

State of New Mexico

DISTRICT I

1625 N. FRENCH DR., BOBBS, NM 86240

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 30-015-35501	Pool Code 96464	Pool Name Corral Canyon, Delaware, NW
Property Code	Property Name KARLSBAD CORRAL 11	Well Number 5-H
GRID No.	Operator Name SOUTHWESTERN ENERGY PRODUCTION COMPANY	Elevation 3086'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	25-S	29-E		2652	SOUTH	660	WEST	EDDY

Bottom Hole Location If Different From Surface

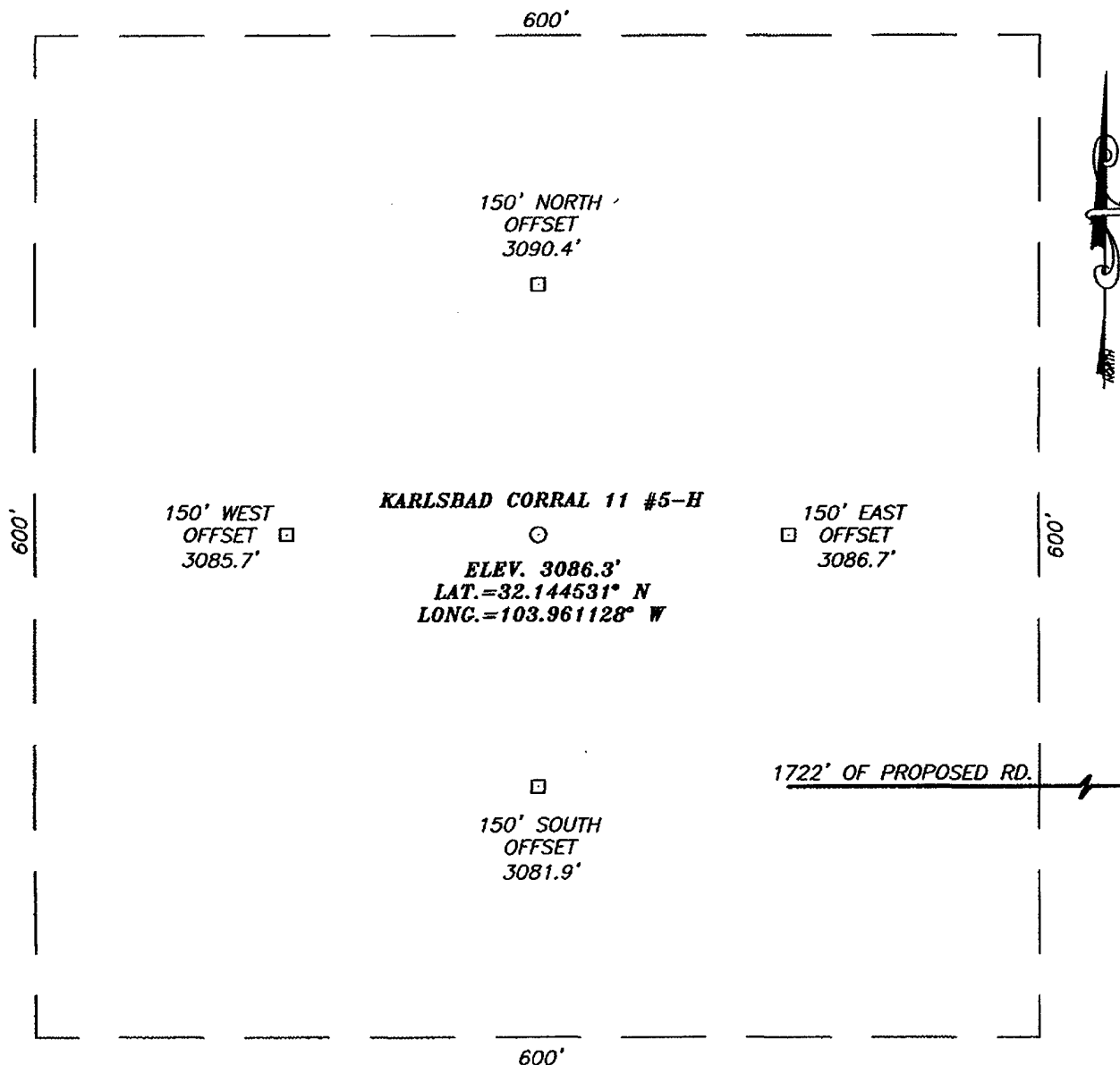
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	11	25-S	29-E		200	SOUTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			1152-5592

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

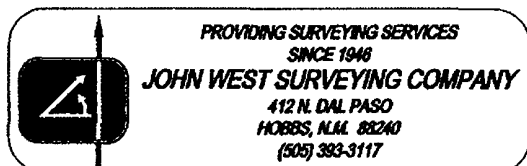
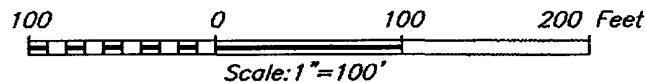
GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=416501.2 N X=615200.8 E BOTTOM HOLE LOCATION Y=414049.2 N X=615207.4 E LAT.=32.144531° N LONG.=103.961128° W GRID A2 = 179°50'42" HORIZ. DIST. = 2452.6' 660' SURF. 200' B.H.	OPERATOR CERTIFICATION I hereby certify that the information herein is true 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. <i>James Alan Grimsley</i> 3/1/07 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. JANUARY 02, 2007 Date Surveyed AR Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 02/15/07 07.11.0143 Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239
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SECTION 11, TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM U.S. HWY. #285 AND CO. RD. #725 (LONGHORNE), GO NORTHEAST ON CO. RD. #725 APPROX. 5.5 MILES. TURN LEFT AND GO NORTH APPROX. 11.2 MILES. VEER RIGHT AND GO NORTHEAST APPROX. 1.7 MILES. TURN RIGHT AND GO SOUTH APPROX. 0.5 MILES TO PROPOSED ROAD SURVEY. FOLLOW ROAD SURVEY WEST APPROX. 1880 FEET TO THIS LOCATION.

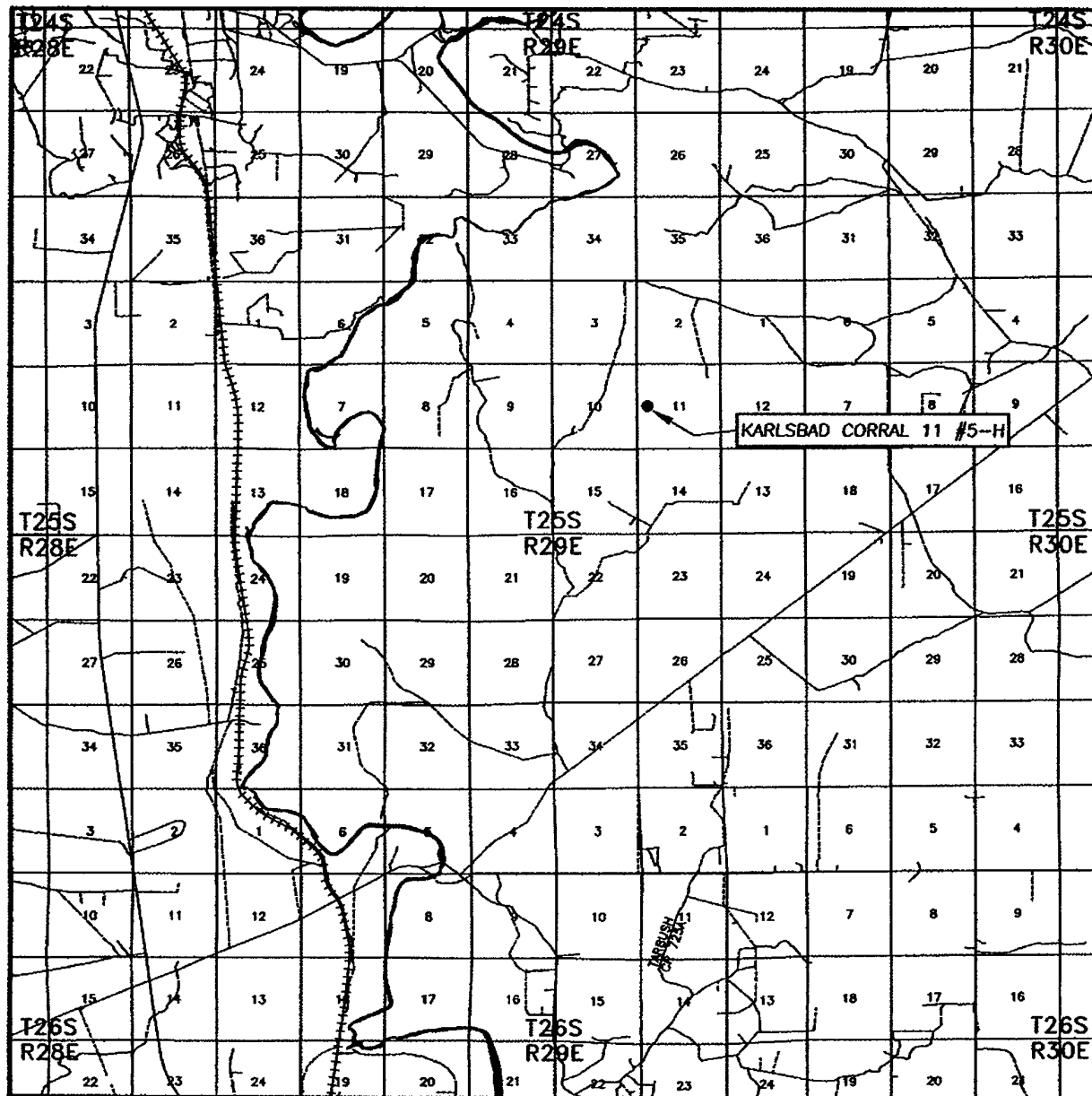


SOUTHWESTERN ENERGY PRODUCTION COMPANY

KARLSBAD CORRAL 11 #5-H WELL
LOCATED 2652 FEET FROM THE SOUTH LINE
AND 660 FEET FROM THE WEST LINE OF SECTION 11,
TOWNSHIP 25 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

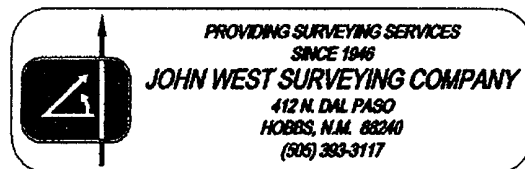
Survey Date: 02/02/07	Sheet 1 of 1 Sheets
W.O. Number: 07.11.0143	Dr By: AR
Date: 02/09/07	Disk: CD#5
07110143	Scale: 1"=100'

VICINITY MAP

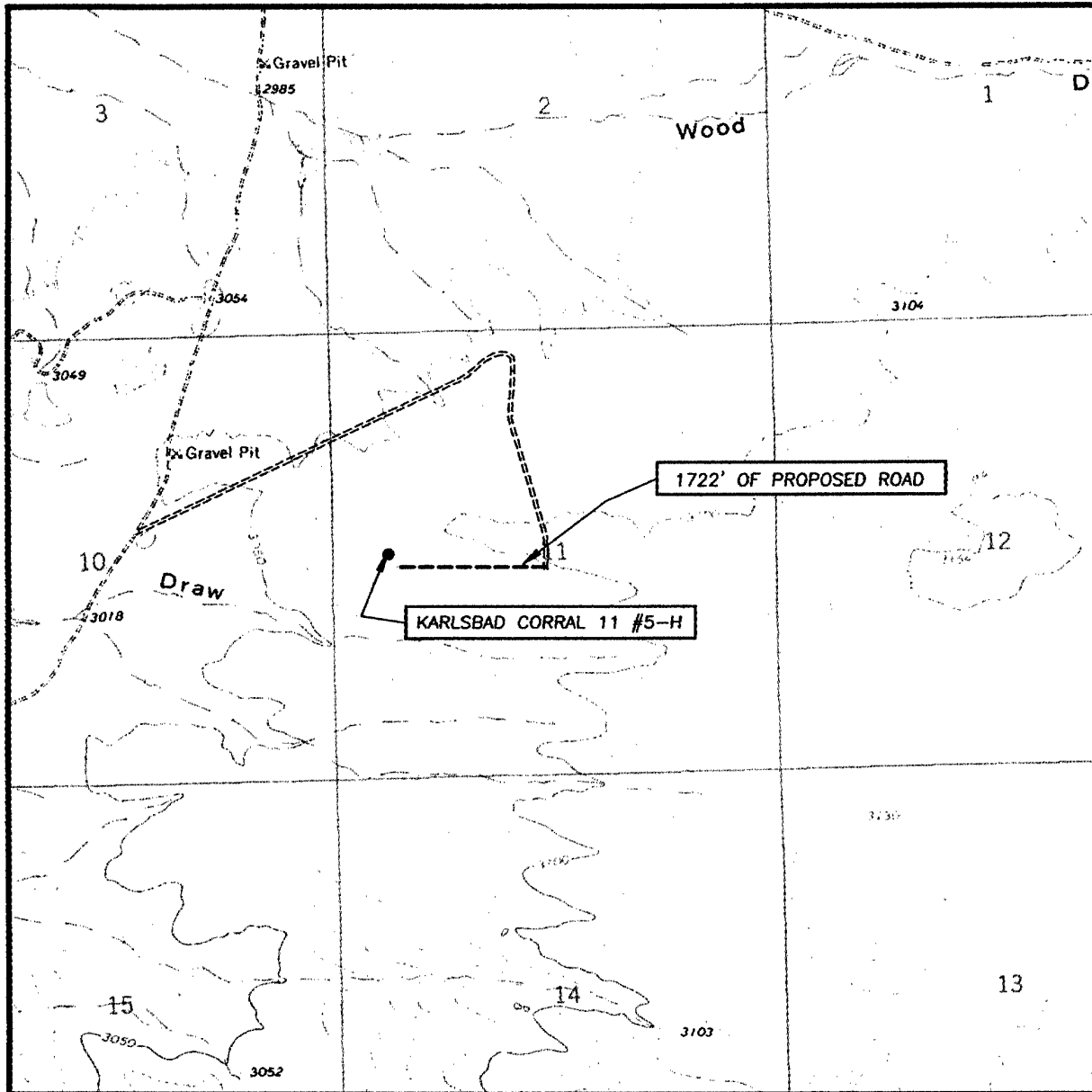


SCALE: 1" = 2 MILES

SEC. 11 TWP. 25-S RGE. 29-E
 SURVEY N.M.P.M.
 COUNTY EDDY STATE NEW MEXICO
 DESCRIPTION 2652' FSL & 660' FWL
 ELEVATION 3086'
 OPERATOR SOUTHWESTERN ENERGY
PRODUCTION COMPANY
 LEASE KARLSBAD CORRAL 11



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

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

SEC. 11 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

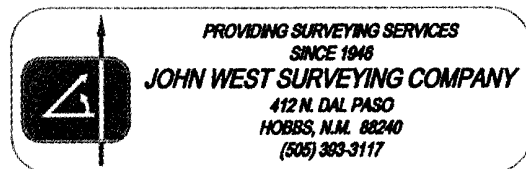
DESCRIPTION 2652' FSL & 660' FWL

ELEVATION 3086'

OPERATOR SOUTHWESTERN ENERGY
PRODUCTION COMPANY

LEASE KARLSBAD CORRAL 11

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





Southwestern Energy Production Co.
Karlsbad Corral #5H
Karlsbad Corral Section 11 T25S R29E
Eddy County New Mexico
Plan #1



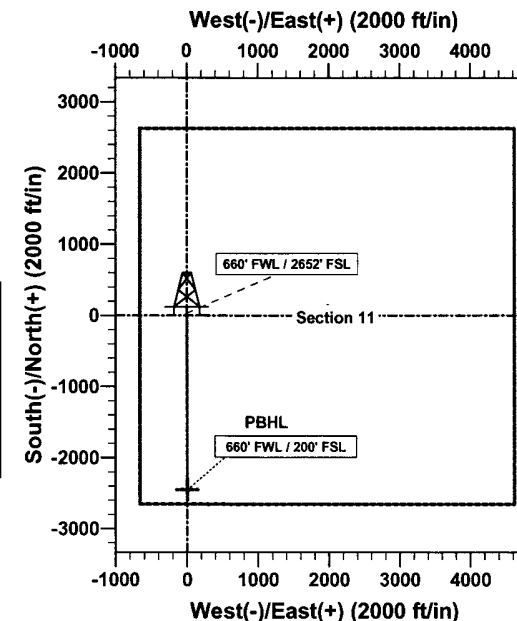
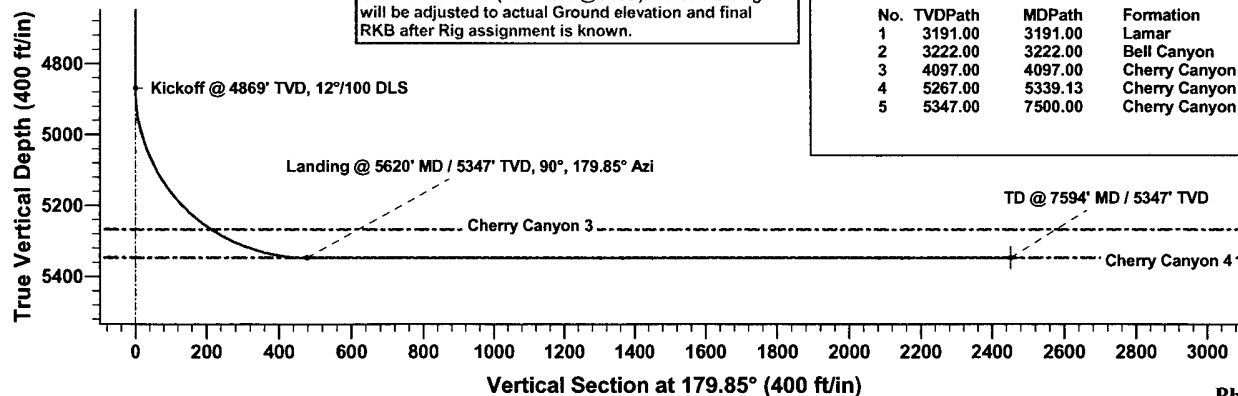
**Southwestern Energy
Company**

Surface Location		Estimated Ground Elevation: 3082.00		Assumed RKB @ 3097.00ft (Rig not Specified)		
+N/-S 0.00	+E/-W 0.00	Northing 416501.20	Easting 615200.80	Latitude 32°8'40.304N	Longitude 103°57'40.074W	Slot

TARGET LOCATIONS						
Name	TVD	+N/-S	+E/-W	Northing	Easting	Slot
Section 11 (Karlsbad Corral 11 #5H)	0.00	-12.00	1980.00	416489.20	617180.80	Rectangle (5280.00x5280.00)
PBHL (Karlsbad Corral 11 #5H)	5347.00	-2452.00	6.60	414049.20	615207.40	

Preliminary Version. Rig RKB assumed at 15' and Ground Elevation (estimated @ 3082'). Final Drawing will be adjusted to actual Ground elevation and final RKB after Rig assignment is known.

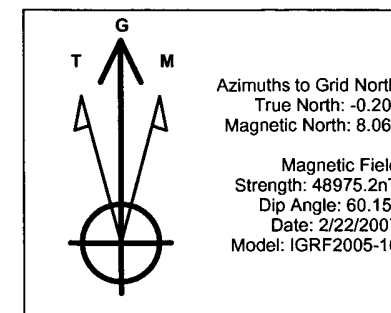
FORMATION TOP DETAILS			
No.	TVDPath	MDPath	Formation
1	3191.00	3191.00	Lamar
2	3222.00	3222.00	Bell Canyon
3	4097.00	4097.00	Cherry Canyon
4	5267.00	5339.13	Cherry Canyon 3
5	5347.00	7500.00	Cherry Canyon 4



Phil Lyons 2/22/2007

SECTION DETAILS									
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec
1	0.00	0.00	179.85	0.00	0.00	0.00	0.00	0.00	0.00
2	4869.54	0.00	179.85	4869.54	0.00	0.00	0.00	0.00	0.00
3	5619.54	90.00	179.85	5347.00	-477.46	1.29	12.00	179.85	477.46
4	7594.08	90.00	179.85	5347.00	-2452.00	6.60	0.00	0.00	2452.01

PBHL (Karlsbad Corral 11 #5H)





DRILLING PROGNOSIS
Southwestern Energy Production Company

WELL NAME: Karlsbad Corral 11 #5-H

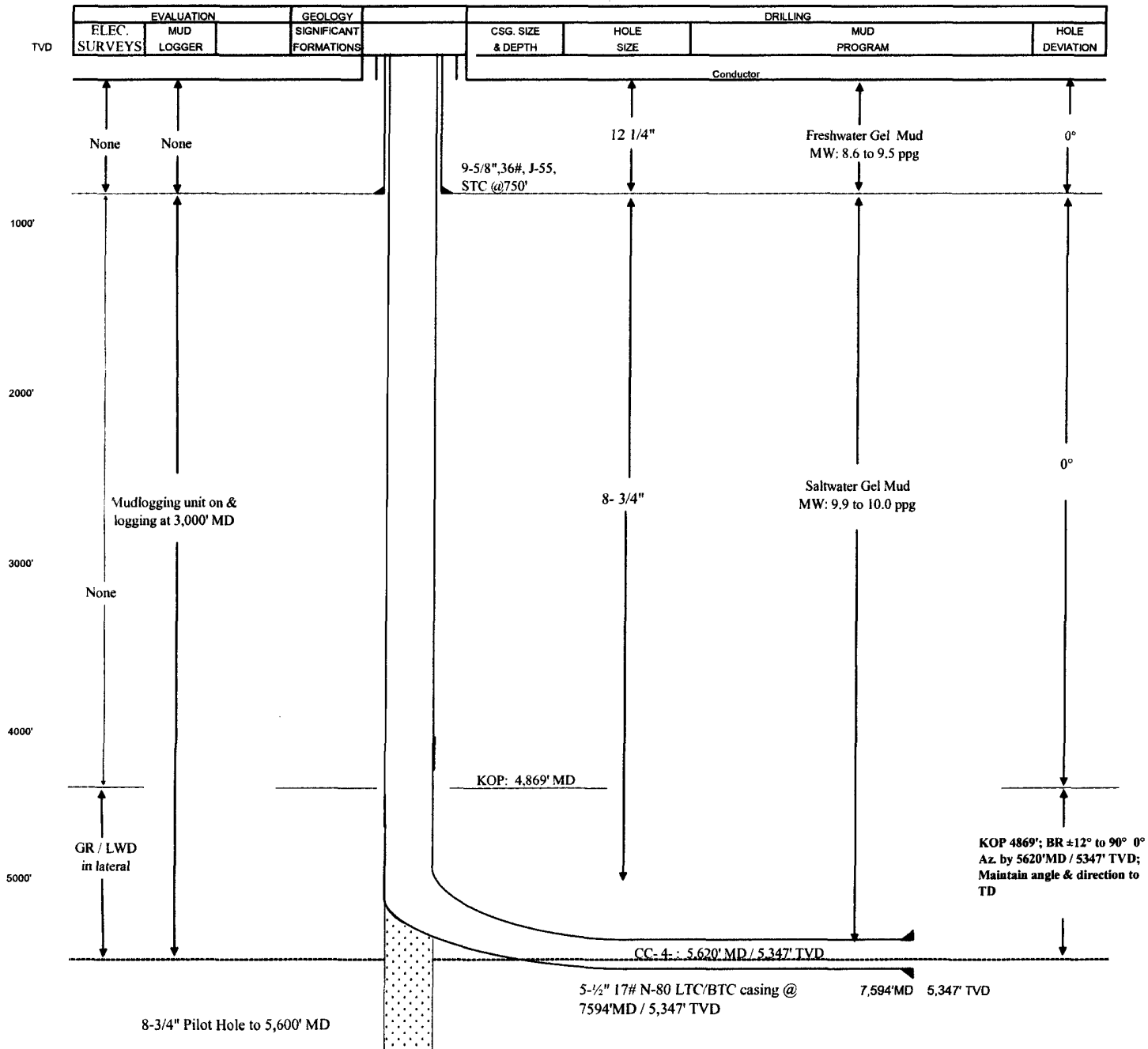
AFE NO.

LOCATION: Sec. 11, T25S, R29E
Eddy County NM
SL: 2,652' FSL 660' FWL
BHL: 200' FSL 660' FWL
TGT ENTRY PT: 2,175' FSL 660' FWL

PROSPECT: Corral Fly

OBJECTIVE: Cherry Canyon Sd, CC-4

EST. ELEVATION: GL 3086'; RKB $\pm$ 16"



Southwestern Energy Production Co.

**Eddy County New Mexico
Karlsbad Corral Section 11 T25S R29E
Karlsbad Corral #5H
Wellbore #1**

Plan: Plan #1

Standard Planning Report

22 February, 2007

Crescent Directional Drilling

Planning Report

Database:	COMPASS_2003.11_CDDSVR	Local Co-ordinate Reference:	Well Karlsbad Corral #5H
Company:	Southwestern Energy Production Co.	TVD Reference:	Assumed RKB @ 3097.00ft (Rig not Specified)
Project:	Eddy County New Mexico	MD Reference:	Assumed RKB @ 3097.00ft (Rig not Specified)
Site:	Karlsbad Corral Section 11 T25S R29E	North Reference:	Grid
Well:	Karlsbad Corral #5H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #1		

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

Site	Karlsbad Corral Section 11 T25S R29E				
Site Position:	Northing:	416,501.20 ft	Latitude:	32° 08' 40.304" N	
From:	Easting:	615,200.80 ft	Longitude:	103° 57' 40.074" W	
Position Uncertainty:	0.00 ft	Slot Radius:	in	Grid Convergence:	0.20 °

Well	Karlsbad Corral #5H					
Well Position	+N/-S	0.00 ft	Northing:	416,501.20 ft	Latitude:	32° 08' 40.304" N
	+E/-W	0.00 ft	Easting:	615,200.80 ft	Longitude:	103° 57' 40.074" W
Position Uncertainty	0.00 ft	Wellhead Elevation:	ft	Ground Level:	3,082.00 ft	

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2005-10	2/22/2007	8.26	60.15	48,975

Design	Plan #1			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	179.85

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	179.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,869.54	0.00	179.85	4,869.54	0.00	0.00	0.00	0.00	0.00	0.00	
5,619.54	90.00	179.85	5,347.00	-477.46	1.29	12.00	12.00	0.00	179.85	
7,594.08	90.00	179.85	5,347.00	-2,452.00	6.60	0.00	0.00	0.00	0.00	PBHL (Karlsbad Corr

Crescent Directional Drilling

Planning Report

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Company:	Southwestern Energy Production Co.	TVD Reference:	Assumed RKB @ 3097.00ft (Rig not Specified)
Project:	Eddy County New Mexico	MD Reference:	Assumed RKB @ 3097.00ft (Rig not Specified)
Site:	Karlsbad Corral Section 11 T25S R29E	North Reference:	Grid
Well:	Karlsbad Corral #5H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #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	179.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	179.85	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	179.85	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	179.85	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	179.85	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	179.85	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	179.85	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	179.85	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	179.85	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	179.85	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	179.85	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	179.85	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	179.85	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	179.85	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	179.85	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	179.85	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	179.85	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	179.85	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	179.85	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	179.85	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	179.85	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	179.85	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	179.85	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	179.85	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	179.85	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	179.85	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	179.85	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	179.85	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	179.85	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	179.85	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	179.85	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	179.85	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
3,191.00	0.00	179.85	3,191.00	0.00	0.00	0.00	0.00	0.00	0.00
Lamar									
3,200.00	0.00	179.85	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00
3,222.00	0.00	179.85	3,222.00	0.00	0.00	0.00	0.00	0.00	0.00
Bell Canyon									
3,300.00	0.00	179.85	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	179.85	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	179.85	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	179.85	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	179.85	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	179.85	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	179.85	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	179.85	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00
4,097.00	0.00	179.85	4,097.00	0.00	0.00	0.00	0.00	0.00	0.00
Cherry Canyon									
4,100.00	0.00	179.85	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	179.85	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	179.85	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	179.85	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	179.85	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	179.85	4,600.00	0.00	0.00	0.00	0.00	0.00	0.00

Crescent Directional Drilling

Planning Report

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Well:	Karlsbad Corral #5H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #1		

4,700.00	0.00	179.85	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	179.85	4,800.00	0.00	0.00	0.00	0.00	0.00	0.00
4,869.54	0.00	179.85	4,869.54	0.00	0.00	0.00	0.00	0.00	0.00
Kickoff @ 4869' TVD, 12°/100 DLS									
4,900.00	3.66	179.85	4,899.98	-0.97	0.00	0.97	12.00	12.00	0.00
5,000.00	15.66	179.85	4,998.38	-17.71	0.05	17.71	12.00	12.00	0.00
5,100.00	27.66	179.85	5,091.15	-54.55	0.15	54.55	12.00	12.00	0.00
5,200.00	39.66	179.85	5,174.24	-109.87	0.30	109.87	12.00	12.00	0.00
5,300.00	51.66	179.85	5,244.01	-181.25	0.49	181.25	12.00	12.00	0.00
5,339.13	56.35	179.85	5,267.00	-212.90	0.57	212.90	12.00	12.00	0.00
Cherry Canyon 3									
5,400.00	63.66	179.85	5,297.41	-265.58	0.71	265.58	12.00	12.00	0.00
5,500.00	75.66	179.85	5,332.11	-359.17	0.97	359.17	12.00	12.00	0.00
5,600.00	87.66	179.85	5,346.60	-457.93	1.23	457.94	12.00	12.00	0.00
5,619.54	90.00	179.85	5,347.00	-477.46	1.29	477.46	12.00	12.00	0.00
Landing @ 5620' MD / 5347' TVD, 90°, 179.85° Azi									
5,700.00	90.00	179.85	5,347.00	-557.93	1.50	557.93	0.00	0.00	0.00
5,800.00	90.00	179.85	5,347.00	-657.93	1.77	657.93	0.00	0.00	0.00
5,900.00	90.00	179.85	5,347.00	-757.93	2.04	757.93	0.00	0.00	0.00
6,000.00	90.00	179.85	5,347.00	-857.93	2.31	857.93	0.00	0.00	0.00
6,100.00	90.00	179.85	5,347.00	-957.93	2.58	957.93	0.00	0.00	0.00
6,200.00	90.00	179.85	5,347.00	-1,057.93	2.85	1,057.93	0.00	0.00	0.00
6,300.00	90.00	179.85	5,347.00	-1,157.93	3.12	1,157.93	0.00	0.00	0.00
6,400.00	90.00	179.85	5,347.00	-1,257.93	3.39	1,257.93	0.00	0.00	0.00
6,500.00	90.00	179.85	5,347.00	-1,357.92	3.66	1,357.93	0.00	0.00	0.00
6,600.00	90.00	179.85	5,347.00	-1,457.92	3.92	1,457.93	0.00	0.00	0.00
6,700.00	90.00	179.85	5,347.00	-1,557.92	4.19	1,557.93	0.00	0.00	0.00
6,800.00	90.00	179.85	5,347.00	-1,657.92	4.46	1,657.93	0.00	0.00	0.00
6,900.00	90.00	179.85	5,347.00	-1,757.92	4.73	1,757.93	0.00	0.00	0.00
7,000.00	90.00	179.85	5,347.00	-1,857.92	5.00	1,857.93	0.00	0.00	0.00
7,100.00	90.00	179.85	5,347.00	-1,957.92	5.27	1,957.93	0.00	0.00	0.00
7,200.00	90.00	179.85	5,347.00	-2,057.92	5.54	2,057.93	0.00	0.00	0.00
7,300.00	90.00	179.85	5,347.00	-2,157.92	5.81	2,157.93	0.00	0.00	0.00
7,400.00	90.00	179.85	5,347.00	-2,257.92	6.08	2,257.93	0.00	0.00	0.00
7,500.00	90.00	179.85	5,347.00	-2,357.92	6.35	2,357.93	0.00	0.00	0.00
Cherry Canyon 4									
7,594.08	90.00	179.85	5,347.00	-2,452.00	6.60	2,452.01	0.00	0.00	0.00
TD @ 7594' MD / 5347' TVD									

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									
PBHL (Karlsbad Corra	0.00	0.00	5,347.00	-2,452.00	6.60	414,049.20	615,207.40	32° 08' 16.038" N	103° 57' 40.095" W
- plan misses by 94.08ft at 7500.00ft MD (5347.00 TVD, -2357.92 N, 6.35 E)									
- Point									
Section 11 (Karlsbad (	0.00	0.00	0.00	-12.00	1,980.00	416,489.20	617,180.80	32° 08' 40.117" N	103° 57' 17.045" W
- plan misses by 1980.04ft at 0.00ft MD (0.00 TVD, 0.00 N, 0.00 E)									
- Rectangle (sides W5,280.00 H5,280.00 D0.00)									

Crescent Directional Drilling

Planning Report

Database:	COMPASS_2003.11_CDDSVR	Local Co-ordinate Reference:	Well Karlsbad Corral #5H
Company:	Southwestern Energy Production Co.	TVD Reference:	Assumed RKB @ 3097.00ft (Rig not Specified)
Project:	Eddy County New Mexico	MD Reference:	Assumed RKB @ 3097.00ft (Rig not Specified)
Site:	Karlsbad Corral Section 11 T25S R29E	North Reference:	Grid
Well:	Karlsbad Corral #5H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Plan #1		

Formations						
Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)	
3,191.00	3,191.00	Lamar		0.00		
3,222.00	3,222.00	Bell Canyon		0.00		
4,097.00	4,097.00	Cherry Canyon		0.00		
5,339.13	5,267.00	Cherry Canyon 3		0.00		
7,500.00	5,347.00	Cherry Canyon 4		0.00		

Plan Annotations					
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment	
		+N/-S (ft)	+E/-W (ft)		
4,869.54	4,869.54	0.00	0.00	Kickoff @ 4869' TVD, 12°/100 DLS	
5,619.54	5,347.00	-477.46	1.29	Landing @ 5620' MD / 5347' TVD, 90°, 179.85° Azi	
7,594.08	5,347.00	-2,452.00	6.60	TD @ 7594' MD / 5347' TVD	

Arrant, Bryan, EMNRD

From: Alan Grimsley [Alan_Grimsley@SWN.COM]
Sent: Thursday, March 01, 2007 2:31 PM
To: Arrant, Bryan, EMNRD
Cc: Martha Howard
Subject: Karlsbad Corral 11 #5-H APD

Bryan,

Attached are C-102 and Directional Plan for the Karlsbad Corral 11 #5-H well. Please upload to your system as I was unable to.

Thanks in advance
Alan

Alan Grimsley
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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3/6/2007



**Southwestern Energy
Company**

COPY

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



March 5, 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: Karlsbad Corral 11 #5-H
Location: 2,652' feet FSL & 660 feet FWL
Well Unit: NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 11, 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 (Northwest 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, Karlsbad Corral 11 #5-H, will be directionally drilled from an unorthodox surface location 2,652 feet from the South Line and 660 feet from the West Line of Section 11 to a bottom hole location 200 feet from the South Line and 660 feet from the West 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 4,869' MD/TVD. The hole will be directional drilled utilizing a build rate of 12°/100' to penetrate the Cherry Canyon 4 Sand at 5,620' MD / 5,347' TVD at 90° of angle. The Cherry Canyon 4 will be intersected at 2,175' FSL and 660' FWL of Section 11 T25S R29E. The well will continue laterally (90°) for ±2452' of vertical displacement. The proposed BHL will be 200' FSL & 660' FWL of Section 11. The top of the Delaware will be intersected at ±3200' MD/TVD at 2,652' FSL and 660' FWL of Section 11. 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 11 T25S R29E (greater than 330' from any lease line).

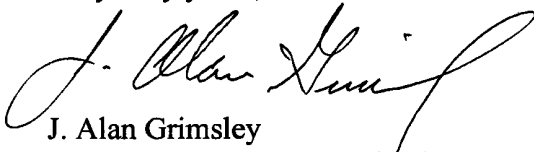
By placing the surface location at 2,652' FSL and 660' FWL of Section 11, the maximum amount of reservoir rock in the Cherry Canyon 4 Sand in the producing area can be penetrated and produced.

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 11 via farmout agreements with EOG (Lease Serial No. 3633-2). 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