

DATE <u>9.30.11</u>	SUSPENSE	ENGINEER <u>WVJ</u>	LOGGED IN <u>DHC</u>	TYPE <u>DHC</u>	APP NO. <u>1127348433</u>
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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



PTGW
X TO 5380

Breach F 133

ADMINISTRATIVE APPLICATION CHECKLIST 30-039-31011

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.

WANETT MCCAULEY
 Print or Type Name

Wanett McCauley
 Signature

REGULATORY COMPLIANCE TECHNICIAN 9/28/2011
 Title Date

wanett mccauley@xtoenergy.com
 e-mail Address

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, 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

Oil Conservation Division

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

Form C-107A
Revised June 10, 2003

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

APPLICATION FOR DOWNHOLE COMMINGLING

Yes ☒ No

Operator
XTO Energy Inc.

Address
382 CR 3100, Aztec, NM 87410

DAC-4472

Lease
Breach F

Well No.
#133

Unit Letter-Section-Township-Range
J Sec 33 T27N R06W

County
Rio Arriba

OGRID No. **5380**

Property Code **304754**

API No. **30-039-31011**

Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blanco Mesaverde	Basin Mancos	Basin Dakota
Pool Code	72319	97232	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5100' - 5550' estimated	6550' - 6850' estimated	7100' - 7650' estimated
Method of Production (Flowing or Artificial Life)	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)	680	981	1487
Oil Gravity or Gas BTU (Degree API or Gas 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: Rates:	Date: Rates:	Date: Rates:
	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: 26 % Gas: 20 %	Oil: 58 % Gas: 38 %	Oil: 16 % Gas: 42 %

Are all working, overriding, and royalty interests identical in all commingled zones?
If not, have all working, overriding, and royalty interests been notified by certified mail?

Yes ☒ No ☐
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 all offset operators.
- Notification list of working, overriding, and royalty interests for uncommon interest cases.
- Any additional statements, data, or documents required to support commingling.

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 Wanett McCauley TITLE Reg Compliance Technician DATE 9/28/2011

TYPE OR PRINT NAME Wanett McCauley

TELEPHONE NO. (505) 333-3630

E-MAIL wanett.mccauley@xtoenergy.com

Breach F 133 - Allocations (Using XTO Wells in 26N 6W and 27N 6W)

Modern Dakota Wells Drilled after 1990													
LEASE NAME	NO.	RESERVOIR	SECTION	TOWNSHIP	RANGE	FIELD	OPERATOR	1st PROD	LAST PROD	DAYS ON	CUMUL OIL (BBL)	CUMUL GAS (MCF)	CUMUL WATER (BBL)
BREACH F	8M (NPI)	DAKOTA	34	27 N	6 W	BLANCO	XTO ENERGY	19980331	20101201	4378	2562	440750	797
STATE B COM	233R (NPI)	DAKOTA	16	26 N	6 W	BLANCO	XTO ENERGY	19940731	20101201	5296	1520	780973	1020
BREACH F	1F (NPI)	DAKOTA	33	27 N	6 W	BLANCO	XTO ENERGY	19990228	20101201	4116	2628	663885	2068
BREACH A	132R (NPI)	DAKOTA	9	26 N	6 W	BLANCO	XTO ENERGY	20010531	20101201	3087	1454	1128535	48449
BREACH A	136F (NPI)	DAKOTA	10	26 N	6 W	BLANCO	XTO ENERGY	20010531	20101201	3445	2698	853163	33820
BREACH B	144E (NPI)	DAKOTA	12	26 N	6 W	BLANCO	XTO ENERGY	19901231	20101201	5998	849	489660	652
BREACH C	147 (NPI)	DAKOTA	7	26 N	6 W	BLANCO	XTO ENERGY	20030831	20101201	1281	1276	174534	910
BREACH C	303 (NPI)	DAKOTA	13	26 N	6 W	BLANCO	XTO ENERGY	20040930	20101201	2200	1108	345665	723
BREACH E	850 (NPI)	DAKOTA	5	26 N	6 W	BLANCO	XTO ENERGY	20040930	20101201	2139	1071	287868	624
BREACH E	65 (NPI)	DAKOTA	1	26 N	6 W	BLANCO	XTO ENERGY	20060331	20101201	1709	227	183675	884
BREACH E	79 (NPI)	DAKOTA	1	26 N	6 W	BLANCO	XTO ENERGY	20060331	20101201	1601	169	68581	435
BREACH C	392 (NPI)	DAKOTA	13	26 N	6 W	BLANCO	XTO ENERGY	20060228	20101201	1761	161	609403	1582
BREACH C	828 (NPI)	DAKOTA	13	26 N	6 W	BLANCO	XTO ENERGY	20060228	20101201	1786	1149	218741	742
BREACH A	158 (NPI)	DAKOTA	10	26 N	6 W	BLANCO	XTO ENERGY	20070531	20101201	1308	176	154887	593
BREACH F	16 (NPI)	DAKOTA	33	27 N	6 W	BLANCO	XTO ENERGY	20070630	20101201	1036	438	133802	373
BREACH F	2 (NPI)	DAKOTA	33	27 N	6 W	BLANCO	XTO ENERGY	20070531	20100801	1167	1315	200477	955
STATE A	77 (NPI)	DAKOTA	2	26 N	6 W	BLANCO	XTO ENERGY	20071130	20101201	1101	374	206370	791
BREACH	228M (NPI)	DAKOTA	18	26 N	6 W	BLANCO	XTO ENERGY	19991231	20101201	3855	1691	479453	1032
BREACH	812M (NPI)	DAKOTA	18	26 N	6 W	BLANCO	XTO ENERGY	19991231	20101201	3930	1480	480166	780
Average											2.66	944.53	1.72

Modern Mesaverde Wells Drilled after 1990

LEASE NAME	NO.	RESERVOIR	SECTION	TOWNSHIP	RANGE	FIELD	OPERATOR	1st PROD	LAST PROD	DAYS ON	CUMUL OIL (BBL)	CUMUL GAS (MCF)	CUMUL WATER (BBL)
BREACH	812M (NPI)	MESAVARDE	18	26 N	6 W	BLANCO	XTO ENERGY	19991231	20101201	3828	4684	261521	1210
BREACH	228M (NPI)	MESAVARDE	18	26 N	6 W	BLANCO	XTO ENERGY	19991231	20101201	3857	3588	250402	1261
BREACH E	850 (NPI)	MESAVARDE	5	26 N	6 W	BLANCO	XTO ENERGY	20060630	20101201	1574	681	73056	512
BREACH F	8M (NPI)	MESAVARDE	34	27 N	6 W	BLANCO	XTO ENERGY	19980331	20101201	4378	781	125566	512
BREACH E	118E (NPI)	MESAVARDE	1	26 N	6 W	BLANCO	XTO ENERGY	19961031	20101201	5048	2606	540226	656
BREACH C	144E (NPI)	MESAVARDE	12	26 N	6 W	BLANCO	XTO ENERGY	19971231	20101201	4462	1890	246010	860
BREACH C	144 (NPI)	MESAVARDE	12	26 N	6 W	BLANCO	XTO ENERGY	19981231	20101201	4313	3851	197881	925
Average											4.53	442.54	0.19

Modern Mancos Wells Drilled after 1990

LEASE NAME	NO.	RESERVOIR	SECTION	TOWNSHIP	RANGE	FIELD	OPERATOR	1st PROD	LAST PROD	DAYS ON	CUMUL OIL (BBL)	CUMUL GAS (MCF)	CUMUL WATER (BBL)
BREACH F	1F (NPI)	MANCOS	33	27 N	6 W	BLANCO	XTO ENERGY	19990228	20101201	4136	10610	558552	16160
STATE B COM	233R (NPI)	MANCOS	16	26 N	6 W	BLANCO	XTO ENERGY	19940731	20101201	5266	6644	1004217	98
STATE COM	113 (NPI)	MANCOS	2	26 N	6 W	BLANCO	XTO ENERGY	19971130	20101201	3885	12844	2750336	363
BREACH C	136 (NPI)	MANCOS	10	26 N	6 W	BLANCO	XTO ENERGY	19980331	20101201	4339	11417	133010	269
BREACH C	144E (NPI)	MANCOS	12	26 N	6 W	BLANCO	XTO ENERGY	19901130	20101201	6270	1118	190895	42
BREACH E	79 (NPI)	MANCOS	1	26 N	6 W	BLANCO	XTO ENERGY	20061130	20101201	1377	141	37084	41
BREACH D	240E (NPI)	MANCOS	15	26 N	6 W	BLANCO	XTO ENERGY	20050930	20101201	1859	2529	288675	75
BREACH E	65 (NPI)	MANCOS	5	26 N	6 W	BLANCO	XTO ENERGY	20071031	20101201	1180	686	73005	74
STATE COM	113E (NPI)	MANCOS	2	26 N	6 W	BLANCO	XTO ENERGY	20060430	20101201	1573	236	80802	240
BREACH E	850 (NPI)	MANCOS	5	26 N	6 W	BLANCO	XTO ENERGY	20051031	20101201	1762	687	96407	510
BREACH D	685E (NPI)	MANCOS	11	26 N	6 W	BLANCO	XTO ENERGY	20060131	20101201	1802	3794	276060	171
BREACH C	244E (NPI)	MANCOS	14	26 N	6 W	BLANCO	XTO ENERGY	20060228	20101201	1786	4089	317459	86
BREACH A	136F (NPI)	MANCOS	10	26 N	6 W	BLANCO	XTO ENERGY	20040731	20101201	2311	14248	1288401	2352
BREACH B	147 (NPI)	MANCOS	7	26 N	6 W	BLANCO	XTO ENERGY	20041031	20101201	2258	2460	280919	411
BREACH E	58M (NPI)	MANCOS	3	26 N	6 W	BLANCO	XTO ENERGY	20030731	20101201	2653	5103	298295	86
BREACH D	140M (NPI)	MANCOS	11	26 N	6 W	BLANCO	XTO ENERGY	20051130	20101201	1872	6009	392203	376
BREACH E	50E (NPI)	MANCOS	5	26 N	6 W	BLANCO	XTO ENERGY	20040131	20101201	2322	5140	260727	127
STATE A	62M (NPI)	MANCOS	2	26 N	6 W	BLANCO	XTO ENERGY	20021130	20101201	2656	3422	205832	116
BREACH C	689M (NPI)	MANCOS	12	26 N	6 W	BLANCO	XTO ENERGY	20031130	20101201	2668	905	177330	212
BREACH F	8M (NPI)	MANCOS	34	27 N	6 W	BLANCO	XTO ENERGY	20021231	20101201	2810	2484	220946	120
BREACH A	132R (NPI)	MANCOS	9	26 N	6 W	BLANCO	XTO ENERGY	20040930	20101201	2246	20885	727681	4069
Average											9.78	835.54	1.81

Allocations

	Oil	Gas	Water
Dakota	16%	42%	75%
Mesaverde	26%	20%	8%
Mancos	58%	38%	17%

Breech F 133 - Downhole Commingle (BHP and Fracture Parting Pressure Calculation)

	Mesaverde	Mancos	Dakota
Gas Specific Gravity	0.694	0.681	0.698
Depth to Mid Perf (ft)	5325	6700	7375
Shut in Casing Pressure (psia)	594	826	1215
Surface Temperature (deg F)	60	60	60
Bottom Hole Temperature (deg F)	136	141	151
Static BHP (psia)	680	981	1487
Fracture Parting Pressure (psia)	3461	4355	4794