

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

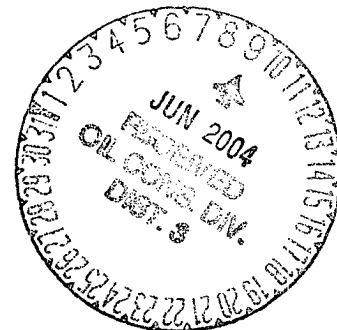
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF080382A
2. Name of Operator XTO ENERGY INC		6. If Indian, Allottee or Tribe Name
Contact: HOLLY PERKINS E-Mail: Regulatory@xtoenergy.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 2700 FARMINGTON AVE., BLDG K, SUITE 1 FARMINGTON, NM 87401	3b. Phone No. (include area code) Ph: 505.324.1090 Ext: 4020 Fx: 505.564.6700	8. Well Name and No. Multiple--See Attached
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached		9. API Well No. Multiple--See Attached
30-045-27819 30-045-06923		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL WEST KUTZ PICTURED CLIFFS
		11. County or Parish, and State SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

XTO Energy Inc. proposes to surface commingle these two wells per attached documents.



PLC 251

14. Thereby certify that the foregoing is true and correct. Electronic Submission #29476 verified by the BLM Well Information System For XTO ENERGY INC, sent to the Farmington Committed to AFMSS for processing by JIM LOVATO on 05/26/2004 (04JXL0254SE)	
Name (Printed/Typed) HOLLY PERKINS	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 04/26/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By JIM LOVATO	Title PETROLEUM ENGINEER	Date 06/07/2004
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office Farmington

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

NMCCD

Additional data for EC transaction #29476 that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMSF080382A	NMSF080382A	SCHWERDTFEGER 5-1	30-045-27819-00-S1	Sec 5 T27N R11W NENE 0790FNL 0790FEL 36.60934 N Lat, 108.02025 W Lon
NMSF080382A	NMSF080382A	SCHWERDTFERGER 13	30-045-06923-00-S1	Sec 5 T27N R11W NENW 0990FNL 1650FWL 36.60877 N Lat, 108.02992 W Lon

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

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

Form C-103
Revised May 08, 2003

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.)		WELL API NO. 30-045-06240
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator XTO Energy Inc.		6. State Oil & Gas Lease No.
3. Address of Operator 2700 Farmington Ave., Bldg. K, Ste 1, Farmington, NM 87401		7. Lease Name or Unit Agreement Name: SCHWERTDFEGER
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		8. Well Number 13
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 167067
		10. Pool name or Wildcat KUTZ W PICTURED CLIFFS

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
Kutz W Pictured Cliffs
30-045-06240
Gas Gravity: 1030

Schwerdtfeger #5-1
Sec 05, T27N, R11W
Basin Fruitland Coal
30-045-27819
Gas Gravity: 1018

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:



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

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,


Holly C. Perkins
Regulatory Compliance Tech

xc: TLD
TLS
Well File

Schwrdtfeger #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#	30-045-06240	30-045-27819
Pool Name	Pictured Cliffs	Fruitland Coal
Gas Gravity	1030	1018

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

Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

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 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 Commingling)

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 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: 4/26/04

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

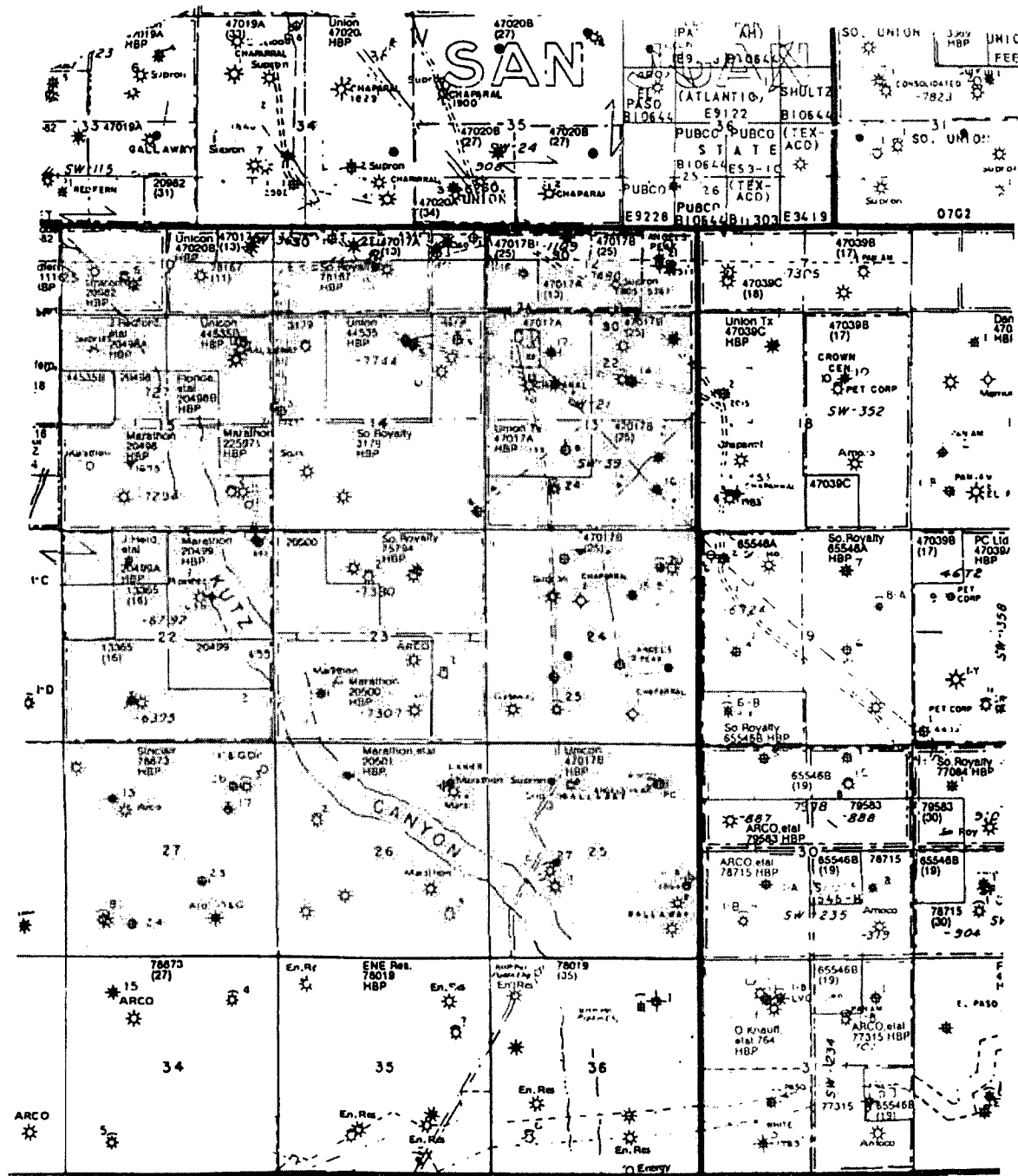
Bolack Minerals Company
A New Mexico Ltd Partnership
3901 Bloomfield Hwy
Farmington, NM 87401-2831

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
INFORMATION APPEARING HEREON.

PETROLEUM OWNERSHIP MAP CO.
REPRODUCTION IN ANY FORM PRO
HUT EXPRESS WRITTEN PERMISSION

MINERALS HAVE LEASE NUMBERS OR U.S.
AT BOTTOM OTHER MINERALS AS MARKED
AT BOTTOM