

pKRV0311952154

WVS

RECEIVED 5/19/03
 Form C-107-B
 March 31, 2003

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 IV1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
 Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 S. St Francis Drive
 Santa Fe, New Mexico 87505

APR 29 2003
 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 ☒ FederalIs 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 SteedTITLE: Regulatory SupervisorDATE: 4/25/03TYPE OR PRINT NAME Darrin SteedTELEPHONE NO.: (505) 324-1090



April 22, 2003

XTO Energy Inc
2700 Farmington Ave Blg K Suite 1
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.

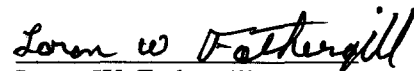
The liquid production from each well will not be commingled.

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.

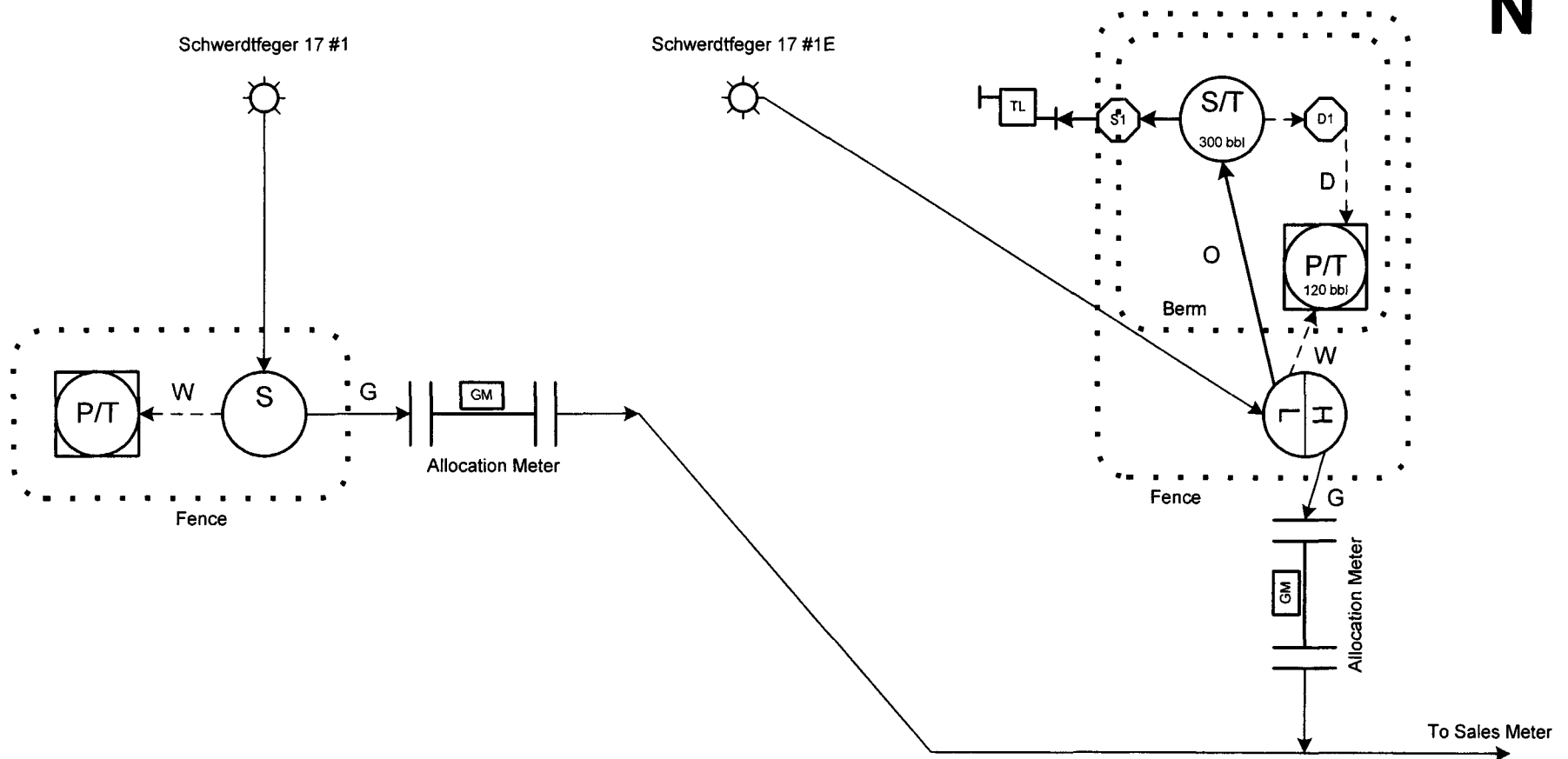
Schwerdtfeger 17 #1E gas production will be measured by the allocation meter.

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
Schwerdtfeger 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

to Appropriate
District Office
State Leases - 4 copies
Fee Leases - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form G-162
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

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

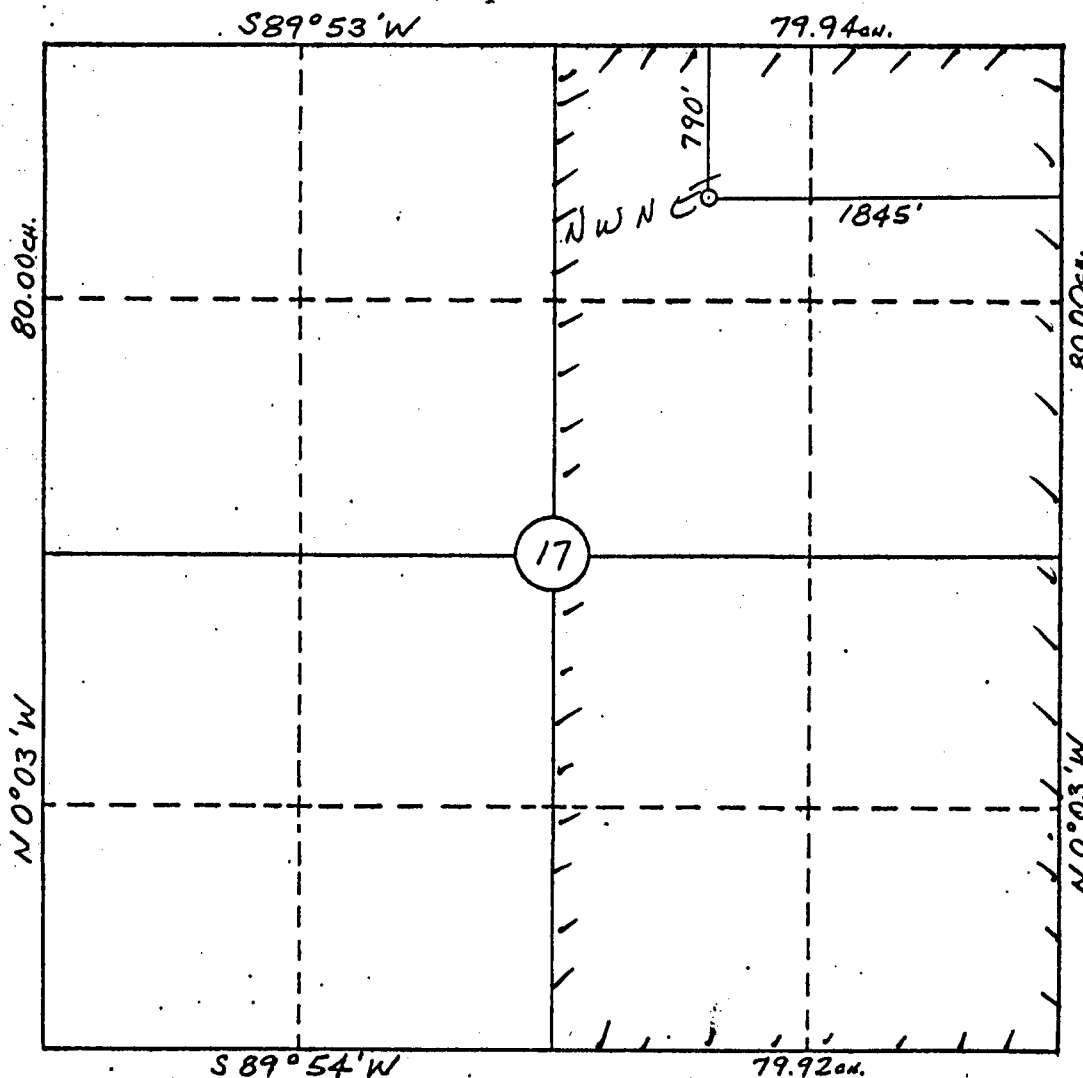
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MARATHON OIL COMPANY			Lease SCHWERTFEGER		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 Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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, force-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0



OPERATOR CERTIFICATION

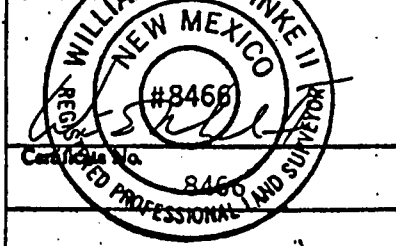
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
S. L. Atnipp
Printed Name
S. L. Atnipp
Position
Drilling Superintendent
Company
Marathon Oil Company
Date
4/4/90

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes, actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
3-8-90
William F. Mahnke II
Signature
Professional Surveyor



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 Department

Form C-10:
Revised February 21, 1999
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

200 OCT 19 AM 11:17

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APL Number		Pool Code	Pool Name
		71599	BASIN DAKOTA
Property Code	Property Name		Well Number
	SCHWEDTFEGER		15
OGRID No.	Operator Name		Elevation
14021	MARATHON OIL COMPANY		6186

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	17	27 N	11 W		790	North	1700	East	San Juan

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
Dedicated Acres		Joint or Infill		Consolidation Code		Order No.			

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'	72.94 ch.	1700'	80.00 ch.	NO 123' W	17 OPERATOR CERTIFICATION	
								I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
	Sec.							Signature <u>Brian Wood</u>	
								Printed Name <u>BRIAN WOOD</u>	
								Title <u>CONSULTANT</u>	
								Date <u>OCT. 14, 2000</u>	
								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 and Seal of Professional Surveyor:	
								<u>William R. Mahnke II</u>	
								Certificate Number <u>8456</u>	