

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
		10. Field and Pool, or Exploratory BASIN FTC / BASIN DAKOTA
		11. County or Parish, and State SAN JUAN COUNTY, NM

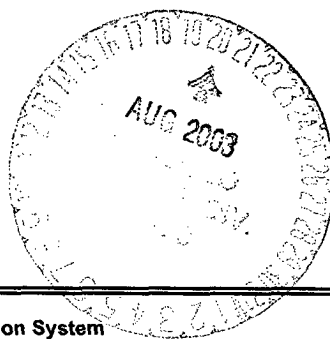
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 Surface Commingling
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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. plans to surface commingle these wells per the attached documents. Included is approval PLC-229 from NMOCD granted on 6/5/03.

PLC 229



14. I hereby certify that the foregoing is true and correct. Electronic Submission #23019 verified by the BLM Well Information System For XTO ENERGY INC., sent to the Farmington	
Name (Printed/Typed) DARRIN STEED	Title REGULATORY SUPERVISOR
Signature (Electronic Submission)	Date 06/11/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>/s/ Jim Lovato</u>	Title	Date <u>AUG 18 2003</u>
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

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.

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NMOCD

✓

PLC-229

Additional data for EC transaction #2301\$ that would not fit on the form

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
	NMSF080382A	SCHWERDTFEGER 17 1	30-045-27808	Sec 17 T27N R11W NWNE 790FNL 1845FEL
	NMSF080382A	SCHWERDTFEGER 17 1E	30-045-30399	Sec 17 T27N R11W NWNE 790FNL 1700FEL



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

REC'D / SAN JUAN

JUN - 9 2003

Lori Wrotenbery

Director

Oil Conservation Division

COMMINGLING ORDER PLC-229

XTO Energy Inc.
2700 Farmington Ave, Bldg K, Ste
Farmington, New Mexico 87401

Attention: Loren W. Fothergill

The above-named company is hereby authorized to commingle gas production from the Basin-Dakota Prorated Gas (71599) and Basin-Fruitland Coal Gas (71599) Pools from the following two
(2) San Juan County diverse ownership wells as detailed below.

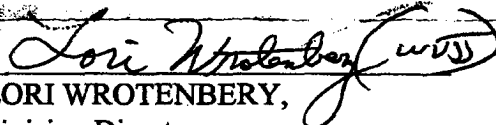
Schwerdtfeger 17 Well No. 1 API 30-045-27808
Unit B, Section 17, Township 27 North, Range 11 West, NMPM
Basin-Fruitland Coal Gas Pool

Schwerdtfeger 17 Well No. 1E API 30-045-30399
Unit B, Section 17, Township 27 North, Range 11 West, NMPM
Basin-Dakota Prorated Gas Pool

Gas production from both wells shall be continuously metered prior to commingling. Liquids shall not be commingled.

It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Aztec district office of the Division upon commencement of commingling operations.

Done, at Santa Fe, New Mexico on this 5th day of June 2003.


LORI WROTENBERY,
Division Director

LW/wvj

cc: Oil Conservation Division – Aztec
Bureau of Land Management - Farmington

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-D
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)	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
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 installed on both wells will be utilized to measure the gas..

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

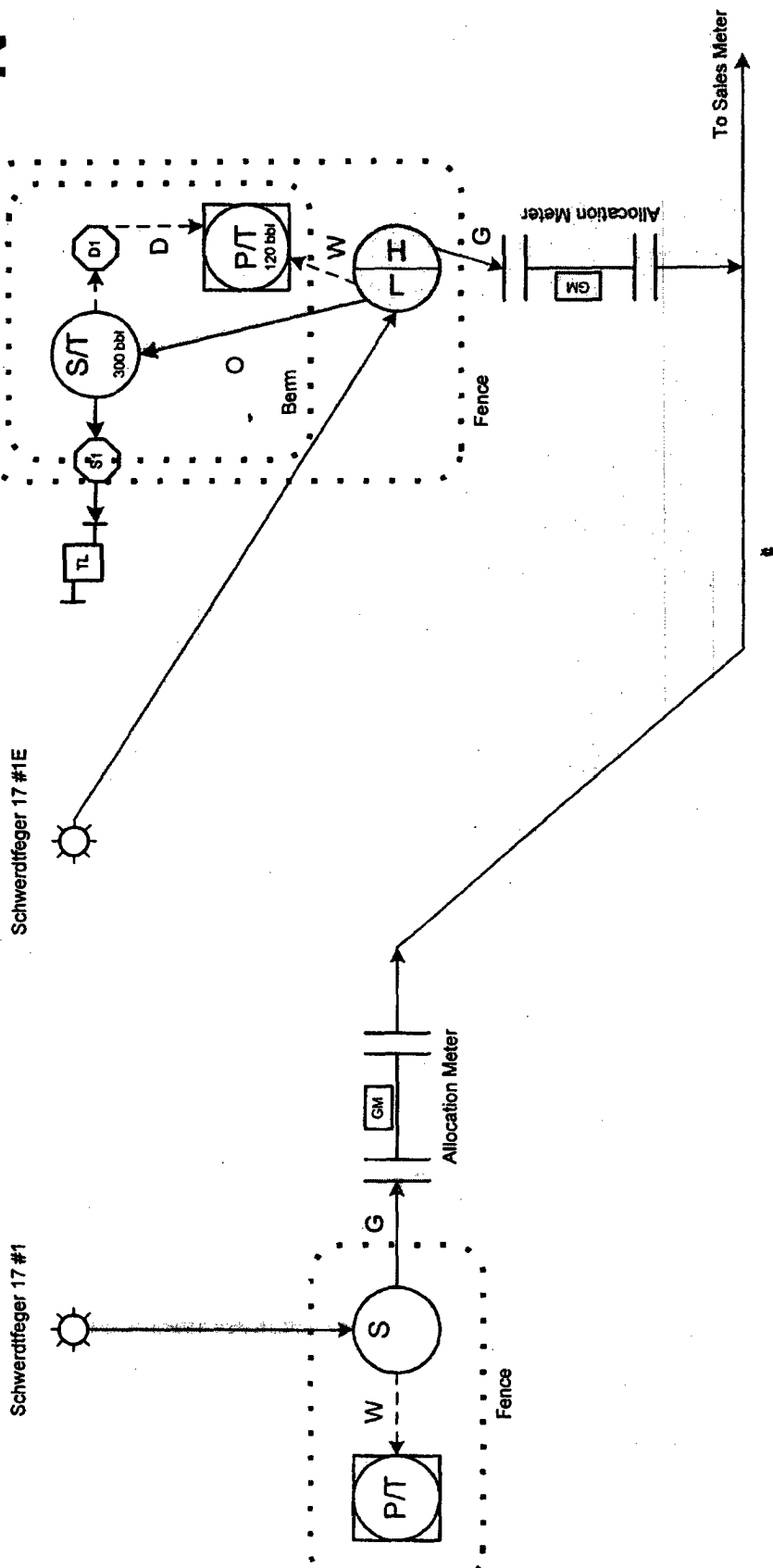
Schwerdtfeger 17 #1E gas production will be measured by the allocation meter.

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
Schwerdfeger 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

OIL CONSERVATION DIVISION

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

DISTRICT II
P.O. Drawing DD, Artesia, NM 88210

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

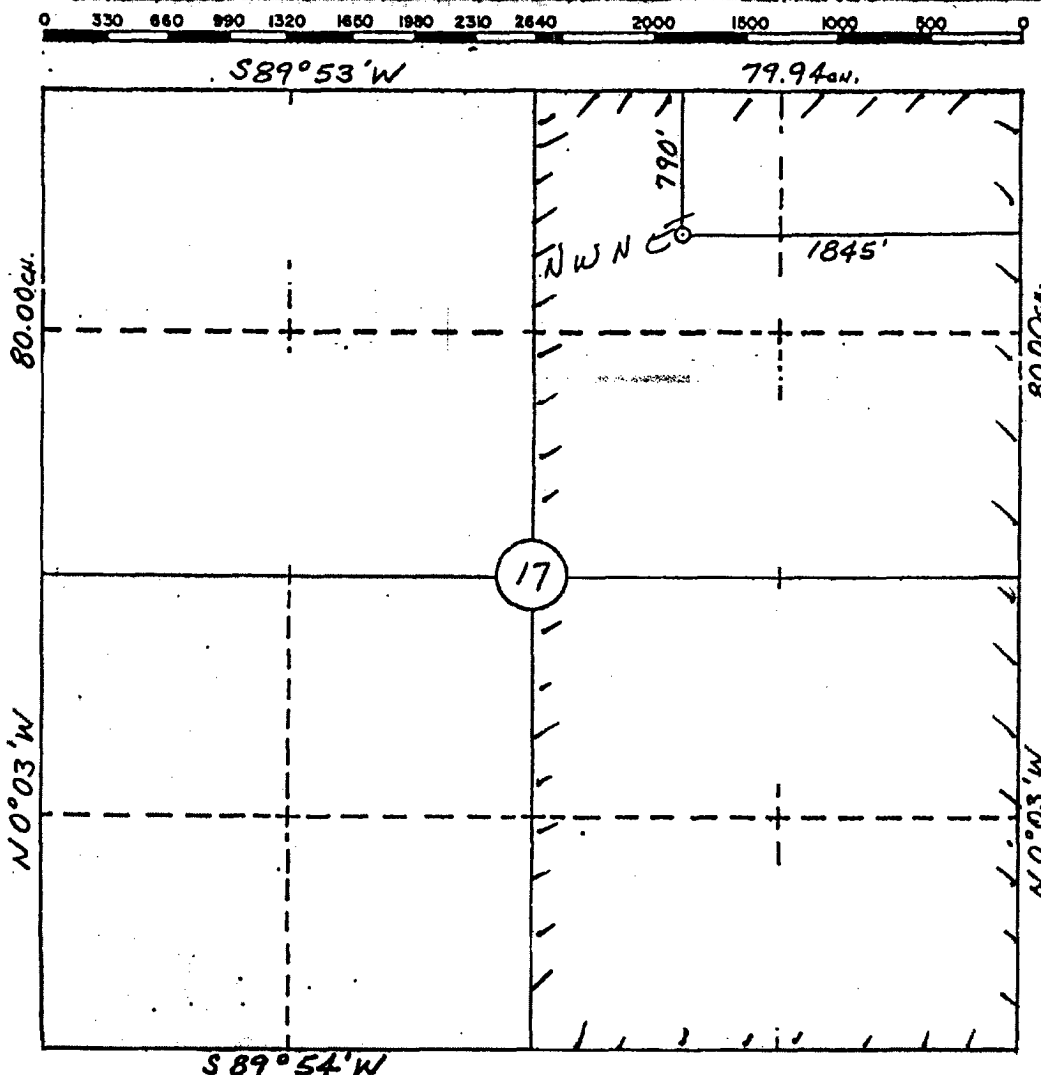
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

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

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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, encompassing 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 _____

Printed Name _____

S. L. Atnipp

Postage

Drilling Superintendent

Company _____

Marathon Oil Company

Date 1/1/77

4/450

SURVEYOR CERTIFICATION

I hereby certify that the well location on this plot was plotted from field not actual surveys made by me or under supervision, and that the same is true correct to the best of my knowledge and belief.

3-8-90

Date Surveyed _____

William F. Mahnke II

Special Agent M4



NEW MEXICO



8468

135

Confidential

APR 18 1960

CONFIDENTIAL

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.

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

Form C-10
Revised February 21, 199
Instructions on bac
Submit to Appropriate District Office
State Lease - 4 Copy
Fee Lease - 3 Copy

200 OCT 12 AM 11:17

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 71599	Pool Name BASIN DAKOTA
Property Code	Property Name SCHWERTFEGGER	Well Number 1E
GRID No. 14021	Operator Name MARATHON OIL COMPANY	Elevation 6186

10 Surface Location

UL or lot no. B	Section 17	Township 27 N	Range 11 W	Lot Idn	Feet from the 790	North/South line North	Feet from the 1700	East/West line East	County San Juan
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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
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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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

16	S 89° 53' W	790'	7294ch.	1700'	80.00ch.	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>Brian Wood</u> Printed Name <u>BRIAN WOOD</u> Title <u>CONSULTANT</u> Date <u>OCT. 14, 2000</u>
	Sec.					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. Date of Survey <u>16 Sep 2000</u> Signature <u>William E. Mahinko II</u> Professional Surveyor Certificate Number <u>884651</u>
		17			NO 03' W	



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor
Joanna Prukop
Cabinet Secretary

REC'D / SAN JUAN

JUN - 9 2003

Lori Wrotenbery
Director

Oil Conservation Division

COMMINGLING ORDER PLC-229

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Gas production from both wells shall be continuously metered prior to commingling. Liquids shall not be commingled.

It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Aztec district office of the Division upon commencement of commingling operations.

Done, at Santa Fe, New Mexico on this 5th day of June 2003.


LORI WROTENBERY,
Division Director

LW/wvjj

cc: Oil Conservation Division - Aztec
Bureau of Land Management - Farmington