

4/26/04
Surprise Date: 5/16/04
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APR 26 2004

OIL CONSERVATION
DIVISION

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

April 22, 2004

Mr. William Jones
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

PLC-250

Subject: Administrative Approval to Surface Commingle
Schwerdtfeger #6 & Schwerdtfeger #28-1
Sec 28, T27N, R11W
Federal Leases NMSF080382A & NMNM94007
San Juan County, NM

Dear Mr. Jones:

XTO Energy Inc. requests administrative approval to surface commingle the Schwerdtfeger # 6 and the Schwerdtfeger #28-1 wells located in Section 28, T27N, R11W in San Juan County, New Mexico. XTO plans to produce the commingled gas through a single compressor thus lowering operating expenses, extending the economic life of the wells and increasing their ultimate recoveries.

Attached are the following:

- 1) Site diagrams for the producing wells
- 2) Map to identify the wells associated with the application
- 3) A table listing detailed information for each proposed well

Produced gas will be measure separately via allocation meters prior to being commingled. Produced liquids will not be surface commingled. All interest owners have been notified via certified mail, return receipt on April 22, 2004.

If additional information is required, please contact me at (505) 324-1090.

Sincerely,

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

Holly C. Perkins
Regulatory Compliance Tech

xc: Well Files
Land, Ft. Worth

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

Form C-103
Revised May 08, 2003

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-06240
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: SCHWERTDFEGER
8. Well Number 6
9. OGRID Number 167067
10. Pool name or Wildcat KUTZ W PICTURED CLIFFS

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN 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: SCHWERTDFEGER
2. Name of Operator XTO Energy Inc.	8. Well Number 6
3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401	9. OGRID Number 167067
4. Well Location Unit Letter K : 1650 feet from the SOUTH line and 1650 feet from the WEST line Section 28 Township 27N Range 11W NMPM County SAN JUAN	10. Pool name or Wildcat KUTZ W PICTURED CLIFFS

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>
OTHER: SURFACE COMMINGLE <input checked="" type="checkbox"/>	

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	

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 Inc. proposes to surface commingle the Schwerdtfeger #6 with the Schwerdtfeger #28-1. The Schwerdtfeger #6 is a Kutz W Pictured Cliffs pool and is on Lease # NMSF08382A and the Schwerdtfeger #28-1 is a Basin Fruitland Coal pool on Lease # MNM94007. Each well will have an allocation meter to measure gas volume prior to commingling. Notice has been sent to the BLM pertaining to this surface commingle. Attached are documents in support of our application.

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 4/22/04

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
Revised June 10, 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, SUITE K-1

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		Calculated Value of Commingled Production	Volumes
KUTZ W PICTURED CLIFFS 79680	1030				
BASIN FRUITLAND COAL 71629	998				

(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: 4/21/04

TYPE OR PRINT NAME HOLLY C. PERKINS

TELEPHONE NO.: (505) 564-6720

E-MAIL ADDRESS: Holly_perkins@xtoenergy.com

Schwerdtfeger #6 and Schwerdtfeger #28-1
Surface Commingle

28L

	Schwerdtfeger #6	Schwerdtfeger #28-1
Location	Sec 28K, T27N, R11W	Sec 27B 28L, T27N, R11W
Formation/Pool	Kutz W. Pictured Cliffs	Basin Fruitland Coal
API #	30-045-06240	30-045-29014
Gas Gravity	1030	998
Gas Rate (MCFPD)	100 SW/4	365 W/2
WI	0.5%	0.375%
NRI	0.4125%	0.309375%

Production Volumes are averaged over the last year.



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

April 21, 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 #6 and the Schwerdtfeger #28-1. 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

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

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

Amy L Fern
719 12th Ave
Honolulu, HI 96816-2247

Mildred O Togikawa
2346 Oahu Ave
Honolulu, HI 96822

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

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

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

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

MV Hughes Family Trust
Melba V Hughes Trustee
P.O. Box 8065
Wichita, KS 67208

Shirley Stark
1570 Fairfield Lane
Wichita, KS 67208-0000

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

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

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

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

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

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

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

B. Broadrick
1510 Dayton Road
Big Spring, TX 79705-6515

Thomas M Burns
2978 S Newport St
Denver, CO 80224-0000

Mina Ruth Fitting
3910 Edgebrook Court
Midland, TX 79707-1434

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

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

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

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

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

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

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

J. Robert Jones
1205 West Pecan
Midland, TX 79705-6515

Tana K Hughes
14 Lake Ave
Colorado Spring, CO 80906-3652

James Randolph Fitting
5228 SE 56th Street
Oklahoma City, OK 73135-0000

Khristi Elaine Fitting Moritz
9438 Tranquil Park
San Antonio, TX 78254-5667

Freeman Rodney Fitting
3537 Mitchell Lane
Bessemer, AL 35023-0000

Kelly Fitting Stewart
11197 Paisana Lane
San Angelo, TX 76904-0000

Fitting Chestnut Family LTD
P.O. Box 782
Midland, TX 79702-0782

Ruth Fitting Wester Family LTD
A Texas Partnership
12304 Edwards Hollow Run
Austin, TX 78739-7621

Raymond Oil Company LP
P.O. Box 48788
Wichita, KS 67201-8788