

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,  
  
Holly C. Perkins  
Regulatory Compliance Tech

xc: TLD  
TLS  
Well File

Schwrdfeger #13 & Schwerdfeger #5-1  
Surface Commingle

	Schwerdfeger #13	Schwerdfeger #5-1
Location	Sec 05, T27N, R11W	Sec 05, T27N, R11W
Formation	Kutz W Pictured Cliffs	Basin Fruitland Coal
API#	30-045- <del>00240</del> 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. <b>30-045-06240</b>
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: <b>SCHWERTDFEGER</b>
8. Well Number <b>13</b>
9. OGRID Number <b>167067</b>
10. Pool name or Wildcat <b>KUTZ W PICTURED CLIFFS</b>

**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  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 **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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <b>SURFACE COMMINGLE</b> <input checked="" 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

<sup>NEVE</sup>  
 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

*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 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 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



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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'.

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 12<sup>th</sup> 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

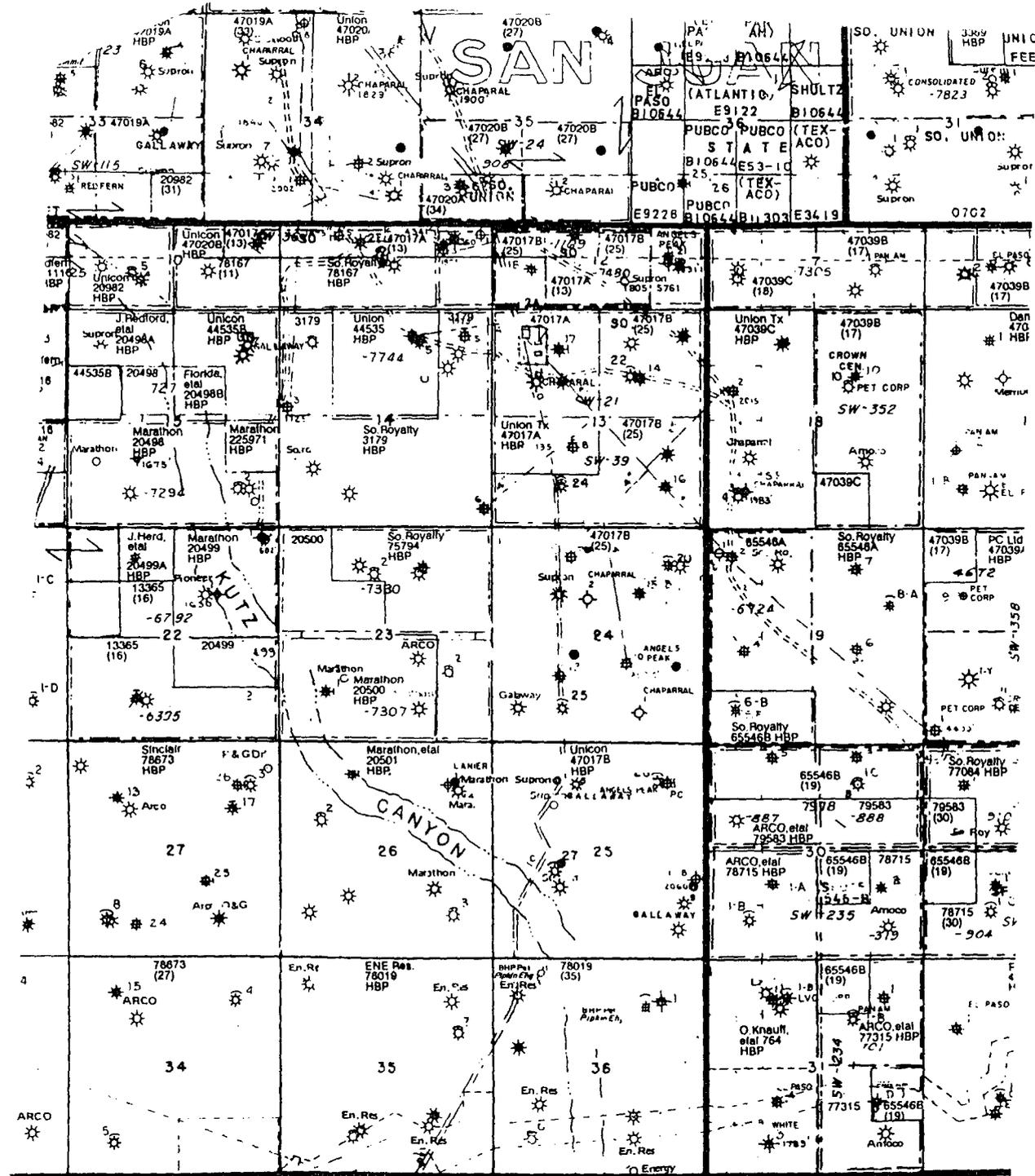
Bolack Minerals Company  
A New Mexico Ltd Partnership  
3901 Bloomfield Hwy  
Farmington, NM 87401-2831

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

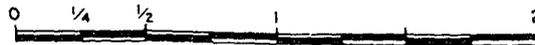
Burlington Resources  
P.O. Box 1489  
Farmington, NM 87499

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.

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