



**Southwestern Energy
Production Company**

A subsidiary of Southwestern Energy Company

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

December 5, 2005

30-015-34253

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division-District 2
1301 W. Grand Avenue
Artesia, New Mexico 88210

Attn: Linda Nelson

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DEC 7 2005

OCU-ARTESIA

Dear Linda:

Please find enclosed a copy of **amended** Form C-107-B. Two newly drilled well have been added to the previously approved Commingling application, and are shown on the enclosed schematic diagram.

This amended C-107-B application has been filed in the Santa Fe office. Copies of the application and attachments have been mailed to all interest owners.

If you have any questions or need additional information, please feel free to contact me directly at 281/618-4775.

Sincerely,

Jill Hegemier
Production Analyst

Enclosures

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
March 31, 2003

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Southwestern Energy Production Company
OPERATOR ADDRESS: 2350 N. Sam Houston Pkwy. E., Suite 300, Houston, TX 77032

APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Value of Non- Commingled Production	Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☐ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code. Corral Canyon Delaware, NW (Pool No. 96464)
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☐ Other (Specify)

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OOD-ARTESIA

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Jill Hegener TITLE: Production Analyst DATE: 12/05/2005
TYPE OR PRINT NAME: Jill Hegener TELEPHONE NO: 281/618-4775

Information Required for Surface Commingling

Working Interest Owner

Southwestern Energy Prod. Co. – Applicant

Royalty Interest Owners

Section 2 – Lease # - ST NM V - 3361

Oxy USA, WTP Limited Partnership
P.O. Box 50250
Midland, TX 79710

New Mexico State Land Office
Oil Gas and Minerals Division
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Section 11 – Lease # - ST NM V - 3633-2

EOG Resources, Inc.
P.O. Box 2267
Midland, TX 79702

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GODFREY

New Mexico State Land Office
Oil Gas and Minerals Division
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

All Production is from the Corral Canyon Delaware, NW Pool (Pool No. 96464)

Wells to be commingled:

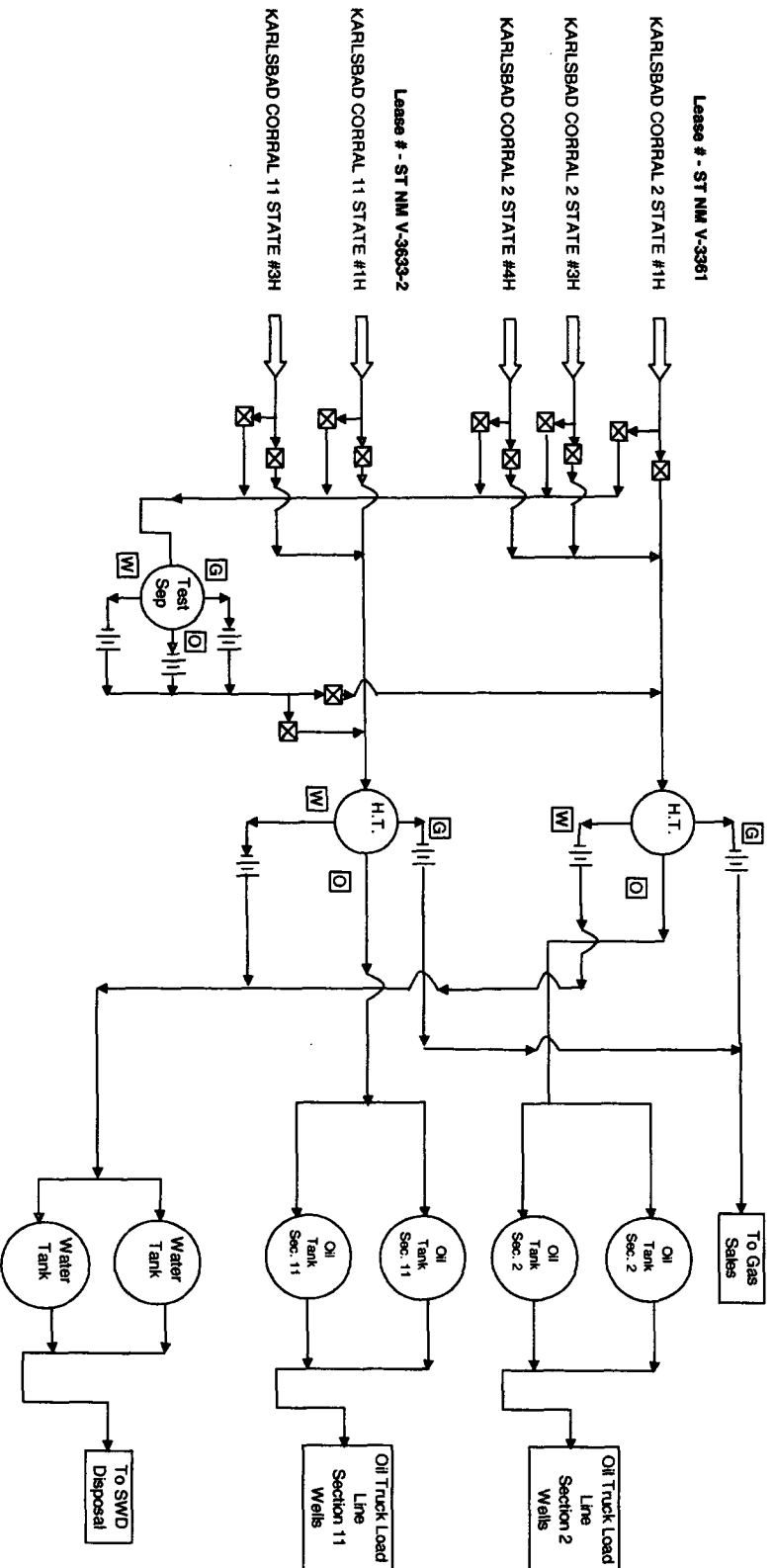
State Lease No. V-3361

Karlsbad Corral 2 State #1-H – API # 30-015-33324
Karlsbad Corral 2 State #3-H – API # 30-015-33722
Karlsbad Corral 2 State #4-H – API # 30-015-34253

State Lease No. V-3633-2

Karlsbad Corral 11 State #1-H – API # 30-015-33983
Karlsbad Corral 11 State #3-H – API # 30-025-35084

KARLSBAD CORRAL PRODUCTION FACILITY FACILITY DRAWING SECTIONS 2 AND 11, T-25-S, R-29-E, EDDY COUNTY, NEW MEXICO



Gas from each lease will be metered using an orifice meter (calibrated quarterly) before commingling with other leases
Oil from each lease will be sent to separate tanks for each lease and will not be commingled with other leases
Water from each lease will be metered using an turbine meter (calibrated quarterly) before commingling with other leases

MITCHELL ENERGY
Corral Fly '35' Fed



14,000 35

SUPERIOR OIL
FORCENERGY GAS
CONCHO
Oscar St



14,395 WD-1

EASTLAND OIL
New Year Fed



5,850

State Lease
No. V-3361

SANTA FE ENERGY

Corral Fly '11' Fed

SWN

Karlsbad Corral 12 S

7,240

SANTA FE ENERGY

Corral Fly '11' Fed

8,398

State Lease
No. V-3633-2

SWN
Karlsbad Corral 11

7,240

CORRAL FLY
"CC - 4"

POGO PRODG
Bradley '13' Fed



8,800

POGO PRODG
Bradley '13' Fed



8,000



**SOUTHWESTERN ENERGY
PRODUCTION COMPANY**

KARLSBAD CORAL
EDDY COUNTY, NEW MEXICO

KARLSBAD CORAL AREA
GAS GATHERING SYSTEM

INTERP. BY: CHUCK CORNISH

DATE: 11-APR-06

DRAFTED BY: S.D.P.

CADFILE: s:\corral fly\corral_fly_001.dwg