

DATE IN <u>12.29.12</u>	SUSPENSE	ENGINEER <u>WVJ</u>	LOGGED IN <u>12.29.12</u>	TYPE <u>DHC</u> <u>4523</u>	APP NO. <u>1208955874</u>
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PTG-W

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



X705380

Breach A #175F

ADMINISTRATIVE APPLICATION CHECKLIST

30-039-31070

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATION 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

O-8-26N-7W

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

Rio/Fed

- [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.

LORRI D. BINGHAM
 Print or Type Name

Signature

REGULATORY ANALYST
 Title

3/28/12
 Date

Lorri_bingham@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

APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107A
Revised June 10, 2003

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☐ Yes ☒ No

XTO Energy Inc.
Operator

382 CR 3100, Aztec, NM 87410
Address

DAF-4523

Breech A
Lease

#175F
Well No.

O

Sec 8

T26N

R6W

Rio Arriba
County

OGRID No. 5380

Property Code 304749

API No. 30-039-31071

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)	4409' - 5342' estimated	5342' - 6884' estimated	6971' - 7400' 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)	655	955	1452
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: _____

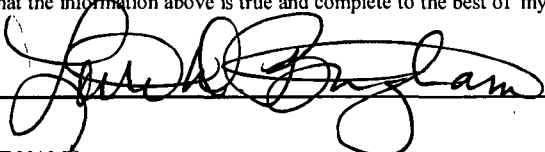
ATTACHMENTS:

- 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



TITLE REGULATORY ANALYST

DATE 3/28/12

TYPE OR PRINT NAME

LORRI D. BINGHAM

TELEPHONE NO. (505) 333-3204

E-MAIL

Lorri.bingham@xtoenergy.com

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)	EUR
BREECH F	1F (NP)	MANCOS	33	27 N	6 W	BLANCO	XTO ENERGY	19990228	20101201	4136	10610	556552	16160	13.657
STATE B COM	233R (NP)	MANCOS	16	26 N	6 W	BLANCO	XTO ENERGY	19940731	20101201	5266	6644	1004217	98	8.849
STATE COM	113 (NP)	MANCOS	2	26 N	6 W	BLANCO	XTO ENERGY	19971130	20101201	3985	12844	275036	363	15.136
BREECH A	136 (NP)	MANCOS	10	26 N	6 W	BLANCO	XTO ENERGY	19980331	20101201	4339	11417	133010	269	12.144
BREECH C	144E (NP)	MANCOS	12	26 N	6 W	BLANCO	XTO ENERGY	19901130	20101201	6270	1118	190895	42	1.118
BREECH E	79 (NP)	MANCOS	1	26 N	6 W	BLANCO	XTO ENERGY	20061130	20101201	1377	141	37084	41	0.141
BREECH D	240E (NP)	MANCOS	15	26 N	6 W	BLANCO	XTO ENERGY	20050930	20101201	1859	2529	286675	75	6.969
BREECH E	65 (NP)	MANCOS	5	26 N	6 W	BLANCO	XTO ENERGY	20071031	20101201	1180	686	73005	74	2.116
STATE COM	113E (NP)	MANCOS	2	26 N	6 W	BLANCO	XTO ENERGY	20060430	20101201	1573	236	80802	240	0.614
BREECH E	850 (NP)	MANCOS	5	26 N	6 W	BLANCO	XTO ENERGY	20051031	20101201	1762	687	96407	510	1.169
BREECH D	688E (NP)	MANCOS	11	26 N	6 W	BLANCO	XTO ENERGY	20060131	20101201	1802	3794	276060	171	8.836
BREECH C	244E (NP)	MANCOS	14	26 N	6 W	BLANCO	XTO ENERGY	20060228	20101201	1786	4089	317459	86	12.733
BREECH A	136F (NP)	MANCOS	10	26 N	6 W	BLANCO	XTO ENERGY	20040731	20101201	2311	14249	1288401	2352	27.434
BREECH B	147 (NP)	MANCOS	7	26 N	6 W	BLANCO	XTO ENERGY	20041031	20101201	2258	2460	280919	411	6.146
BREECH E	58M (NP)	MANCOS	3	26 N	6 W	BLANCO	XTO ENERGY	20030731	20101201	2653	5103	298295	86	8.357
BREECH D	140M (NP)	MANCOS	11	26 N	6 W	BLANCO	XTO ENERGY	20051130	20101201	1872	6009	392203	376	10.474
BREECH E	50E (NP)	MANCOS	5	26 N	6 W	BLANCO	XTO ENERGY	20040131	20101201	2322	5140	260727	127	10.275
STATE A	62M (NP)	MANCOS	2	26 N	6 W	BLANCO	XTO ENERGY	20021130	20101201	2656	3422	205832	216	11.985
BREECH C	689M (NP)	MANCOS	12	26 N	6 W	BLANCO	XTO ENERGY	20031130	20101201	2668	905	177330	112	1.22
BREECH F	8M (NP)	MANCOS	34	27 N	6 W	BLANCO	XTO ENERGY	20021231	20101201	2810	2484	220946	120	4.494
BREECH A	132R (NP)	MANCOS	9	26 N	6 W	BLANCO	XTO ENERGY	20040930	20101201	2246	20885	727681	4069	41.484
Average														97.8
														835.64
														0.39

Allocations			
	Oil	Gas	Water
Dakota	16%	42%	75%
Mesa Verde	26%	20%	8%
Mancos	58%	38%	17%

Breach A 175F - 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)	5150	6550	7230
Shut in Casing Pressure (psia)	574	807	1191
Surface Temperature (deg F)	60	60	60
Bottom Hole Temperature (deg F)	132	138	148
Static BHP (psia)	655	955	1452
Fracture Parting Pressure (psia)	3348	4258	4700