

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
RECEIVED
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505
 APR 08 2004

Form C-103
 Revised May 08, 2003

WELL API NO. 30-045-06746
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 #7
9. OGRID Number 167067
10. Pool name or Wildcat Basin Fruitland Coal

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well 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 **A** : **990** feet from the **NORTH** line and **990** feet from the **EAST** line
 Section **08** Township **27N** Range **11W** NMPM County **SAN JUAN**

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

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPLETION
 OTHER: **SURFACE COMMINGLING**

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. PLUG AND ABANDONMENT
 CASING TEST AND CEMENT JOB
 OTHER:

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 proposes to surface commingle the wells listed below. Each well will have an allocation meter to measure gas volumes prior to commingling. Notice has been sent to BLM concerning this mater. Ownership is diverse in the wells associated with this application and a certified letter has been sent to working, royalty and overriding royalty interest owners via certified mail.

Schwerdtfeger #7	30-045-06746	NMSF080382A	Sec 08, T27N, R11W	Kutz W Pictured Cliff
Schwerdtfeger #8-1	30-045-27820	NMSF080382A	Sec 08, T27N, R11W	Basin Fruitland Coal

PLC-246

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 4/1/04

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
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87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
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	1010				
<i>West</i> KUTZ PICTURED CLIFFS 79680	1112				

(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: 3/31/04
TYPE OR PRINT NAME: HOLLY C. PERKINS TELEPHONE NO.: 505-324-1090



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

March 31, 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 #7 and the Schwerdtfeger #8-1. 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 black ink that reads 'Holly C. Perkins'. The signature is written in a cursive style with a large, looped 'H' and 'P'.

Holly C. Perkins
Regulatory Compliance Tech

xc: Well Files w/attachment
FW Land Dept. w/attachment
DLS 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

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

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