBER 19, 2006

Date Surveyed

*GARY EIDSON* JR  
Signature & Seal of Professional Surveyor

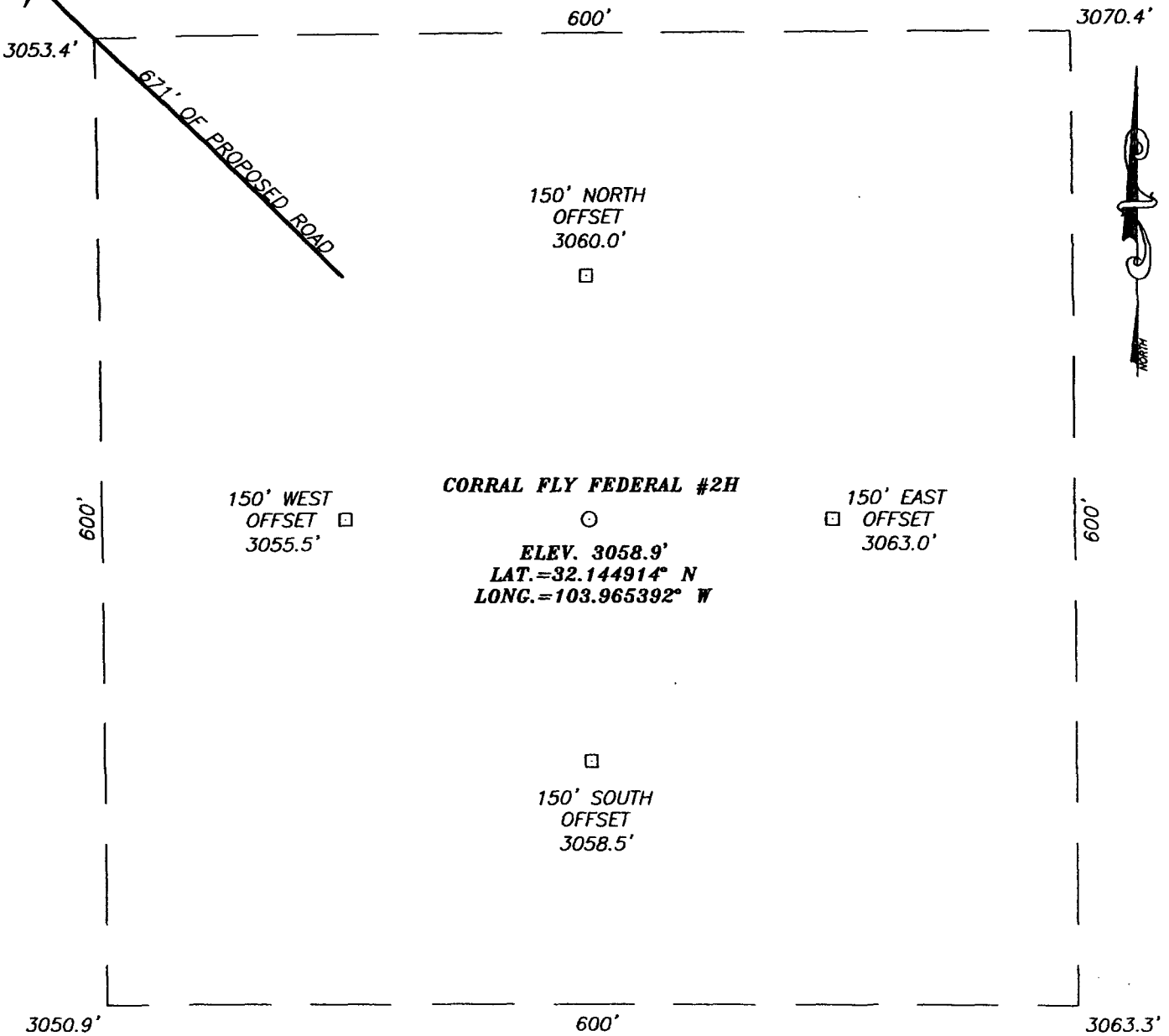
*GARY EIDSON* 1/2/06  
06.11.2000

Certificate No. **GARY EIDSON** 12641  
**CHAD BARGROW** 17777

**SECTION 10, TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,**

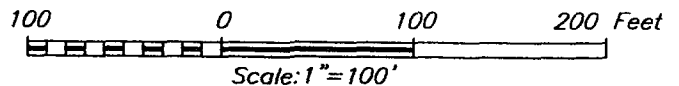
**EDDY COUNTY,**

**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. 4.2 MILES. VEER RIGHT AND GO NORTHEAST APPROX. 1.0 MILE TO A PROPOSED ROAD SURVEY. FOLLOW PROPOSED ROAD SURVEY SOUTHEAST APPROX. 883 FEET TO THIS LOCATION.



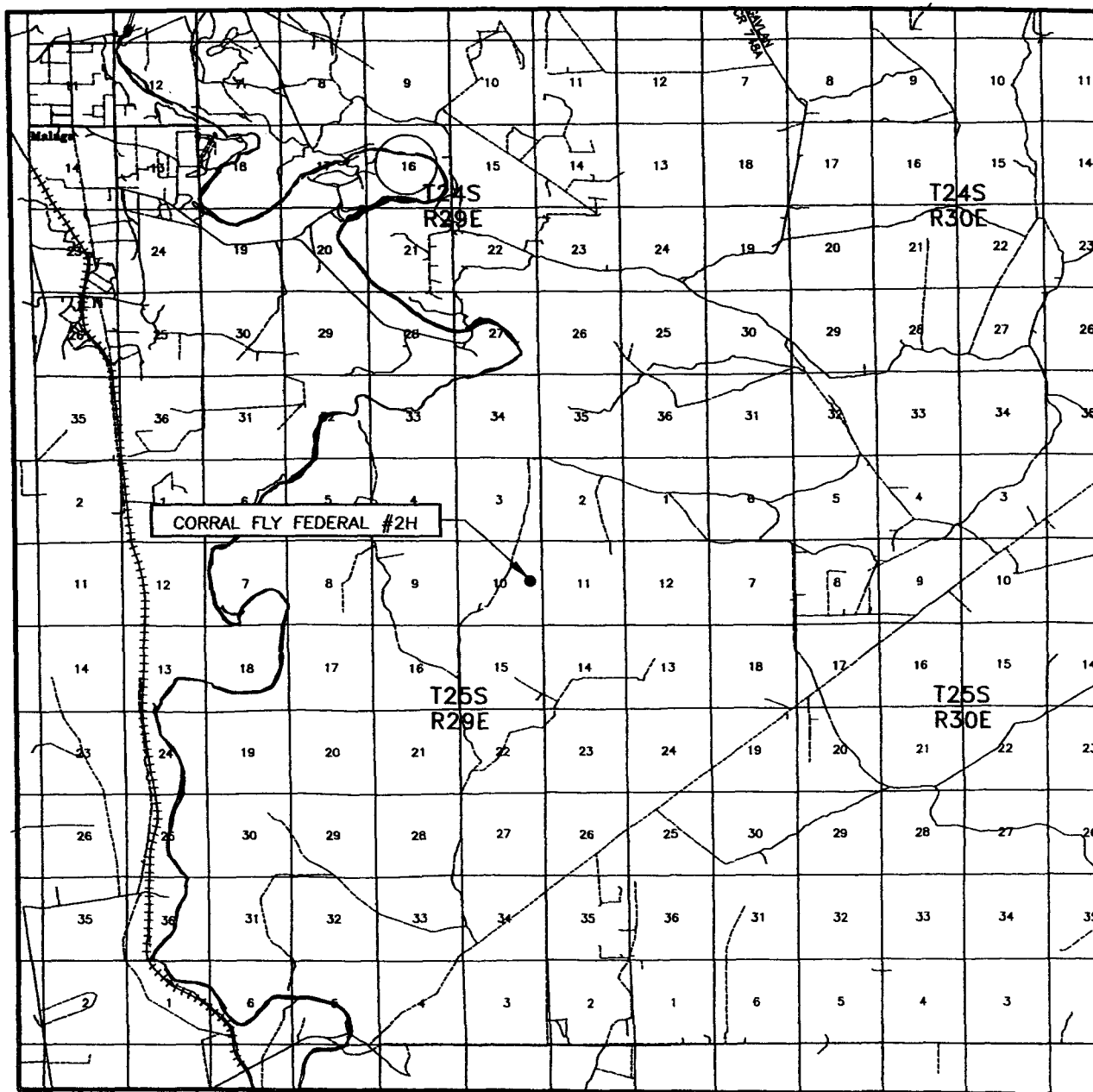
PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 393-3117

**SOUTHWESTERN ENERGY PRODUCTION COMPANY**

CORRAL FLY FEDERAL #2H  
LOCATED 2520 FEET FROM THE NORTH LINE  
AND 660 FEET FROM THE EAST LINE OF SECTION 10,  
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.

Survey Date: 12/19/06	Sheet 1 of 1 Sheets
W.O. Number: 06.11.2000	Dr By: J.R. Rev 1:N/A
Date: 12/28/06	Disk: CD#6 06112000 Scale: 1" = 100'

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 10 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.


COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2520' FNL & 660' FEL

ELEVATION 3059'

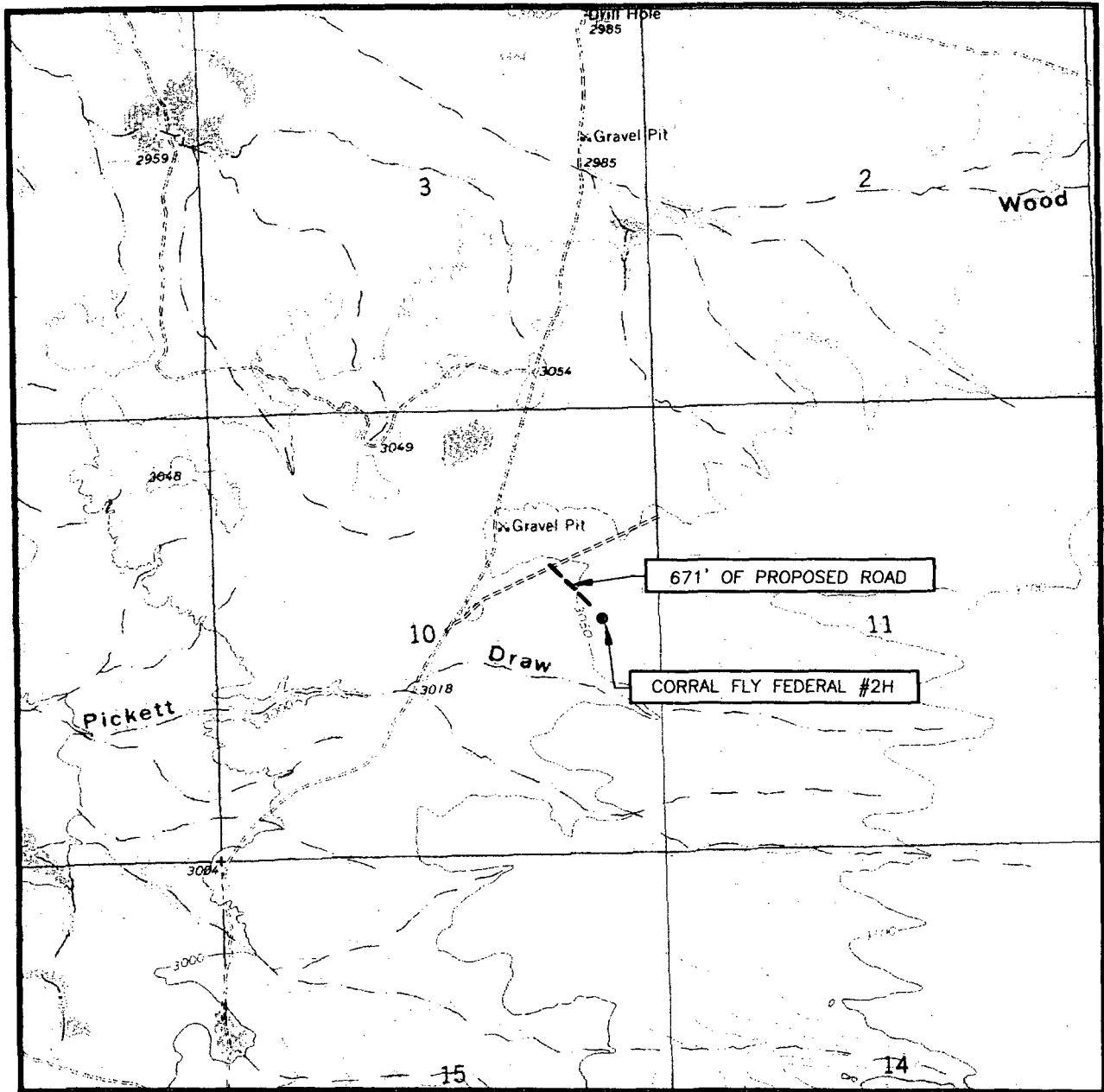
OPERATOR SOUTHWESTERN ENERGY PRODUCTION COMPANY

LEASE CORRAL FLY FEDERAL



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

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
PIERCE CANYON, N.M. - 10'

SEC. 10 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO


DESCRIPTION 2520' FNL & 660' FEL

ELEVATION 3059'

OPERATOR SOUTHWESTERN ENERGY  
PRODUCTION COMPANY

LEASE CORRAL FLY FEDERAL

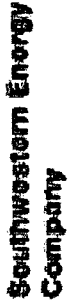
U.S.G.S. TOPOGRAPHIC MAP  
PIERCE CANYON, N.M.



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







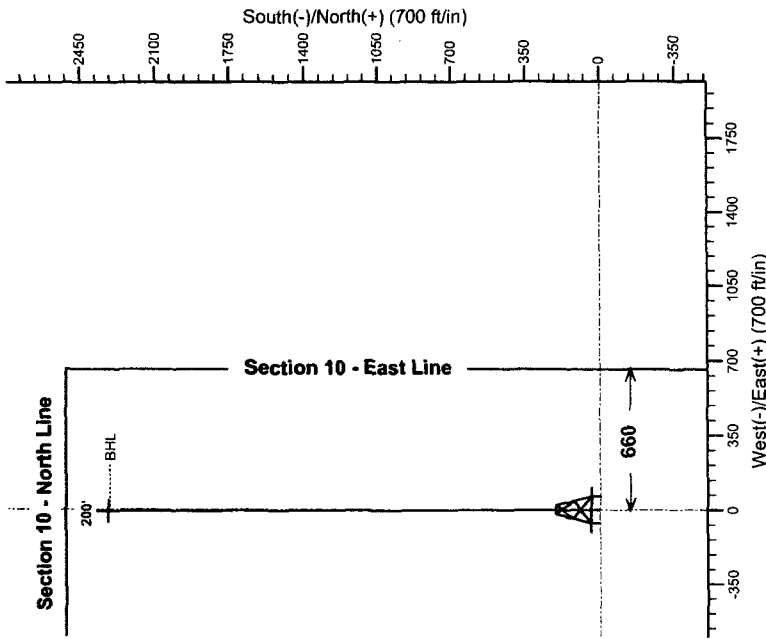
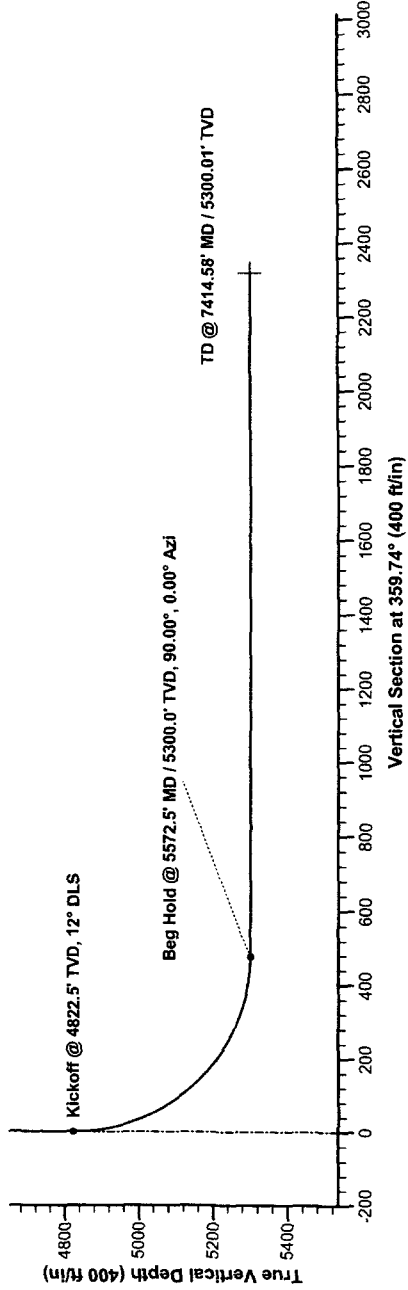
Southwestern Energy Production Co.  
 Corral Fly Federal #2H  
 Corral Fly Section 10 - T25S R29E  
 Eddy County New Mexico  
 Plan #1 - Rev 1



Rev 1 :  
 Surface Location revised to Actual  
 Coordinates ( 2-16-07 )

Surface Location	Ground Elevation: 6300.00 ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)				Slot
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	-0.05	416636.00	613880.50	32°8'41.683N	103°57'55.425W

TARGET LOCATIONS					
Name	TVD	+N/-S	+E/-W	Northing	Easting
BHL	5300.01	2319.50	-6.65	418955.50	613873.90



SECTION DETAILS							
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	VSec
1	0.00	0.00	359.84	0.00	0.00	-0.05	0.00
2	4822.54	0.00	359.84	4822.54	0.00	-0.05	0.00
3	5572.55	90.00	359.84	5300.01	477.46	-1.41	359.84
4	7414.59	90.00	359.84	5300.01	2319.50	-6.65	2319.51

BHL (Corral Fly Federal #2H)

Phil Lyons 2/16/2007

# **Southwestern Energy Production Co.**

**Eddy County New Mexico  
Corral Fly Section 10 - T25S R29E  
Corral Fly Federal #2H  
Wellbore #1**

**Plan: Plan #1 - Rev 1**

## **Standard Planning Report**

**16 February, 2007**

# Crescent Directional Drilling Planning Report

<b>Database:</b>	COMPASS_2003.11_CDDSVR	<b>Local Co-ordinate Reference:</b>	Well Corral Fly Federal #2H
<b>Company:</b>	Southwestern Energy Production Co.	<b>TVD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Project:</b>	Eddy County New Mexico	<b>MD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Site:</b>	Corral Fly Section 10 - T25S R29E	<b>North Reference:</b>	Grid
<b>Well:</b>	Corral Fly Federal #2H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan #1 - Rev 1		

<b>Project:</b>	Eddy County New Mexico		
<b>Map System:</b>	US State Plane 1927 (Exact solution)	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	NAD 1927 (NADCON CONUS)		
<b>Map Zone:</b>	New Mexico East 3001		

<b>Site:</b>	Corral Fly Section 10 - T25S R29E				
<b>Site Position:</b>	<b>Northing:</b>	608,723.22 ft	<b>Latitude:</b>	32° 40' 24.286" N	
<b>From:</b> Map	<b>Easting:</b>	460,993.92 ft	<b>Longitude:</b>	104° 27' 36.359" W	
<b>Position Uncertainty:</b>	0.00 ft	<b>Slot Radius:</b>	in	<b>Grid Convergence:</b>	-0.07 °

<b>Well:</b>	Corral Fly Federal #2H					
<b>Well Position</b>	<b>+N/-S</b>	0.00 ft	<b>Northing:</b>	416,636.00 ft	<b>Latitude:</b>	32° 08' 41.683" N
	<b>+E/-W</b>	-0.05 ft	<b>Easting:</b>	613,880.50 ft	<b>Longitude:</b>	103° 57' 55.425" W
<b>Position Uncertainty</b>		0.00 ft	<b>Wellhead Elevation:</b>	ft	<b>Ground Level:</b>	6,300.00 ft

<b>Wellbore:</b>	Wellbore #1				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination (°)</b>	<b>Dip Angle (°)</b>	<b>Field Strength (nT)</b>
	IGRF2005-10	12/17/2006	8.28	60.16	48,968

<b>Design:</b>	Plan #1 - Rev 1			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PROTOTYPE	<b>Tie On Depth:</b>	0.00
<b>Vertical Section:</b>	<b>Depth From (TVD) (ft)</b>	<b>+N/-S (ft)</b>	<b>+E/-W (ft)</b>	<b>Direction (°)</b>
	0.00	0.00	-0.05	359.74

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	359.84	0.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,822.54	0.00	359.84	4,822.54	0.00	-0.05	0.00	0.00	0.00	0.00	
5,572.55	90.00	359.84	5,300.01	477.46	-1.41	12.00	12.00	0.00	359.84	
7,414.59	90.00	359.84	5,300.01	2,319.50	-6.65	0.00	0.00	0.00	0.00	0.00 BHL (Corral Fly Feder

# Crescent Directional Drilling Planning Report

<b>Database:</b>	COMPASS_2003.11_CDDSVR	<b>Local Co-ordinate Reference:</b>	Well Corral Fly Federal #2H
<b>Company:</b>	Southwestern Energy Production Co.	<b>TVD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Project:</b>	Eddy County New Mexico	<b>MD Reference:</b>	ESTIMATED RKB @ 6325.01ft (RIG NOT SPECIFIED)
<b>Site:</b>	Corral Fly Section 10 - T25S R29E	<b>North Reference:</b>	Grid
<b>Well:</b>	Corral Fly Federal #2H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan #1 - Rev 1		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
0.00	0.00	359.84	0.00	0.00	-0.05	0.00	0.00	0.00	0.00	
100.00	0.00	359.84	100.00	0.00	-0.05	0.00	0.00	0.00	0.00	
200.00	0.00	359.84	200.00	0.00	-0.05	0.00	0.00	0.00	0.00	
300.00	0.00	359.84	300.00	0.00	-0.05	0.00	0.00	0.00	0.00	
400.00	0.00	359.84	400.00	0.00	-0.05	0.00	0.00	0.00	0.00	
500.00	0.00	359.84	500.00	0.00	-0.05	0.00	0.00	0.00	0.00	
600.00	0.00	359.84	600.00	0.00	-0.05	0.00	0.00	0.00	0.00	
700.00	0.00	359.84	700.00	0.00	-0.05	0.00	0.00	0.00	0.00	
800.00	0.00	359.84	800.00	0.00	-0.05	0.00	0.00	0.00	0.00	
900.00	0.00	359.84	900.00	0.00	-0.05	0.00	0.00	0.00	0.00	
1,000.00	0.00	359.84	1,000.00	0.00	-0.05	0.00	0.00	0.00	0.00	
1,100.00	0.00	359.84	1,100.00	0.00	-0.05	0.00	0.00	0.00	0.00	
1,200.00	0.00	359.84	1,200.00	0.00	-0.05	0.00	0.00	0.00	0.00	
1,300.00	0.00	359.84	1,300.00	0.00	-0.05	0.00	0.00	0.00	0.00	
1,400.00	0.00	359.84	1,400.00	0.00	-0.05	0.00	0.00	0.00	0.00	
1,500.00	0.00	359.84	1,500.00	0.00	-0.05	0.00	0.00	0.00	0.00	
1,600.00	0.00	359.84	1,600.00	0.00	-0.05	0.00	0.00	0.00	0.00	
1,700.00	0.00	359.84	1,700.00	0.00	-0.05	0.00	0.00	0.00	0.00	
1,800.00	0.00	359.84	1,800.00	0.00	-0.05	0.00	0.00	0.00	0.00	
1,900.00	0.00	359.84	1,900.00	0.00	-0.05	0.00	0.00	0.00	0.00	
2,000.00	0.00	359.84	2,000.00	0.00	-0.05	0.00	0.00	0.00	0.00	
2,100.00	0.00	359.84	2,100.00	0.00	-0.05	0.00	0.00	0.00	0.00	
2,200.00	0.00	359.84	2,200.00	0.00	-0.05	0.00	0.00	0.00	0.00	
2,300.00	0.00	359.84	2,300.00	0.00	-0.05	0.00	0.00	0.00	0.00	
2,400.00	0.00	359.84	2,400.00	0.00	-0.05	0.00	0.00	0.00	0.00	
2,500.00	0.00	359.84	2,500.00	0.00	-0.05	0.00	0.00	0.00	0.00	
2,600.00	0.00	359.84	2,600.00	0.00	-0.05	0.00	0.00	0.00	0.00	
2,700.00	0.00	359.84	2,700.00	0.00	-0.05	0.00	0.00	0.00	0.00	
2,800.00	0.00	359.84	2,800.00	0.00	-0.05	0.00	0.00	0.00	0.00	
2,900.00	0.00	359.84	2,900.00	0.00	-0.05	0.00	0.00	0.00	0.00	
3,000.00	0.00	359.84	3,000.00	0.00	-0.05	0.00	0.00	0.00	0.00	
3,100.00	0.00	359.84	3,100.00	0.00	-0.05	0.00	0.00	0.00	0.00	
3,200.00	0.00	359.84	3,200.00	0.00	-0.05	0.00	0.00	0.00	0.00	
3,300.00	0.00	359.84	3,300.00	0.00	-0.05	0.00	0.00	0.00	0.00	
3,400.00	0.00	359.84	3,400.00	0.00	-0.05	0.00	0.00	0.00	0.00	
3,500.00	0.00	359.84	3,500.00	0.00	-0.05	0.00	0.00	0.00	0.00	
3,600.00	0.00	359.84	3,600.00	0.00	-0.05	0.00	0.00	0.00	0.00	
3,700.00	0.00	359.84	3,700.00	0.00	-0.05	0.00	0.00	0.00	0.00	
3,800.00	0.00	359.84	3,800.00	0.00	-0.05	0.00	0.00	0.00	0.00	
3,900.00	0.00	359.84	3,900.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,000.00	0.00	359.84	4,000.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,100.00	0.00	359.84	4,100.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,200.00	0.00	359.84	4,200.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,300.00	0.00	359.84	4,300.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,400.00	0.00	359.84	4,400.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,500.00	0.00	359.84	4,500.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,600.00	0.00	359.84	4,600.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,700.00	0.00	359.84	4,700.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,800.00	0.00	359.84	4,800.00	0.00	-0.05	0.00	0.00	0.00	0.00	
4,822.54	0.00	359.84	4,822.54	0.00	-0.05	0.00	0.00	0.00	0.00	
<b>Kickoff @ 4822.5' TVD, 12° DLS</b>										
4,900.00	9.29	359.84	4,899.66	6.27	-0.07	6.27	12.00	12.00	0.00	

## Crescent Directional Drilling Planning Report

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<b>Site:</b>	Corral Fly Section 10 - T25S R29E	<b>North Reference:</b>	Grid
<b>Well:</b>	Corral Fly Federal #2H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Plan #1 - Rev 1		

5,000.00	21.29	359.84	4,995.94	32.60	-0.14	32.60	12.00	12.00	0.00
5,100.00	33.29	359.84	5,084.65	78.37	-0.27	78.37	12.00	12.00	0.00
5,200.00	45.29	359.84	5,161.90	141.59	-0.45	141.59	12.00	12.00	0.00
5,300.00	57.29	359.84	5,224.31	219.48	-0.67	219.48	12.00	12.00	0.00
5,400.00	69.29	359.84	5,269.17	308.65	-0.93	308.65	12.00	12.00	0.00
5,500.00	81.29	359.84	5,294.51	405.20	-1.20	405.20	12.00	12.00	0.00
5,572.55	90.00	359.84	5,300.01	477.46	-1.41	477.47	12.00	12.00	0.00
<b>Beg Hold @ 5572.5' MD / 5300.0' TVD, 90.00°, 0.00° Azi</b>									
5,600.00	90.00	359.84	5,300.01	504.92	-1.49	504.92	0.00	0.00	0.00
5,700.00	90.00	359.84	5,300.01	604.92	-1.77	604.92	0.00	0.00	0.00
5,800.00	90.00	359.84	5,300.01	704.92	-2.06	704.92	0.00	0.00	0.00
5,900.00	90.00	359.84	5,300.01	804.92	-2.34	804.92	0.00	0.00	0.00
6,000.00	90.00	359.84	5,300.01	904.92	-2.62	904.92	0.00	0.00	0.00
6,100.00	90.00	359.84	5,300.01	1,004.92	-2.91	1,004.92	0.00	0.00	0.00
6,200.00	90.00	359.84	5,300.01	1,104.91	-3.19	1,104.92	0.00	0.00	0.00
6,300.00	90.00	359.84	5,300.01	1,204.91	-3.48	1,204.92	0.00	0.00	0.00
6,400.00	90.00	359.84	5,300.01	1,304.91	-3.76	1,304.92	0.00	0.00	0.00
6,500.00	90.00	359.84	5,300.01	1,404.91	-4.05	1,404.92	0.00	0.00	0.00
6,600.00	90.00	359.84	5,300.01	1,504.91	-4.33	1,504.92	0.00	0.00	0.00
6,700.00	90.00	359.84	5,300.01	1,604.91	-4.62	1,604.92	0.00	0.00	0.00
6,800.00	90.00	359.84	5,300.01	1,704.91	-4.90	1,704.92	0.00	0.00	0.00
6,900.00	90.00	359.84	5,300.01	1,804.91	-5.19	1,804.92	0.00	0.00	0.00
7,000.00	90.00	359.84	5,300.01	1,904.91	-5.47	1,904.92	0.00	0.00	0.00
7,100.00	90.00	359.84	5,300.01	2,004.91	-5.75	2,004.92	0.00	0.00	0.00
7,200.00	90.00	359.84	5,300.01	2,104.91	-6.04	2,104.92	0.00	0.00	0.00
7,300.00	90.00	359.84	5,300.01	2,204.91	-6.32	2,204.92	0.00	0.00	0.00
7,400.00	90.00	359.84	5,300.01	2,304.91	-6.61	2,304.92	0.00	0.00	0.00
7,414.58	90.00	359.84	5,300.01	2,319.50	-6.65	2,319.51	0.00	0.00	0.00
<b>TD @ 7414.58' MD / 5300.01' TVD</b>									

Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(ft)	ft	ft	(ft)	(ft)		
- Shape									
BHL (Corral Fly Federal #2H)	0.00	0.00	5,300.01	2,319.50	-6.65	418,955.50	613,873.90	32° 09' 04.638" N	103° 57' 55.409" W
- plan misses by 14.59ft at 7400.00ft MD (5300.01 TVD, 2304.91 N, -6.61 E)									
- Point									
SECT 10 (Corral Fly Federal #2H)	0.00	0.00	0.00	-120.00	-1,980.00	416,516.00	611,900.55	32° 08' 40.562" N	103° 58' 18.459" W
- plan misses by 1983.58ft at 0.00ft MD (0.00 TVD, 0.00 N, -0.05 E)									
- Rectangle (sides W5,280.01 H5,280.01 D0.00)									

Plan Annotations				
Measured Depth	Vertical Depth	Local Coordinates		Comment
(ft)	(ft)	+N/-S	+E/-W	
		(ft)	(ft)	
4,822.54	4,822.54	0.00	0.00	Kickoff @ 4822.5' TVD, 12° DLS
5,572.55	5,300.01	477.46	-1.37	Beg Hold @ 5572.5' MD / 5300.0' TVD, 90.00°, 0.00° Azi
7,414.58	5,300.01	2,319.49	-6.65	TD @ 7414.58' MD / 5300.01' TVD

**Attachment C**  
**Corral Fly Federal #2-H**  
**Offset Leasehold Notification List**

Pogo Producing Company  
P.O. Box 2504  
Houston, Texas 77252

Receipt # 7006 2150 0002 1398 020

Bettis Brothers, Inc.  
500 W. Wall, Suite 312  
Midland, Texas 79701

Receipt # 7006 2150 0002 1398 0190

Sonic Oil & Gas, LP  
P.O. Box 1240  
Graham, Texas 76450

Receipt # 7006 2150 0002 1398 0213

Norman D. Stovall, Jr.  
P.O. Box 10  
Graham, Texas 76046

Receipt # 7006 2150 0002 1398 0220

H. M. Bettis, Inc.  
P.O. Box 1240  
Graham, Texas 76046

Receipt # 7006 2150 0002 1398 0237

James R. Quinn  
210 E. Abram, Suite 650  
Arlington, Texas 76010

Receipt # 7006 2150 0002 1398 0244

The Allar Company  
P.O. Box 630  
Graham, Texas 76046

Receipt # 7006 2150 0002 1398 0251

Eleven Sands Exploration, Inc.  
RR 8 Box 104  
Guthrie, Texas 73044

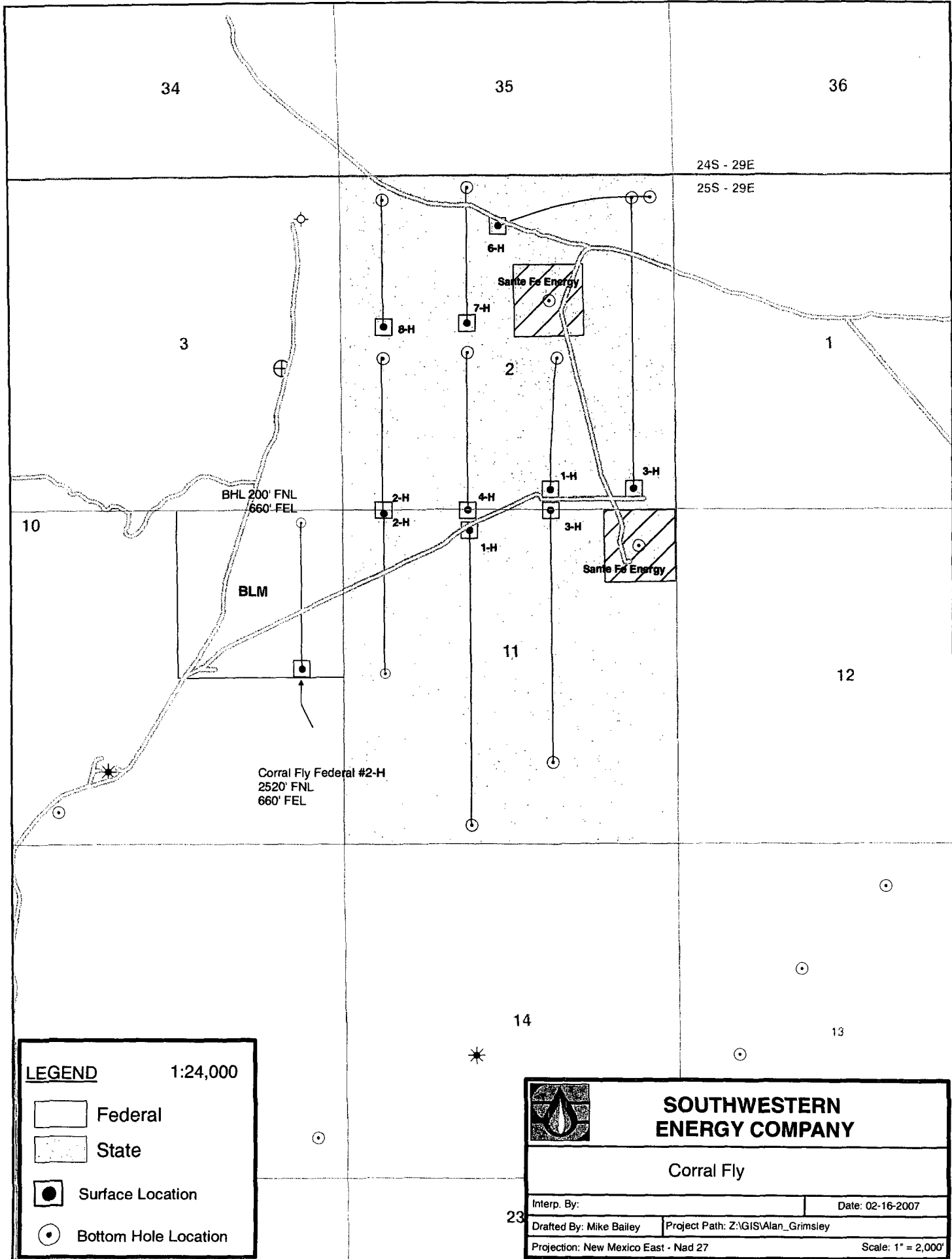
Receipt # 7006 2150 0002 1398 0268

B.A.G.A.M., Ltd.  
P.O. Box 37  
Graham, Texas 76046





Receipt # 7006 2150 0002 1398 0275


L. E. Opperman  
1505 Neely  
Midland, Texas 79705

Receipt # 7006 2150 0002 1398 0282



**LEGEND** 1:24,000

-  Federal
-  State
-  Surface Location
-  Bottom Hole Location



**SOUTHWESTERN ENERGY COMPANY**

Corral Fly

Interp. By:	Date: 02-16-2007
Drafted By: Mike Bailey	Project Path: Z:\GIS\Alan_Grimsley
Projection: New Mexico East - Nad 27	Scale: 1" = 2,000'



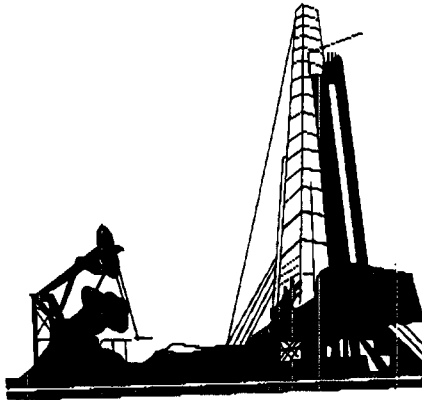
TRANSACTION REPORT

P. 01

FEB-26-2007 MON 05:40 PM

FOR:

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
FEB-26	05:38 PM	912816184818	1' 12"	2	SEND	OK	691	
TOTAL :						1M 12S	PAGES:	2



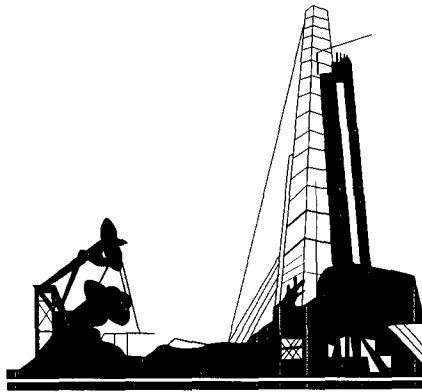
TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION  
 1220 S. ST. FRANCIS DRIVE  
 SANTA FE, NM 87505  
 (505) 476-3440  
 (505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: J. Alan Trimsley 281-618-4818

FROM: David Brooks



TRANSMITTAL COVER SHEET

OIL CONSERVATION DIVISION  
1220 S. ST. FRANCIS DRIVE  
SANTA FE, NM 87505  
(505) 476-3440  
(505)476-3462 (Fax)

PLEASE DELIVER THIS FAX:

TO: J. Alan Trimsley 281-618-4818

FROM: David Brooks

DATE: 2-26-07

PAGES: 2

SUBJECT: Corral Fly Fed #2H

IF YOU HAVE TROUBLE RECEIVING THIS FAX, PLEASE CALL THE OFFICE NUMBER ABOVE.



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Mark E. Fesmire, P.E.**  
Director  
**Oil Conservation Division**

February 26, 2007

Mr. J. Alan Grimsley  
Southwestern Energy Production Co.  
FAX No. 281-618-4818

**Re: Corral Fly Fed. #2-H  
H-10-25S-29E  
Eddy County, New Mexico  
NSL Application**

Dear Mr. Grimsley:

I have before me the referenced application. I have two questions.

First, I do not understand the statement that "The Cherry Canyon 4 will be intersected at 2998 FNL and 660 FEL." If the well is started from a surface location 2520 FNL and projected northward to a terminus at 200 FNL, I do not see how it could intersect any formation at 2998 FNL, which would be a problem anyway since it would represent a deviation outside the project area.

Second, I need an explanation of the ownership of the parties listed on Attachment C. It seems this well encroaches only southward, toward Unit I of Section 10; so only affected persons in that unit need be notified. However, there is apparently no well, and therefore no division-designated operator for Unit I. Please confirm that the parties listed on Attachment C are, or include, all working interest owners in Unit I of Section 10.

Should you have questions, please feel free to call the undersigned at (505)-476-3450.

Very truly yours,

A handwritten signature in cursive script that reads "David K. Brooks".

David K. Brooks,  
Assistant General Counsel  
505-476-3450

**Brooks, David K., EMNRD**

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**From:** Alan Grimsley [Alan\_Grimsley@SWN.COM]  
**Sent:** Wednesday, February 28, 2007 12:37 PM  
**To:** Brooks, David K., EMNRD  
**Subject:** Corral Fly Federal #2-H NSL Application

Mr. Brooks,

My apologies for the confusion on the Cherry Canyon 4 intersection point. The correct intersection point should have been 2,043' FNL and 660' FEL.

Attachment "C" is the list of working interest owners of record for the South half of Section 10.

Sorry for the confusion,

Please advise if any other corrections and or clarifications are required

Regards,  
Alan

Alan Grimsley  
Sr. Staff Drilling Engineer  
Permian Basin/Gulf Coast Team  
Office: (281) 618-4068  
Fax: (281) 618-4758  
Mobile: (713) 492-1657  
email: alan\_grimsley@swn.com

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