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FAX COVER SHEET

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CITY: Santa Fe, New Mexico
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MEMO:

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Via Fax

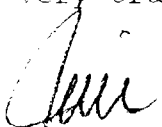
Florene Davidson
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case No. 12259
Southwestern Energy Production Company

Dear Florene:

At Mark Ashley's request, enclosed is a proposed advertisement for the re-advertisement of the above case.

Very truly yours,



James Bruce

Attorney for Southwestern
Energy Production Company

PROPOSED ADVERTISEMENT

Case 12259: Application of Southwestern Energy Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 36, Township 17 South, Range 27 East, NMPM, and in the following manner: The N½ to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Illinois Camp-Morrow Gas Pool; and the NW¼ to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including the Logan Draw-Wolfcamp Gas Pool and the Undesignated Empire-Pennsylvanian Gas Pool. The units are to be dedicated to applicant's No Bluff "36" State Com. Well No. 1, to be drilled at a location 660 feet from the north line and 860 feet from the west line of Section 36, as well as any other well drilled on 320 acre spacing pursuant to Division rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 10 miles southeast of Artesia, New Mexico.