

4/8/04  
Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 87240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources  
**RECEIVED**  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
APR 08 2004

Form C-103  
Revised May 08, 2003

**SUNDRY NOTICES AND REPORTS ON WELLS**  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	7. Lease Name or Unit Agreement Name: <b>SCHWERTDFEGER</b>
2. Name of Operator <b>XTO Energy Inc.</b>	8. Well Number <b>#7</b>
3. Address of Operator <b>2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401</b>	9. OGRID Number <b>167067</b>
4. Well Location Unit Letter <b>A</b> : <b>990</b> feet from the <b>NORTH</b> line and <b>990</b> feet from the <b>EAST</b> line Section <b>08</b> Township <b>27N</b> Range <b>11W</b> NMPM County <b>SAN JUAN</b>	10. Pool name or Wildcat <b>BASIN FRUITLAND COAL</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>VARIOUS</b>	

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐  
OTHER: **SURFACE COMMINGLING** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

XTO Energy proposes to surface commingle the wells listed below. Each well will have an allocation meter to measure gas volumes prior to commingling. Notice has been sent to BLM concerning this matter. Ownership is diverse in the wells associated with this application and a certified letter has been sent to working, royalty and overriding royalty interest owners via certified mail.

Schwerdtfeger #7	30-045-06746	NMSF080382A	Sec 08, T27N, R11W Kutz W Pictured Cliff
Schwerdtfeger #8-1	30-045-27820	NMSF080382A	Sec 08, T27N, R11W Basin Fruitland Coal

PLC-246

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

SIGNATURE Holly C Perkins TITLE REGULATORY COMPLIANCE TECH DATE 4/1/04

Type or print name HOLLY C. PERKINS Telephone No. 505-324-1090

(This space for State use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
Conditions of approval, if any:

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: XTO Energy Inc.  
OPERATOR ADDRESS: 2700 Farmington Ave., Bldg K, Ste. 1, Farmington, NM 87401  
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
BASIN FRUITLAND COAL 71629	1010				
KUTZ PICTURED CLIFFS 79680	1112				

- (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.  
(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)

**(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: Holly C. Perkins

TITLE: REGULATORY COMPLIANCE TECH

DATE: 3/31/04

TYPE OR PRINT NAME HOLLY C. PERKINS

TELEPHONE NO.: 505-324-1090

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	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.

HOLLY C. PERKINS  
 Print or Type Name

*Holly C Perkins*  
 Signature

REGULATORY COMPLIANCE TECH 3/31/04  
 Title Date

Holly\_perkins@xtoenergy.com  
 e-mail Address



2700 Farmington Ave, K-1 Farmington, NM 87401  
Phone: (505) 324-1090 FAX: (505) 564-6700

March 31, 2004

RE: Notice to Working and Royalty Interest Owners  
Application to Surface Commingle Gas Production  
San Juan County, NM

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) and Bureau of Land Management (BLM) for approval to surface commingle gas production from the Schwerdtfeger #7 and the Schwerdtfeger #8-1. The NMOCD requires all interest owners be notified of plans to surface commingle when ownership is different between wells.

Produced gas from each well will be measured separately prior to being commingled. We plan to produce the commingled gas through a shared compressor. Produced liquids will not be surface commingled. A copy of our application to surface commingle is attached for your reference. If you need additional information or have any questions, I may be contacted at (505) 324-1090.

If you have an objection to our application you must file a protest in writing to the NMOCD Santa Fe office at 1220 So. St. Francis Drive, Santa Fe, NM 87505 within 20 days from the date the NMOCD received the application. The application was mailed to the NMOCD on the date of this letter.

Sincerely,

A handwritten signature in cursive script that reads "Holly C. Perkins".

Holly C. Perkins  
Regulatory Compliance Tech

xc: Well Files w/attachment  
FW Land Dept. w/attachment  
DLS w/attachment

Harold D. Carter, Trustee  
5949 Sherry Lane, Suite 1475  
Dallas, TX 75225

Grover Family L.P.  
Attn: Arden R. Grover  
P.O. Box 3666  
Midland, TX 79702-3666

Cooksey Family Trust  
Robert A. Cooksey, Trustee  
4925 Greenville, Box 92  
Dallas, TX 75206

Jones Family Trust  
8080 N. Central  
Suite 1420  
Dallas, TX 75206

Claire S. K. Chun  
Sun Oi Chun J/T  
2054 S. Beretania St  
Honolulu, HI 96826-1312

Henry W. O chun  
2054 S. Beretania St  
Honolulu, HI 96826-1312

Amy L Fern  
719 12<sup>th</sup> Ave  
Honolulu, HI 96816-2247

Dennis Y Y Hew  
Hane G K Hew  
2233 Hoonanea St  
Honolulu, HI 96816-2248

Dorothy Lyum Park  
1116 A Clio St  
Honolulu, HI 96822-2701

Mildred O Togikawa  
2346 Oahu Ave  
Honolulu, HI 96822

Anita C Luke  
Charles W W Luke, Jt Trustees  
3216 Kaohinani Dr  
Honolulu, HI 96817-1041

Thomas F Schmidt  
Lorinna Schmidt, Jtwros  
2333 Kapiolani Blvd, Suite 2  
Honolulu, HI 96817-1639

Henry Hung Pui Chun Rev Trust  
Henry Hung Pui Chun, Trustee  
2137 Liliha St  
Honolulu, HI 96817-1639

Patsy Chun Chun Rev Trust  
Patsy Chun Chun Rev Trust, Trustee  
2137 Liliha St  
Honolulu, HI 96817-1639

John Lawrence Kolivas  
Deanna L Carpenter Kolivas  
2927 Hibiscus Pl  
Honolulu, HI 96815-4727

Alice L Heu Revocable Living Trust  
Alice L Heu, Trustee  
921 Hala Dr  
Honolulu, HI 96817-2122

Emily Hee Fasick  
P.O. Box 1831  
Honolulu, HI 96805-1831

Bolack Mineral Co  
New Mexico Ltd Partnership  
3901 Bloomfield Hwy  
Farmington, NM 87401

May Ruth Gaudin  
525 Granada Crescent  
N Vancouver British Columbia  
Canada V7N 3A7

WD Kennedy Properties Ltd  
Attn: WD Kennedy  
550 West Texas, #1225  
Midland, TX 79701-4257

Burlington Resources Oil & Gas  
P.O. Box 4289  
Farmington, NM 87499-0656

Bureau of Land Management  
1235 La Plata Hwy  
Farmington, NM 87401