

PKRVO311952154

WVS

RECEIVED 5/19/03  
Form C-107-B  
March 31, 2003

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

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

APR 29 2003  
Submit the original application to the Santa Fe office with one copy to the appropriate District Office.  
OIL CONSERVATION DIVISION

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)	1006	1177			75 MCFPD
Basin Dakota (71599)	1204				480 MCFPD

(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: Darrin Steed TITLE: Regulatory Supervisor DATE: 4/25/03  
TYPE OR PRINT NAME Darrin Steed TELEPHONE NO.: (505) 324-1090



April 22, 2003

XTO Energy Inc  
2700 Farmington Ave Blg K Suite 1  
Farmington, New Mexico 87401

Re: Notice of Intent to Apply for Surface Commingling  
Schwerdtfeger 17-1 and Schwerdtfeger 17-1E  
Sec 17, T 27 N, R 11 W  
San Juan County, New Mexico

XTO Energy Inc (XTO) is applying for permission to surface commingle the subject wells. The Schwerdtfeger 17 #1E is a Basin Dakota well that is currently producing. The Schwerdtfeger 17 #1 is a Fruitland Coal well that is shut in and has never produced. It is proposed to surface commingle the gas streams and utilize the current pipeline and sales meter from the Schwerdtfeger 17-1E as the Schwerdtfeger 17-1 CDP sales meter. A new allocation meter will be set on the 17-1E. Therefore both gas streams will have allocation meters. It also anticipated that in the near future an compressor will be required on these wells. This would allow the a single compressor to compress both wells in an economical manner.

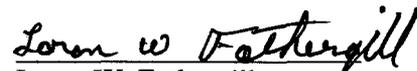
The liquid production from each well will not be commingled.

The NMOCD requires all interest owners to be notified if ownership is not the same in both wells. If you have additional questions, please contact me at (505) 324 1090.

Any objections to this proposal must be filed in writing with the New Mexico Oil Conservation Division in Santa Fe, New Mexico within twenty (20) days from the date the division receives this letter. The mailing address is:

NMOCD  
1220 S. St Francis Drive  
Santa Fe, NM 87505

Sincerely,

  
Loren W. Fothergill  
Production Engineer  
XTO Energy Inc.

Xc: LWF  
George Cox – FW Land  
Well File

## Schwerdtfeger 17 #1 and 17-1E

### Well Information

	Schwerdtfeger 17 #1	Schwerdtfeger 17 #1E
Location	Unit B, Sec 17, T 27N R 11 W	Unit B, Sec 17, T 27N R 11 W
API#	30-045-27808	30-045-30399
Lease Number	SF 080382A	SF 080382A
Pool Name	Basin Fruitland Coal	Basin Dakota
Pool Code	71629	71599
Gas Gravity / BTU	0.599 / 1006	0.705 / 1204
Gas Rate (MCFPD)	75 MCFPD	480 MCFPD

### Gas Allocation Formula

The El Paso Field Service (EPFS) sales meter and meter run will remain in place. A 4" allocation meter run and meter will be installed on both wells will be utilized to measure the gas..

Schwerdtfeger 17 #1 gas production will be measured by the allocation meter.

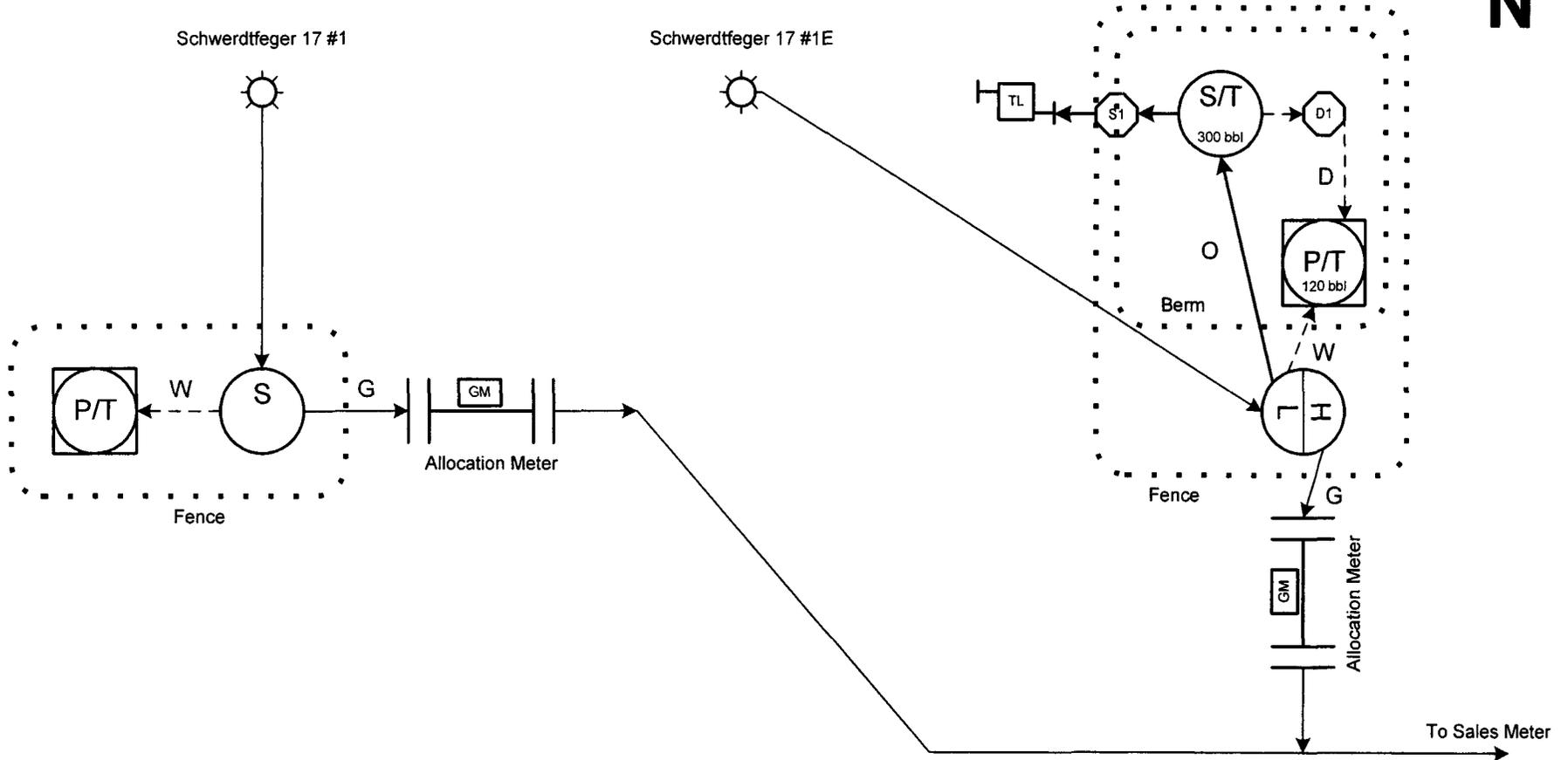
Schwerdtfeger 17 #1E gas production will be measured by the allocation meter.

The compressors fuel gas will be allocated based upon wellhead production values. The fuel gas usage is estimated to be 21 MCFPD for the compressor.

No commingle of oil or water will occur.

XTO Energy owns 50% working interest in the Schwerdtfeger 17 #1E well and 75% of the Schwerdtfeger 17 #1. All working and royalties interest owners have been notified.

**XTO ENERGY INC**  
**Schwertfeger 17 #1 & #1E**  
**Proposed Surface Commingling Installation**  
**NW/4 NE/4, Unit B, Sec 17, T27N, R11W**  
**Federal Lease #: NMSF 080382A**



This lease is subject to the site security plan for San Juan Basin Area. The plan is located at:  
 XTO Energy Inc  
 2700 Farmington Ave., Bldg. K, Ste. 1  
 Farmington, NM 87401  
 Updated: 3/4/03

to Appropriate  
District Office  
State Leases - 4 copies  
Fee Leases - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form O-102  
Revised 1-1-89

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

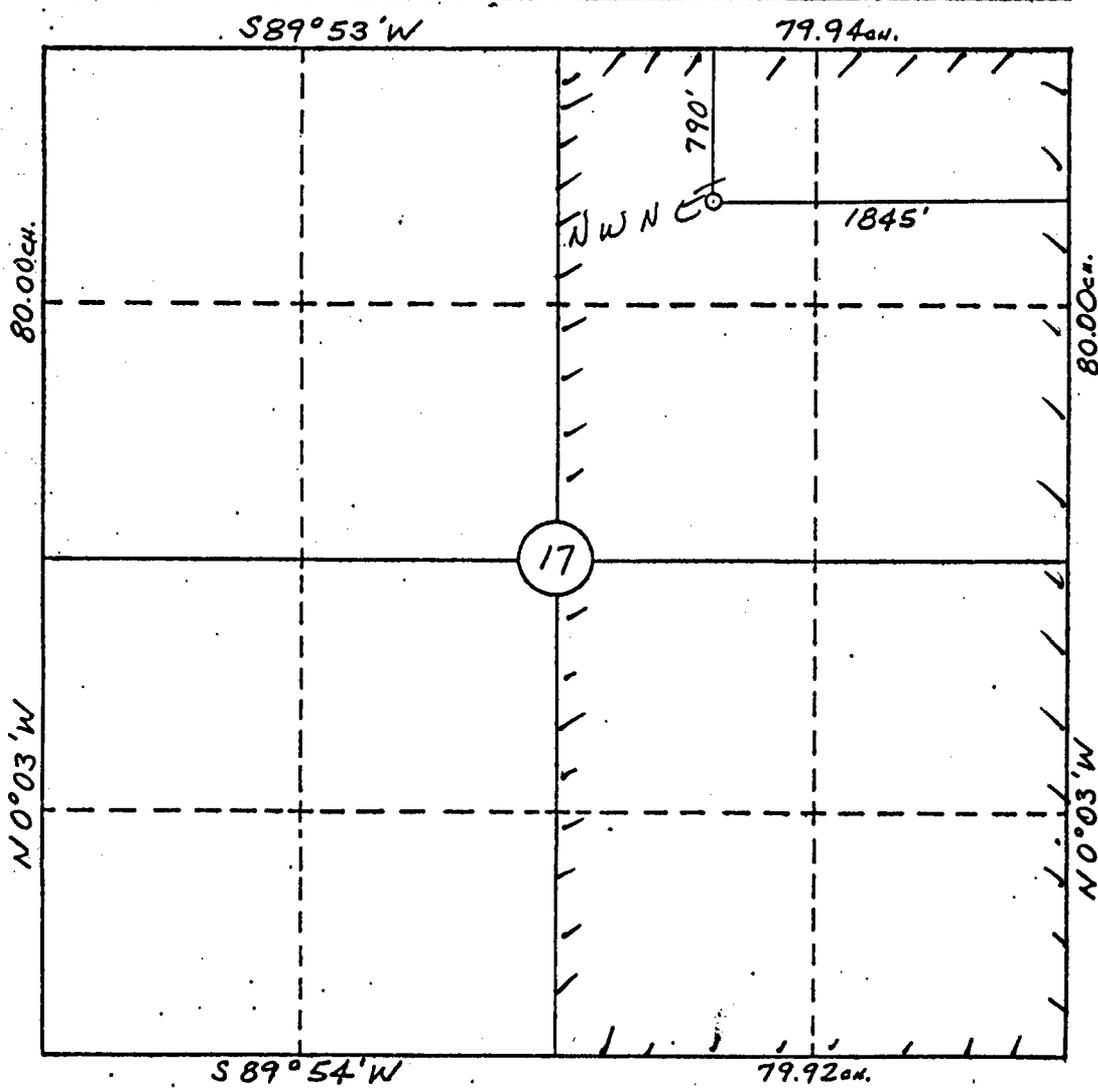
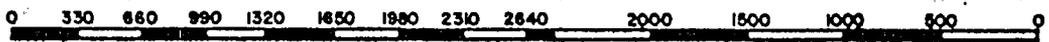
**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**  
All Distances must be from the outer boundaries of the section

Operator <b>MARATHON OIL COMPANY</b>			Lease <b>SCHWERTFEGER</b>			Well No. <b>17-1</b>
Unit Letter <b>B</b>	Section <b>17</b>	Township <b>27 N</b>	Range <b>11 W</b>	County <b>San Juan</b>		
Actual Footage Location of Well: <b>790</b> feet from the <b>North</b> line and <b>1845</b> feet from the <b>East</b> line						
Ground level Elev. <b>6186</b>	Producing Formation <b>Fruitland Coal</b>		Pool <b>Basin Fruitland Coal</b>		Dedicated Acreage: <b>320</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
 Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_  
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)  
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *S. L. Atnipp*  
 Printed Name: **S. L. Atnipp**  
 Position: **Drilling Superintendent**  
 Company: **Marathon Oil Company**  
 Date: **4/4/90**

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes, actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: **3-8-90**  
 Surveyor: **William F. Mahnke II**  
 Signature: *William F. Mahnke II*  
 Professional Surveyor  
 Seal: **WILLIAM F. MAHNKE II**  
**NEW MEXICO**  
**#8468**  
**REGISTERED PROFESSIONAL LAND SURVEYOR**  
 Certificate No. **8468**

District I  
 PO Box 1980, Hobbs, NM 88241-1980  
 District II  
 PO Drawer DD, Artesia, NM 88211-0719  
 District III  
 1066 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Dept.

Form C-10:  
 Revised February 21, 1997  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

2000 OCT 19 AM 11:17

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		71599	BASIN DAKOTA
Property Code	Property Name		Well Number
	SCHWEDTFEGER		15
OGRID No.	Operator Name		Elevation
14021	MARATHON OIL COMPANY		6186

10 Surface Location

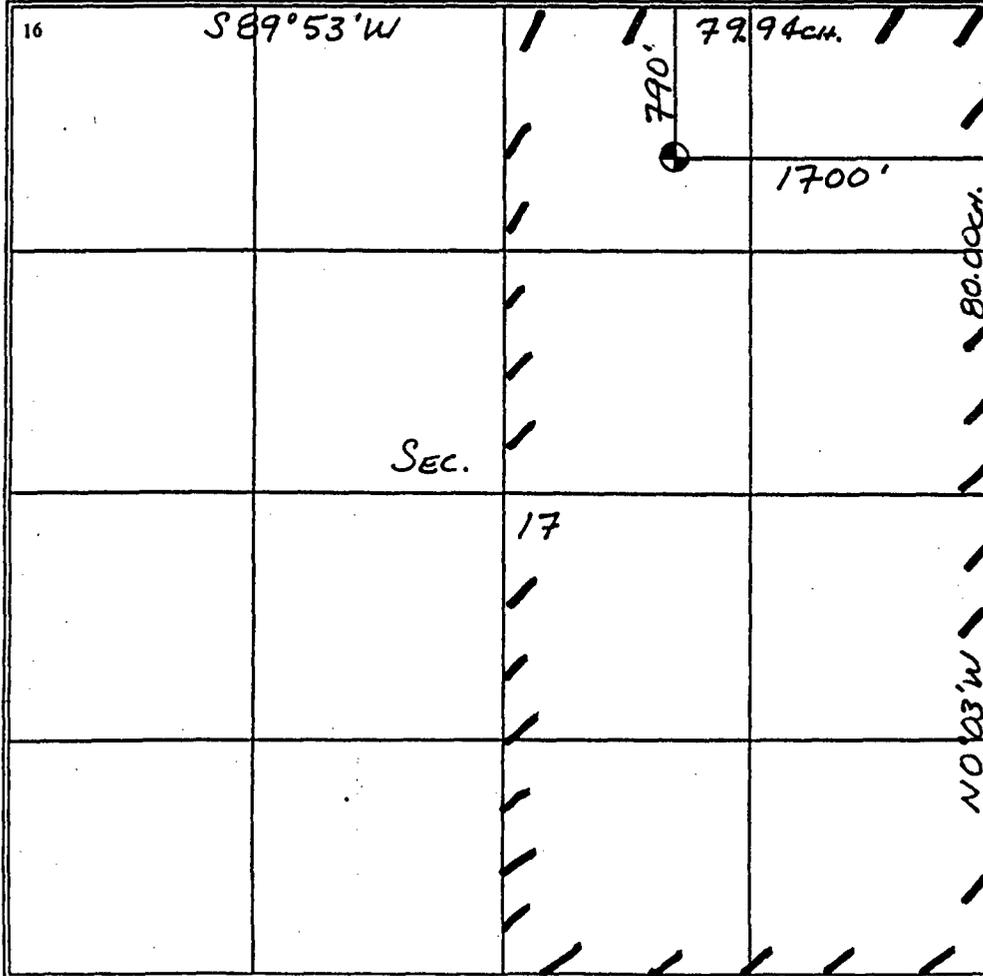
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	17	27 N	11 W		790	North	1700	East	San Juan

11 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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 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



17 OPERATOR CERTIFICATION

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

*Brian Wood*  
 Signature

BRIAN WOOD  
 Printed Name

CONSULTANT  
 Title

OCT. 14, 2000  
 Date

18 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.

16 Sep. 2000  
 Date of Survey

Signature and Seal of Professional Surveyer:  
  
 William R. Hahnke II  
 Certificate Number 8456