

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]

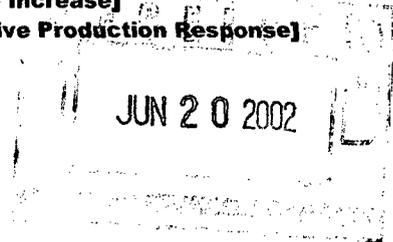
[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

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.

DARRIN STEED Darrin Steed Operations Engineer 6/11/02
 Print or Type Name Signature Title Date
Darrin-Steed@XTOEnergy.com
 e-mail Address



JUN 20 2002

June 11, 2002

Ms. Lori Wrotenberry
New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RE: Application for Exception to Rule 303-C – Downhole Commingling
Schwerdtfeger A #5F
Unit I, Sec 6, T-27-N R-8-W
Otero Chacra, Blanco Mesaverde and Basin Dakota Pools
San Juan County, New Mexico

Dear Ms. Wrotenberry,

Enclosed please find an administrative application form (C-107A) and attachments for downhole commingling the captioned well. XTO Energy Inc. (XTO) plans to complete all three zones in succession with an expected total commingled rate of about 1 BOPD, 1 BWPD and 780 MCFPD. The ownership (WI, NRI and ORRI) of these pools are identical in this wellbore. Downhole commingling in this manner will offer an economic method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights. Offset operators have been sent a copy of this application by certified mail.

This well is located 1-1/2 miles north of the Florance #66F. A downhole commingling application was sent with supporting documentation in May 2002. Due to both wells close proximity XTO would like to also use that information for this application. The downhole commingling order for the Florance #66F is DHC-3011.

If you need additional information or have any questions, please give me a call at (505) 324-1090.

Sincerely,
XTO ENERGY INC


Darrin L. Steed
Operations Engineer

Enclosures

Cc: DLS File
Well File
GLM

C:\Work\Schwerdtfeger A #5F\DHT application.doc

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, 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-107A
Revised May 15, 2000

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy Inc _____ **2700 Farmington Ave., Bldg. K, Ste 1, Farmington, NM 87401** _____
Operator Address

Schwerdtfeger A _____ **5F** _____ **I-6-T27N-R8W** _____ **San Juan** _____
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 167067 Property Code _____ API No. 30-045-31052 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Otero Chacra	Blanco Mesaverde	Basin Dakota
Pool Code	82329	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Est 3,520' - 3,650' (Perforated)	Est 4,280' - 5,000' (Perforated)	Est 6,900' - 7,150' (Perforated)
Method of Production (Flowing or Artificial Lift)	Flowing	Flowing	Flowing
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Est. 915 psig	Est. 1,098 psig	Est. 780 psig
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1206 BTU	1300 BTU	1228 BTU
Producing, Shut-In or New Zone	New Zone	New Zone	New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Est. Rates: 0 BOPD 0.1 BWPD 200 MCFPD	Date: Est. Rates: 0.4 BOPD 0.5 BWPD 100 MCFPD	Date: Est. Rates: 0.6 BOPD 0.4 BWPD 200 MCFPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 0 % 13 %	Oil Gas 39 % 49 %	Oil Gas 61 % 38 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No _____
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes _____ No _____

Are all produced fluids from all commingled zones compatible with each other? Yes No _____

Will commingling decrease the value of production? Yes _____ No _____

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No _____

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Darrin Steed TITLE Operations Engineer DATE June 11, 2002

TYPE OR PRINT NAME Darrin Steed TELEPHONE NO. (505) 324-1090

DISTRICT I
1625 N. Franch Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

AMENDED REPORT

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31052		² Pool Code 82329		³ Pool Name OTERO CHACRA	
⁴ Property Code		⁵ Property Name SCHWERTFEGER "A"			⁶ Well Number 5F
⁷ GRID No. 167067		⁸ Operator Name XTO ENERGY INC.			⁹ Elevation 6429'

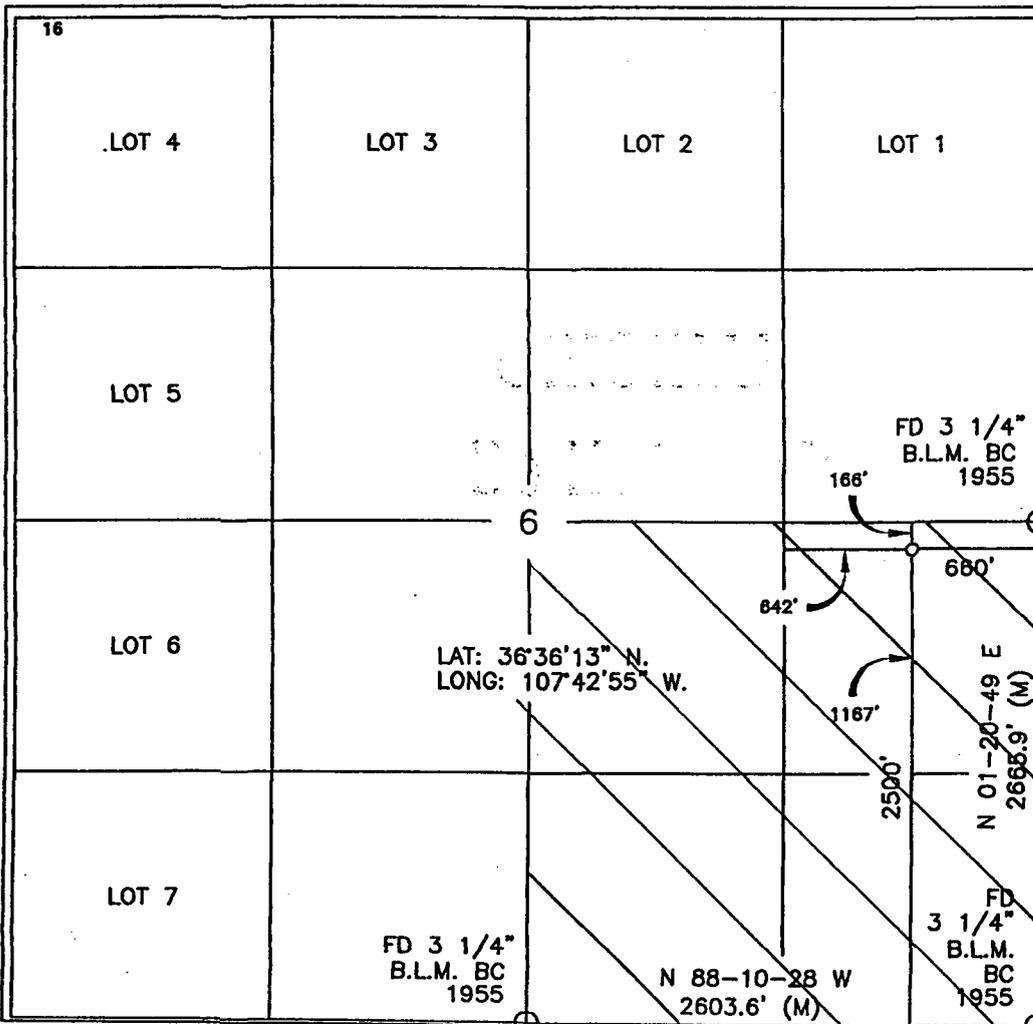
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	6	27-N	8-W		2500'	SOUTH	660'	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
¹² Dedicated Acres 160 SE/4			¹³ Joint or Infill I		¹⁴ Consolidation Code		¹⁵ 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



¹⁷ OPERATOR CERTIFICATION

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

Darrin Steed
Signature
Darrin Steed
Printed Name
Operations Engineer
Title
6/11/02
Date

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

NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
8894
Certificate Number

DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31052	² Pool Code 72319	³ Pool Name BLANCO MESAVERDE
⁴ Property Code	⁵ Property Name SCHWERTFEGER "A"	⁶ Well Number 5F
⁷ GRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6429'

¹⁰ Surface Location

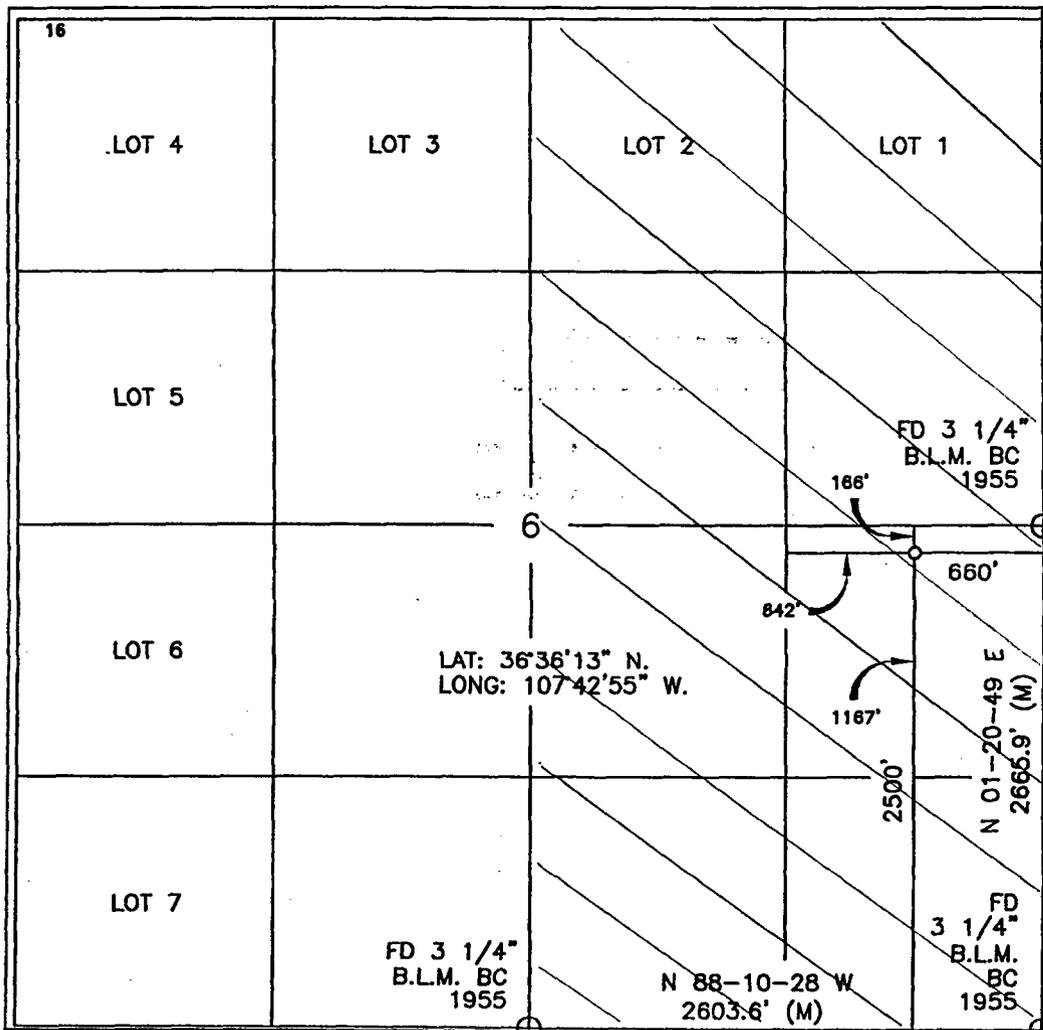
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 320.84 $\frac{E}{2}$	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ Order No.
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17 OPERATOR CERTIFICATION

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

Signature: Jeffrey W. Patton
 Printed Name: JEFFREY W. PATTON
 Title: DRILLING ENGINEER
 Date: 4-3-02

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.

Professional Surveyor Seal:
 State of New Mexico
 Registered Professional Land Surveyor
 No. 8894
 Signature and Seal of Professional Surveyor: [Signature]
 Certificate Number: 8894

DISTRICT I
1825 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
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Santa Fe, NM 87505

AMENDED REPORT

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-045-31052	² Pool Code 71599	³ Pool Name BASIN DAKOTA
⁴ Property Code	⁵ Property Name SCHWERTFEGER "A"	⁶ Well Number 5F
⁷ GRID No. 167067	⁸ Operator Name XTO ENERGY INC.	⁹ Elevation 6429'

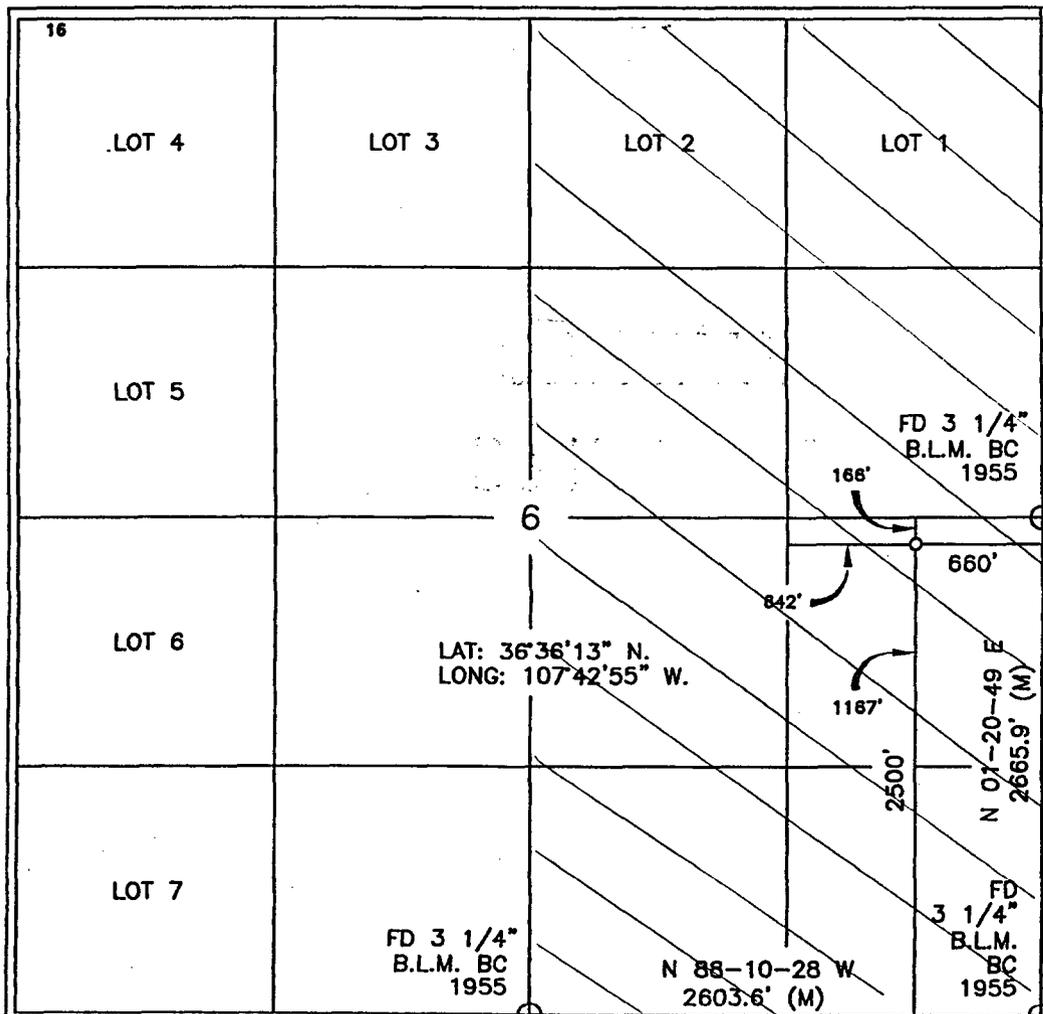
¹⁰ Surface Location

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Printed Name: JEFFREY W. PATTON
Title: DRILLING ENGINEER
Date: 4-3-02

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Professional Surveyor Seal:
NEW MEXICO
Professional Surveyor
8894
Signature and Seal of Professional Surveyor: [Signature]
Certificate Number: 8894

Schwerdtfeger A #3F and Schwerdtfeger A #5F Offset Operators that received certified notification:

Burlington Resources Oil & Gas
P.O. Box 4289
Farmington, NM 87499-4289
Attn: Dawn Howell

Four Star Oil & Gas
P.O. Box 36366
Houston, TX 77236
Attn: NOJV Manager

BP Amoco
P.O. Box 3092
Houston, TX 77253
Attn: Steve Reinert

Taurus Exploration USA
2198 Bloomfield Highway
Farmington, NM 87404
Attn: Rick Corcoran