

4/28/04
PLC-251



WVJ (5/18/04)
Suppose
pWVJ 0413645123

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

April 26, 2004

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

REC-11111
APR 28 2004
OIL CONSERVATION
DIVISION

Subject: Administrative Approval to Surface Commingle
Schwerdtfeger #13 & Schwerdtfeger #5-1
Sec 05, T27N, R11W
NMSF080382A; San Juan County, NM

Dear Mr. Jones:

Enclosed please find an administrative application (C107B) and attachments to surface commingle the existing Schwerdtfeger #13 and the Schwerdtfeger #5-1. The Schwerdtfeger #13 has been temporarily abandoned and the Schwerdtfeger #5-1 is currently producing. XTO energy Inc. plans to produce the commingled gas through a single compressor. The lower operating costs resulting from a shared compressor will extend the economic life of both wells thus increasing their ultimate recoveries.

Both wells are located on the same Federal lease NMSF080382A; however ownership is not common. By copy of this application by certified mail, return receipt requested, XTO Energy Inc. is notifying all interest owners. The Division Director may approve the proposed surface commingling in the absence of a valid written objection to the Santa Fe office within 20 days after the receipt of the application.

The following are enclosed for your review of the proposed surface commingling:

- 1) Well information table;
- 2) Proposed testing schedule & procedure for allocation purposes;
- 3) Proposed production facilities diagram;
- 4) Well location map.

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

Sincerely,

Handwritten signature of Holly C. Perkins in cursive.
Holly C. Perkins
Regulatory Compliance Tech

xc: TLD
TLS
Well File

Schwerdtfeger #13 & Schwerdtfeger #5-1
Surface Commingle

	Schwerdtfeger #13	Schwerdtfeger #5-1
Location	Sec 05, T27N, R11W	Sec 05, T27N, R11W
Formation	Kutz W Pictured Cliffs	Basin Fruitland Coal
API#	30-045- 00240 06923	30-045-27819
Pool Name	Pictured Cliffs	Fruitland Coal
Gas Gravity	1030 NW/4	1018 E/2

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 13
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	
2. Name of Operator XTO Energy Inc.	
3. Address of Operator 2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401	
4. Well Location Unit Letter C : 990 feet from the NORTH line and 650 feet from the WEST line Section 05 Township 27N Range 11W NMPM County SAN JUAN	
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 #13 with the Schwerdtfeger #5-1. Both wells are on Federal Lease NMSF080382A. The Schwerdtfeger #13 is a Kutz W Pictured Cliffs pool and the Schwerdtfeger #5-1 is a Basin Fruitland Coal pool. 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.

Schwerdtfeger #13
Sec 05, T27N, R11W NW 1/4
Kutz W Pictured Cliffs
30-045-06240 06923
Gas Gravity: 1030

^{NEVE}
Schwerdtfeger #5-1
Sec 05, T27N, R11W E/2
Basin Fruitland Coal
30-045-27819
Gas Gravity: 1018

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 4/26/04

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:

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

Signature

REGULATORY COMPLIANCE TECH 4/26/04
 Title Date

Holly_perkins@xtoenergy.com
 e-mail Address

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	1018				

(2) Are any wells producing at top allowances? ☐ 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: 4/26/04

TYPE OR PRINT NAME HOLLY C. PERKINS

TELEPHONE NO.: (505) 564-6720



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

April 8, 2004

RE: Notice to Working and Royalty Interest Owners
Application to Surface Commingle Gas Production
Schwerdtfeger #13 and Schwerdtfeger #5-1
Section 05C, T27N, R11W
San Juan County, NM

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) and Bureau of Land Management for approval to surface commingle gas production from the Schwerdtfeger #13 and the Schwerdtfeger #5-1. The Schwerdtfeger #13 is a Kutz W Pictured Cliffs pool well; the Schwerdtfeger #5-1 is a Basin Fruitland Coal pool well. The NMOCD requires all interest owners be notified of plans to surface commingle when ownership is different between wells.

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 of the 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 black ink that reads "Holly C. Perkins". The signature is fluid and cursive.

Holly C. Perkins
Regulatory Compliance Tech

xc: Well Files w/o attachment
FW Land Dept. w/attachments

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

Grover Family LP
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
Joint Trustees
2054 S. Beretania Street
Honolulu, HI 96826-1312

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

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

Dennis Y Y Hew & Janes G K Hew
2233 Hoonanea Street
Honolulu, HI 96822-2428

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

Mildred O Togikawa
2346 Oahu Ave
Honolulu, HI 96822

Anita C Luke & Charles WW Luke
Joint Trustees
3216 Kaohinani Drive
Honolulu, HI 96817-1041

Thomas F. Schmidt
Lorinna Schmidt, Jt Trustees
2333 Kapiolani Blvd, Suite 2
Honolulu, HI 96826-4400

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

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

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

Alice L Heu Revocable Liv Trust
Alice L Heu, Trustee
921 Hala Drive
Honolulu, HI 96817-2122

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

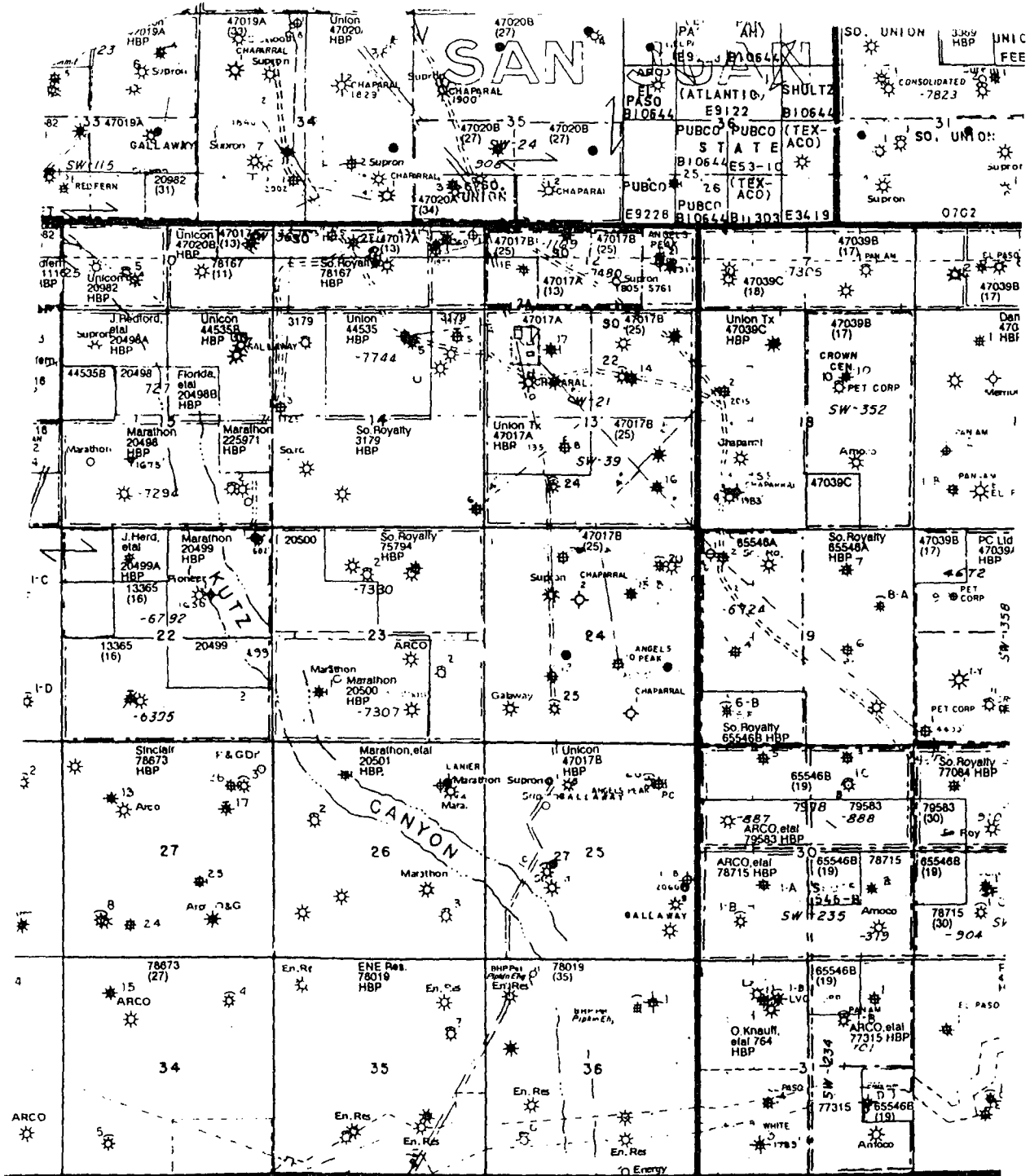
Bolack Minerals Company
A New Mexico Ltd Partnership
3901 Bloomfield Hwy
Farmington, NM 87401-2831

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

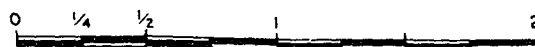
Burlington Resources
P.O. Box 1489
Farmington, NM 87499

Bureau of Land Management
1235 LaPlata Hwy
Farmington, NM 87401



R. II W.

SCALE - MILES



BEEN VERY CAREFULLY PREPARED
RECORDS, HOWEVER WE DO NOT
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PETROLEUM OWNERSHIP MAP CO.
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AT BOTTOM.