

08 June 07 DATE IN	6/28/07 SUSPENSE	D. Catanach ENGINEER	11 June 07 LOGGED IN	NSL TYPE	PCLP0716231170 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



ADMINISTRATIVE APPLICATION CHECKLIST

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

Application Acronyms:

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

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners
[B] ☐ Offset Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

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

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

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

Print or Type Name _____	Signature _____	Title _____	Date _____
		e-mail Address _____	



**Southwestern Energy
Company**

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

June 8, 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. 3-H
Location: 2,520' feet FNL & 1,880' feet FWL
Well Unit: SE¼NW¼ 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 #3-H, will be directionally drilled from an unorthodox surface location 2,520 feet from the North Line and 1,880 feet from the West Line of Section 10 to a bottom hole location 200 feet from the North Line and 1,880 feet from the West line.

The well plan consists of drilling a vertical hole to the KOP (kick off point) at 4,732' MD/TVD. The hole will be directional drilled utilizing a build rate of 12°/100' to penetrate the Cherry Canyon 4 Sand at 5,482' MD / 5,209' TVD at 90° of angle. The Cherry Canyon 4 will be intersected at 2,043' FNL and 1,880' FWL of Section 10 T25S R29E. The well will continue laterally (90°) for ±2319' of vertical displacement. The proposed BHL will be 200' FNL & 1,880' FWL of section 10. The top of the Delaware will be intersected at 3,074' MD/TVD at 2,520' FNL and 1,880' FWL 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).

Und. W. Corral Canyon Delaware

2007 JUN 8 AM 10:27

By placing the surface location at 2,520' FNL and 1,880' FWL of Section 10, the maximum amount of reservoir rock in the Cherry Canyon 4 Sand in the producing area can be penetrated and produced.

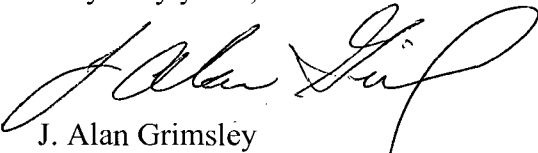
Attachment C is a list of all interest owners that will be affected with the unorthodox surface location as well as interest owners that will be affected by the Bottom hole location. Each interest owner has been provided a copy of this request via certified mail.

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.

Very truly yours,



J. Alan Grimsley
Southwestern Energy Production Co.

Attachments
CC: District 2
BLM – Carlsbad Office

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

Revised October 12, 2005
Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
Property Code	Property Name CORRAL FLY FEDERAL		Well Number 3-H
OGRID No.	Operator Name SOUTHWESTERN ENERGY PRODUCTION COMPANY		Elevation 3024'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	10	25-S	29-E		2520	NORTH	1880	WEST	EDDY

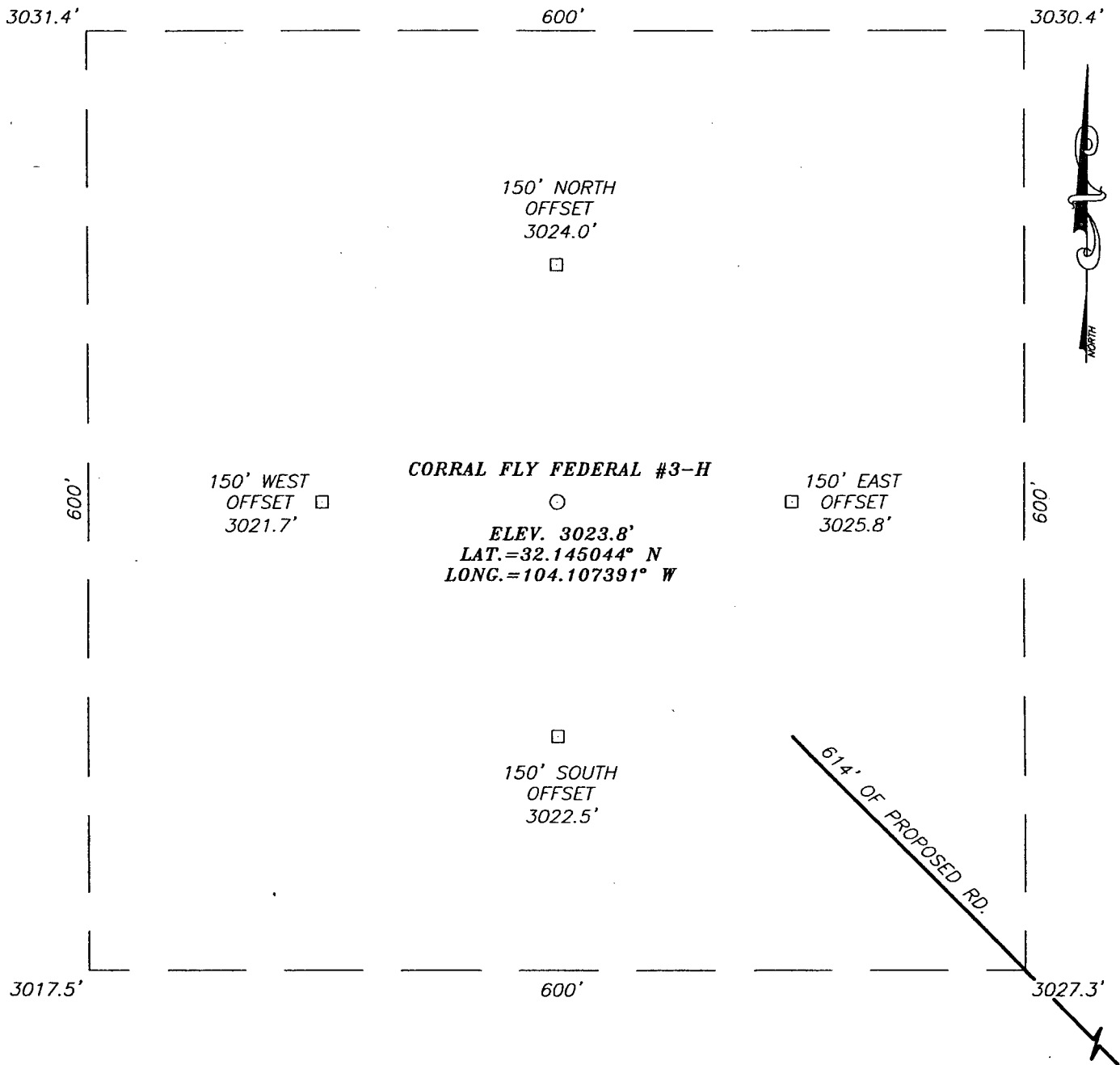
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	10	25-S	29-E		200	NORTH	1880	WEST	EDDY
Dedicated Acres 80	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

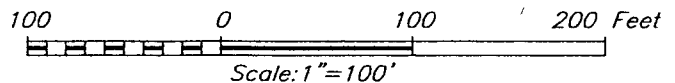
<p>GRID AZ.=359°58'57" HORZ. DIST.=2320.0'</p> <p>B.H. 200'</p> <p>2520'</p> <p>S.L. SEE DETAIL</p> <p>1880'</p> <p>1880'</p> <p>DETAIL</p> <p>3031.4' 3030.5'</p> <p>3017.5' 3027.3'</p> <p>600'</p> <p>600'</p> <p>BOTTOM HOLE LOCATION LAT.=418939.3 N LONG.=611113.7 W</p> <p>Project Area Producing Area</p> <p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=416619.8 N X=611114.2 E</p> <p>LAT.=32.145044° N LONG.=104.107391° W</p>	<h3>OPERATOR CERTIFICATION</h3> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>James Alan Grimsley</i> 4/5/07 Signature Date</p> <p>JAMES ALAN GRIMSLEY Printed Name</p> <hr/> <h3>SURVEYOR CERTIFICATION</h3> <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>GARY G. EIDSON MARCH 15, 2007 Date Surveyed LA</p> <p>Signature & Seal Professional Surveyor</p> <p><i>Gary G. Eidson</i> 4/3/07 07:11:0386</p> <p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>
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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 (LONGHORN RD.), GO EAST ON CO. RD. #725 APPROX. 3.9 MILES. TURN LEFT AND GO NORTHEAST AT ROAD APPROX. 1.8 MILES TO A "Y" INTERSECTION. TURN LEFT AND GO NORTH APPROX. 4.6 MILES. TO A PROPOSED ROAD SURVEY. FOLLOW ROAD SURVEY NORTHWEST APPROX. 825 FEET TO THIS LOCATION.



SOUTHWESTERN ENERGY PRODUCTION COMPANY

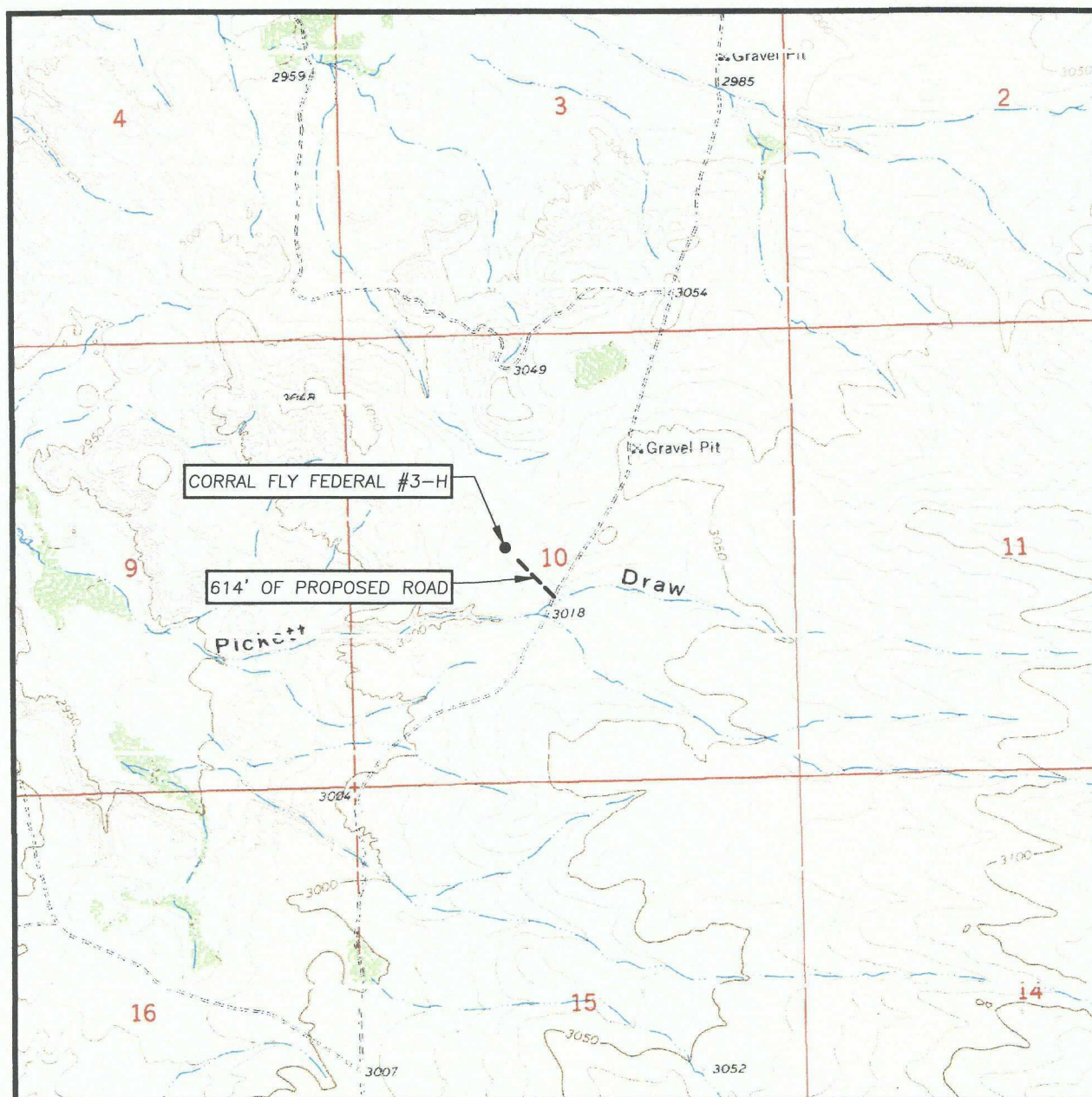
CORRAL FLY FEDERAL #3-H WELL
LOCATED 2520 FEET FROM THE NORTH LINE
AND 1880 FEET FROM THE WEST LINE OF SECTION 10,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Survey Date: 03/27/07		Sheet 1 of 1 Sheets	
W.O. Number: 07.11.0386		Dr By: AR	Rev 1:N/A
Date: 03/29/07	Disk:	07110386	Scale: 1"=100'



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

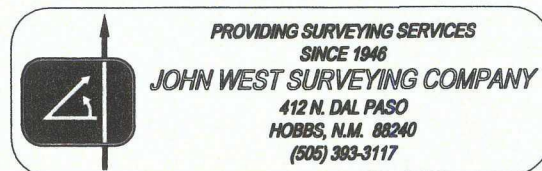
DESCRIPTION 2520' FNL & 1880' FWL

ELEVATION 3024'

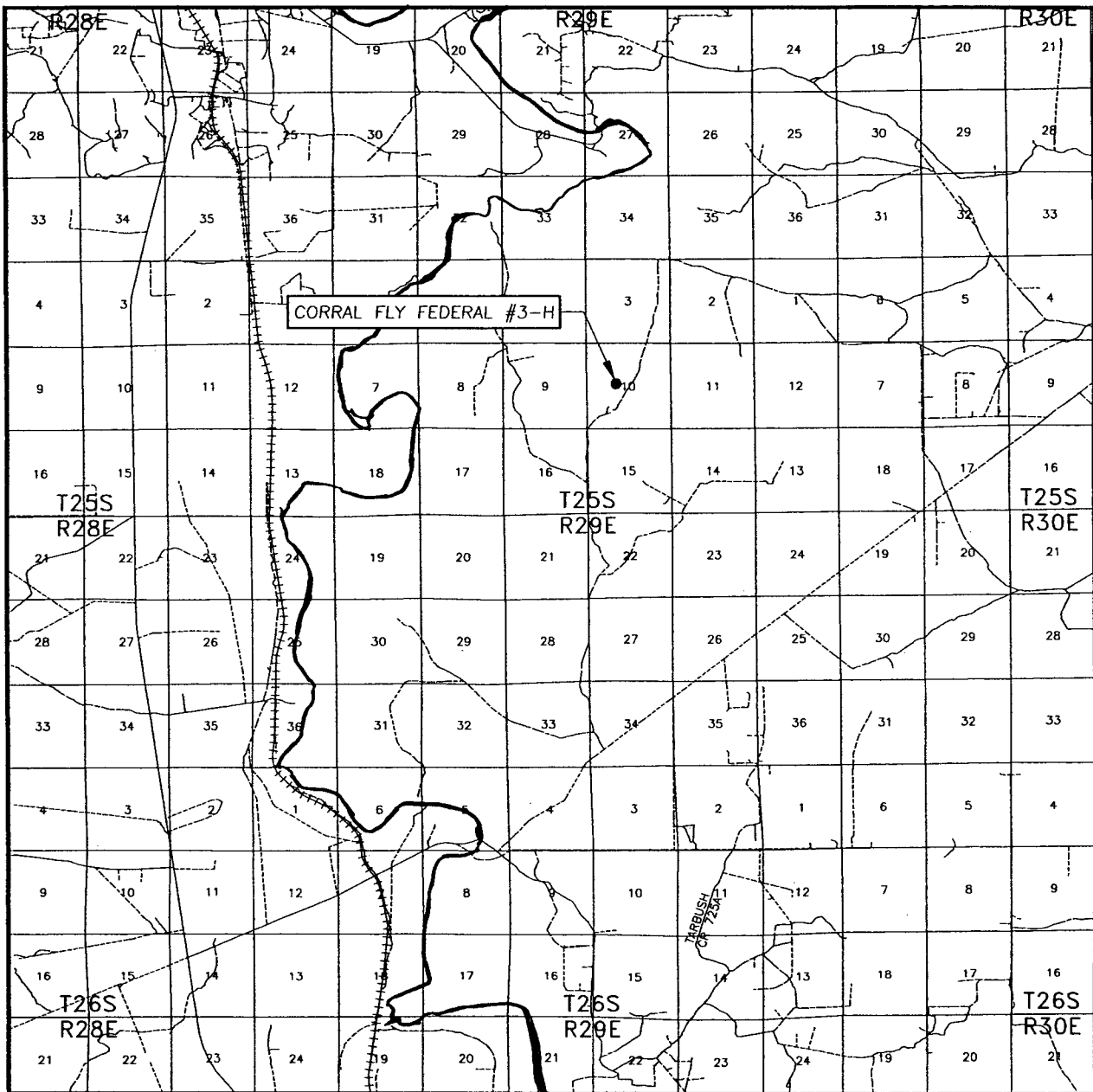
OPERATOR SOUTHWESTERN ENERGY PRODUCTION COMPANY

LEASE CORRAL FLY FEDERAL

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



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 & 1880' FWL

ELEVATION 3024'

SOUTHWESTERN ENERGY
OPERATOR 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



DRILLING PROGNOSIS
Southwestern Energy Production Company

WELL NAME: Corral Fly Federal #3-H

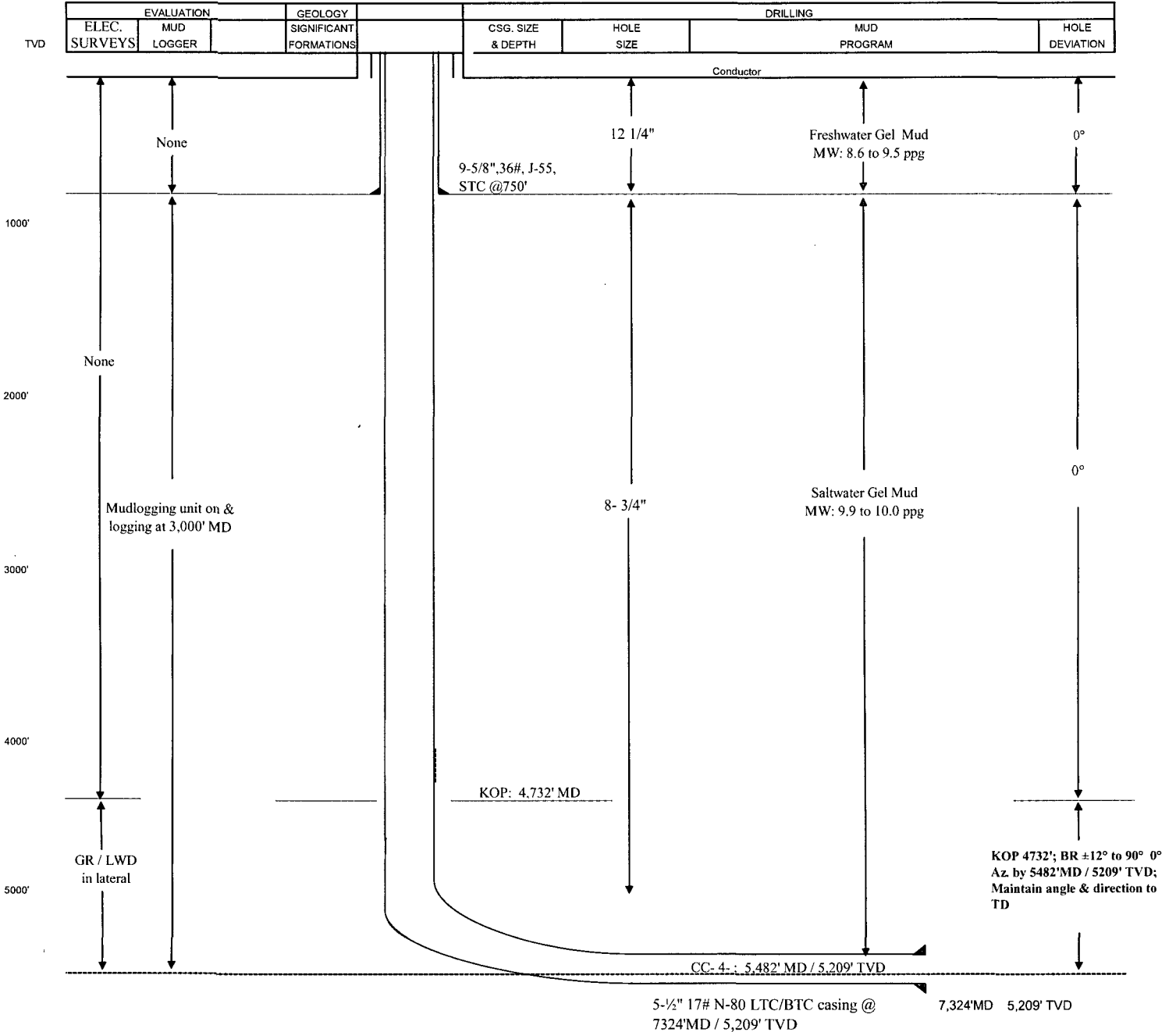
AFE NO.

LOCATION: Sec. 10, T25S, R29E
Eddy County NM
SL: 2520' FNL 1880' FWL
BHL: 200' FNL 1880' FWL
TGT ENTRY PT: 2,043' FNL 1880' FWL

PROSPECT: Corral Fly

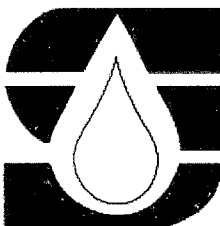
OBJECTIVE: Cherry Canyon Sd, CC-4

EST. ELEVATION: GL 3024'; RKB $\pm 16''$



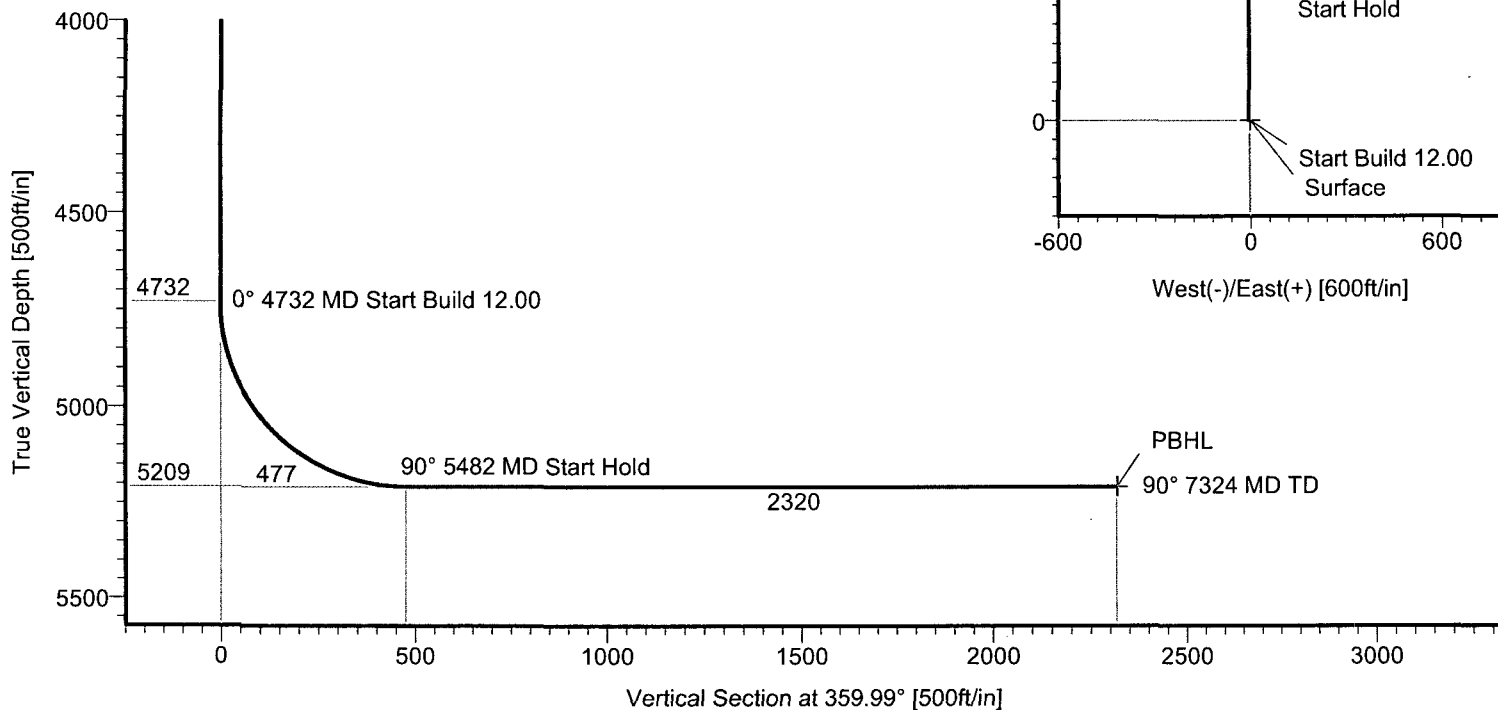
SOUTHWESTERN ENERGY COMPANY

Field: Eddy County, NM
 Site: Corral Fly Federal #3H
 Well: #3H
 Wellpath: Original Hole
 Plan: Plan #1



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

Magnetic Field
 Strength: 48982nT
 Dip Angle: 60.15°
 Date: 4/23/2007
 Model: igrf2005



TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
Surface	0.00	0.00	0.00	416619.80	611114.20	Point
PBHL	5209.00	2319.50	-0.50	418939.30	611113.70	Point

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	359.99	0.00	0.00	0.00	0.00	0.00	0.00	
2	4731.54	0.00	359.99	4731.54	0.00	0.00	0.00	0.00	0.00	
3	5481.54	90.00	359.99	5209.00	477.46	-0.10	12.00	359.99	477.46	
4	7323.57	90.00	359.99	5209.00	2319.50	-0.50	0.00	0.00	2319.50	PBHL

STRATA
 DIRECTIONAL TECHNOLOGY, INC.

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

Plan: Plan #1 (#3H/Original Hole)

Created By: Ashley Wischnowsky

Date: 4/23/2007

Checked: _____

Date: _____

Strata Directional Technologies, Inc.

Planning Report

Company: SOUTHWESTERN ENERGY COMPANY Field: Eddy County, NM Site: Corral Fly Federal #3H Well: #3H Wellpath: Original Hole	Date: 4/23/2007 Co-ordinate(NE) Reference: Well: #3H, Grid North Vertical (TVD) Reference: SITE 3040.0 Section (VS) Reference: Well (0.00N,0.00E,359.99Azi) Plan: Plan #1	Time: 14:10:57 Page: 1
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Field: Eddy County, NM	
Map System: US State Plane Coordinate System 1927 Geo Datum: NAD27 (Clarke 1866) Sys Datum: Mean Sea Level	Map Zone: New Mexico, Eastern Zone Coordinate System: Well Centre Geomagnetic Model: igrf2005

Site: Corral Fly Federal #3H			
T25S R29E Sec10			
Site Position: From: Map Position Uncertainty: 0.00 ft Ground Level: 3024.00 ft	Northing: 416619.80 ft Easting: 611114.20 ft	Latitude: 32 8 41.623 N Longitude: 103 58 27.587 W North Reference: Grid Grid Convergence: 0.19 deg	

Well: #3H Well Position: +N/-S 0.00 ft +E/-W 0.00 ft Position Uncertainty: 0.00 ft	Slot Name: Northing: 416619.80 ft Easting: 611114.20 ft Latitude: 32 8 41.623 N Longitude: 103 58 27.587 W
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Wellpath: Original Hole Current Datum: SITE Magnetic Data: 4/23/2007 Field Strength: 48982 nT Vertical Section: Depth From (TVD) ft	Height 3040.00 ft	Drilled From: Surface Tie-on Depth: 0.00 ft Above System Datum: Mean Sea Level Declination: 8.25 deg Mag Dip Angle: 60.15 deg +E/-W ft Direction deg
0.00	0.00	0.00 359.99

Plan: Plan #1 Principal: No	Date Composed: 4/23/2007 Version: 1 Tied-to: From Surface
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Plan Section Information										
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	359.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4731.54	0.00	359.99	4731.54	0.00	0.00	0.00	0.00	0.00	0.00	
5481.54	90.00	359.99	5209.00	477.46	-0.10	12.00	12.00	0.00	359.99	
7323.57	90.00	359.99	5209.00	2319.50	-0.50	0.00	0.00	0.00	0.00	PBHL

Survey										
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
4731.54	0.00	359.99	4731.54	0.00	0.00	0.00	0.00	0.00	0.00	
4750.00	2.22	359.99	4750.00	0.36	0.00	0.36	12.00	12.00	0.00	
4775.00	5.22	359.99	4774.94	1.98	0.00	1.98	12.00	12.00	0.00	
4800.00	8.22	359.99	4799.77	4.90	0.00	4.90	12.00	12.00	0.00	
4825.00	11.22	359.99	4824.40	9.12	0.00	9.12	12.00	12.00	0.00	
4850.00	14.22	359.99	4848.79	14.62	0.00	14.62	12.00	12.00	0.00	
4875.00	17.22	359.99	4872.85	21.39	0.00	21.39	12.00	12.00	0.00	
4900.00	20.22	359.99	4896.53	29.41	-0.01	29.41	12.00	12.00	0.00	
4925.00	23.22	359.99	4919.75	38.66	-0.01	38.66	12.00	12.00	0.00	
4950.00	26.22	359.99	4942.46	49.11	-0.01	49.11	12.00	12.00	0.00	
4975.00	29.22	359.99	4964.59	60.74	-0.01	60.74	12.00	12.00	0.00	
5000.00	32.22	359.99	4986.08	73.51	-0.02	73.51	12.00	12.00	0.00	
5025.00	35.22	359.99	5006.87	87.38	-0.02	87.38	12.00	12.00	0.00	
5050.00	38.22	359.99	5026.91	102.33	-0.02	102.33	12.00	12.00	0.00	
5075.00	41.22	359.99	5046.14	118.30	-0.03	118.30	12.00	12.00	0.00	
5100.00	44.22	359.99	5064.50	135.26	-0.03	135.26	12.00	12.00	0.00	
5125.00	47.22	359.99	5081.95	153.15	-0.03	153.15	12.00	12.00	0.00	

Strata Directional Technologies, Inc.

Planning Report

Company: SOUTHWESTERN ENERGY COMPANY
Field: Eddy County, NM
Site: Corral Fly Federal #3H
Well: #3H
Wellpath: Original Hole

Date: 4/23/2007
Co-ordinate(NE) Reference: Well: #3H, Grid North
Vertical (TVD) Reference: SITE 3040.0
Section (VS) Reference: Well (0.00N,0.00E,359.99Azi)
Plan: Plan #1

Page: 2

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
5150.00	50.22	359.99	5098.45	171.94	-0.04	171.94	12.00	12.00	0.00	
5175.00	53.22	359.99	5113.93	191.56	-0.04	191.56	12.00	12.00	0.00	
5200.00	56.22	359.99	5128.37	211.96	-0.05	211.96	12.00	12.00	0.00	
5225.00	59.22	359.99	5141.73	233.10	-0.05	233.10	12.00	12.00	0.00	
5250.00	62.22	359.99	5153.95	254.90	-0.05	254.90	12.00	12.00	0.00	
5275.00	65.22	359.99	5165.02	277.31	-0.06	277.31	12.00	12.00	0.00	
5300.00	68.22	359.99	5174.90	300.27	-0.06	300.27	12.00	12.00	0.00	
5325.00	71.22	359.99	5183.57	323.72	-0.07	323.72	12.00	12.00	0.00	
5350.00	74.22	359.99	5191.00	347.59	-0.07	347.59	12.00	12.00	0.00	
5375.00	77.22	359.99	5197.16	371.81	-0.08	371.81	12.00	12.00	0.00	
5400.00	80.22	359.99	5202.06	396.33	-0.09	396.33	12.00	12.00	0.00	
5425.00	83.22	359.99	5205.66	421.06	-0.09	421.06	12.00	12.00	0.00	
5450.00	86.22	359.99	5207.96	445.95	-0.10	445.95	12.00	12.00	0.00	
5475.00	89.22	359.99	5208.96	470.93	-0.10	470.93	12.00	12.00	0.00	
5481.54	90.00	359.99	5209.00	477.46	-0.10	477.46	12.00	12.00	0.00	
5500.00	90.00	359.99	5209.00	495.93	-0.11	495.93	0.00	0.00	0.00	
5600.00	90.00	359.99	5209.00	595.93	-0.13	595.93	0.00	0.00	0.00	
5700.00	90.00	359.99	5209.00	695.93	-0.15	695.93	0.00	0.00	0.00	
5800.00	90.00	359.99	5209.00	795.93	-0.17	795.93	0.00	0.00	0.00	
5900.00	90.00	359.99	5209.00	895.93	-0.19	895.93	0.00	0.00	0.00	
6000.00	90.00	359.99	5209.00	995.93	-0.21	995.93	0.00	0.00	0.00	
6100.00	90.00	359.99	5209.00	1095.93	-0.24	1095.93	0.00	0.00	0.00	
6200.00	90.00	359.99	5209.00	1195.93	-0.26	1195.93	0.00	0.00	0.00	
6300.00	90.00	359.99	5209.00	1295.93	-0.28	1295.93	0.00	0.00	0.00	
6400.00	90.00	359.99	5209.00	1395.93	-0.30	1395.93	0.00	0.00	0.00	
6500.00	90.00	359.99	5209.00	1495.93	-0.32	1495.93	0.00	0.00	0.00	
6600.00	90.00	359.99	5209.00	1595.93	-0.34	1595.93	0.00	0.00	0.00	
6700.00	90.00	359.99	5209.00	1695.93	-0.37	1695.93	0.00	0.00	0.00	
6800.00	90.00	359.99	5209.00	1795.93	-0.39	1795.93	0.00	0.00	0.00	
6900.00	90.00	359.99	5209.00	1895.93	-0.41	1895.93	0.00	0.00	0.00	
7000.00	90.00	359.99	5209.00	1995.93	-0.43	1995.93	0.00	0.00	0.00	
7100.00	90.00	359.99	5209.00	2095.93	-0.45	2095.93	0.00	0.00	0.00	
7200.00	90.00	359.99	5209.00	2195.93	-0.47	2195.93	0.00	0.00	0.00	
7300.00	90.00	359.99	5209.00	2295.93	-0.49	2295.93	0.00	0.00	0.00	
7323.57	90.00	359.99	5209.00	2319.50	-0.50	2319.50	0.00	0.00	0.00	PBHL

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude ---> Deg Min Sec			<--- Longitude ---> Deg Min Sec		
Surface			0.00	0.00	0.00	416619.80	611114.20	32	8	41.623 N	103	58	27.587 W
PBHL			5209.00	2319.50	-0.50	418939.30	611113.70	32	9	4.578 N	103	58	27.502 W

Attachment C
Corral Fly Federal #3-H
Offset Leasehold Notification List

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

Receipt # 7006 3450 0000 6005 7223

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

Receipt # 7006 3450 0000 6005 7230

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

Receipt # 7006 3450 0000 6005 7247

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

Receipt # 7006 3450 0000 6005 7254

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

Receipt # 7006 3450 0000 6005 7261

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210 E. Abram, Suite 650
Arlington, Texas 76010

Receipt # 7006 3450 0000 6005 7278

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P.O. Box 630
Graham, Texas 76046

Receipt # 7006 3450 0000 6005 7285

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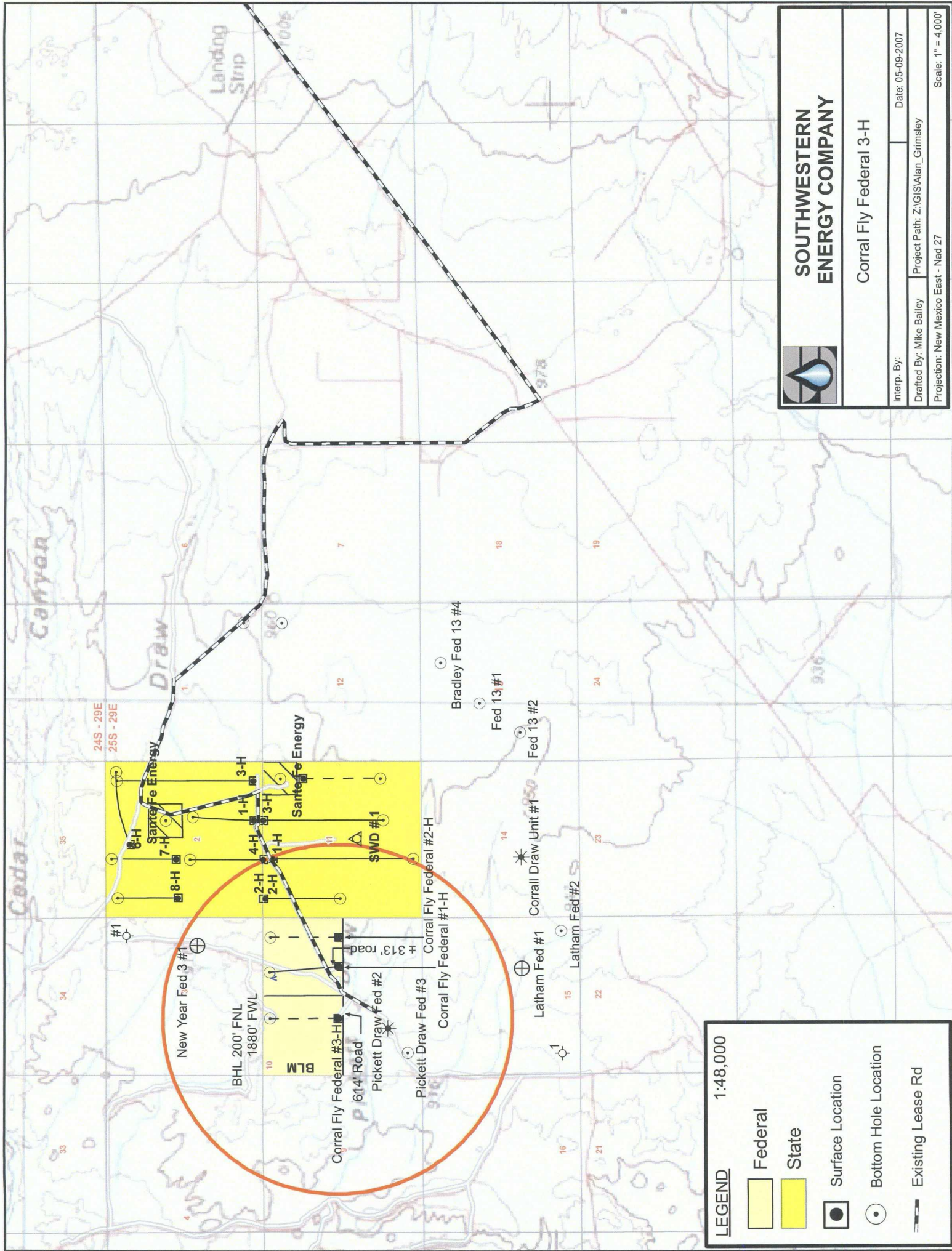
Receipt # 7006 3450 0000 6005 7308

L. E. Opperman
1505 Neely
Midland, Texas 79705

Receipt # 7006 3450 0000 6005 7315

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102

Receipt # 7006 3450 0000 6005 7322





**Southwestern Energy
Company**

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

June 8, 2007

via Certified Mail

Receipt # 7006 3450 0000 6005 7223

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

2007 JUN 8 AM 10:27

Re: Corral Fly Federal #3-H well
Section 10 T25S, R29E
Corral Fly Prospect
Eddy County, New Mexico

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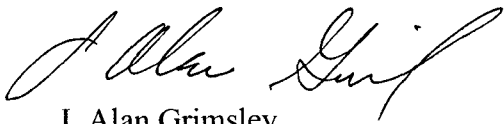
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If you have any questions, I can be reached at 281-618-4068 or by email at alan_grimsley@swn.com.

Very truly yours,



J. Alan Grimsley
Southwestern Energy Production Co.

Agreed to an accepted this _____ day of _____, 2006

Pogo Producing Company

(Individual Name or Company Name)

By: _____

Name: _____

Title: _____

Attachment



**Southwestern Energy
Company**

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

June 8, 2007

via Certified Mail

Receipt # 7006 3450 0000 6005 7230

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

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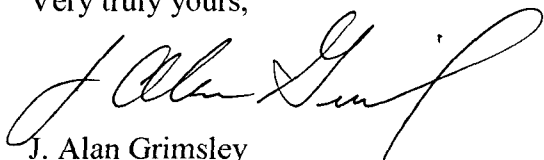
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(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

via Certified Mail

Receipt # 7006 3450 0000 6005 7247

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

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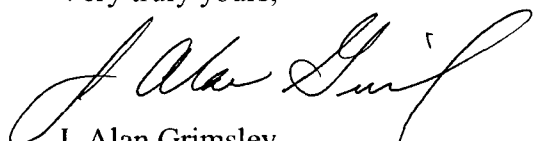
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(Individual Name or Company Name)

By: _____

Name: _____

Title: _____

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

June 8, 2007

via Certified Mail

Receipt # 7006 3450 0000 6005 7254

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

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Section 10 T25S, R29E
Corral Fly Prospect
Eddy County, New Mexico

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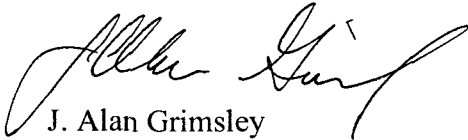
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2350 N. Sam Houston Parkway East
Suite 300
Houston, Texas 77032
(281) 618-4700 FAX: (281) 618-4818

June 8, 2007

via Certified Mail

Receipt # 7006 3450 0000 6005 7261

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

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Section 10 T25S, R29E
Corral Fly Prospect
Eddy County, New Mexico

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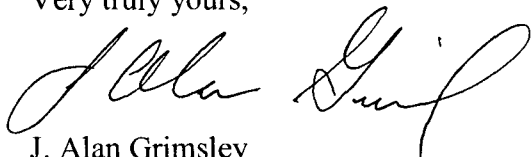
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(Individual Name or Company Name)

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**Southwestern Energy
Company**

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

June 8, 2007

via Certified Mail

Receipt # 7006 3450 0000 6005 7278

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

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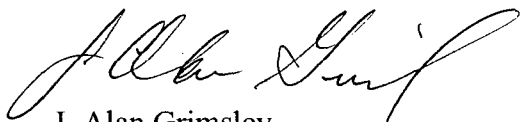
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(Individual Name or Company Name)

By: _____

Name: _____

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P.O. Box 630
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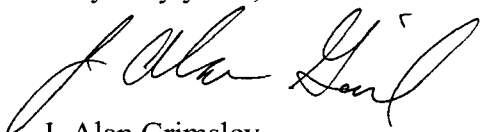
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June 8, 2007

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Receipt # 7006 3450 0000 6005 7292

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

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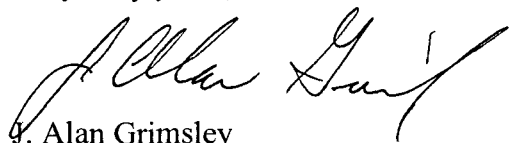
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P.O. Box 37
Graham, Texas 76046

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The proposed location is based on engineering reasons. The proposed well, Corral Fly Federal #3-H, will be directionally drilled from an unorthodox surface location 2,520 feet from the North Line and 1,880 feet from the West Line of Section 10 to a bottom hole location 200 feet from the North Line and 1,880 feet from the West line.

The well plan consists of drilling a vertical hole to the KOP (kick off point) at 4,732' MD/TVD. The hole will be directional drilled utilizing a build rate of 12°/100' to penetrate the Cherry Canyon 4 Sand at 5,482' MD / 5,209' TVD at 90° of angle. The Cherry Canyon 4 will be intersected at 2,043' FNL and 1,880' FWL of Section 10 T25S R29E. The well will continue laterally (90°) for ±2319' of vertical displacement. The proposed BHL will be 200' FNL & 1,880' FWL of section 10. The top of the Delaware will be intersected at 3,074' MD/TVD at 2,520' FNL and 1,880' FWL of Section 10.

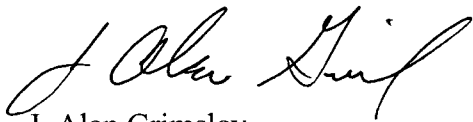
Production casing will be run and cemented to TD. The Cherry Canyon 4 Sand will be selectively perforated, with all perforations being placed in accordance of a standard location of Section 10 T25S R29E (greater than 330' from any lease line).

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

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

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

Very truly yours,



J. Alan Grimsley
Southwestern Energy Production Co.

Agreed to an accepted this _____ day of _____, 2006

B.A.G.A.M., Ltd.

(Individual Name or Company Name)

By: _____

Name: _____

Title: _____

Attachment



**Southwestern Energy
Company**

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

June 8, 2007

via Certified Mail

Receipt # 7006 3450 0000 6005 7315

L. E. Opperman
1505 Neely
Midland, Texas 79705

Re: Corral Fly Federal #3-H well
Section 10 T25S, R29E
Corral Fly Prospect
Eddy County, New Mexico

This is to advise that Southwestern Energy Production Company ("SWN") is preparing to drill the above referenced well. The surface location for this horizontal well is 2520 feet FNL & 1,880 feet FWL which is one hundred twenty (120) feet from the lease boundary. A waiver of the distance requirements from the offset lease owner will facilitate the approval process for the non-standard location and APD permit.

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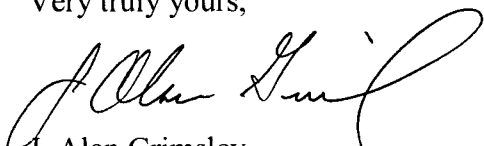
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J. Alan Grimsley
Southwestern Energy Production Co.

Agreed to an accepted this _____ day of _____, 2006

L. E. Opperman

(Individual Name or Company Name)

By: _____

Name: _____

Title: _____

Attachment



**Southwestern Energy
Company**

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

June 8, 2007

via Certified Mail

Receipt # 7006 3450 0000 6005 7322

XTO Energy, Inc.
810 Houston Street
Fort Worth, Texas 76102

Re: Corral Fly Federal #3-H well
Section 10 T25S, R29E
Corral Fly Prospect
Eddy County, New Mexico

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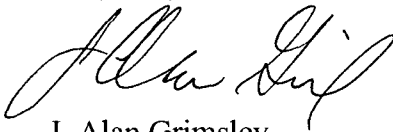
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