

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO 1004-0137
Expires July 31, 2010

RECEIVED

Lease Serial No.

NNM-03547

If Indian, Allottee or Tribe Name

N/A

Bureau of Land Management Unit or CA/Agreement, Name and/or No

N/A

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

JAN 22 2009

SUBMIT IN TRIPLICATE - Other instructions on page 2

Bureau of Land Management
Farmington Field Office

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. BREECH F #8
2. Name of Operator XTO Energy Inc.		9. API Well No. 30-039-06835
3a. Address 382 CR 3100	3b. Phone No. (include area code) 505-333-3100	10. Field and Pool, or Exploratory Area SO. BLANCO PC/BLANCO MV BASIN DK
4. Location of Well (Footage, Sec., T, R, M, or Survey Description) 990' FNL & 990' FEL SEC. 34A-T27N-R6W		11. County or Parish, State RIO ARRIBA NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>AMEND</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>DHC</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

XTO Energy Inc. proposes to remove the packer and downhole commingle production from the So. Blanco PC (72439), the Blanco Mesaverde (72319) and the Basin Dakota (71599). Allocations are based on the attached production and have been allocated as follows:

Pictured Cliffs	Oil: 0%	Water: 0%	Gas: 16.9%
Mesaverde	Oil: 25.9%	Water: 50%	Gas: 17.4%
Dakota	Oil: 74.1%	Water: 50%	Gas: 65.7%

RCVD JAN 27 '09
OIL CONS. DIV.

DIST. 3

Ownership is common & owner notification was not necessary. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. The pools are not in the NMOCD pre-approved pool combinations for DHC in the SJ Basin and the NMOCD was notified of our intent to DHC via submission of Form C107A on 1/21/09.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

LORRI D. BINGHAM

Title SR. REGULATORY COMPLIANCE TECH

Signature

Date 1/21/09

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Henth

Title

GAD

Date

1-26-09

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

FFD

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NMOCD 46

Well_Name: BREECH F # 008 API: 3003906835
 Location: A-34-27.0N-06W 990 FNL 990 FEL
 Lat: 36.53588432 Long: -107.449
 Operator Name: XTO ENERGY INC County: Rio Arriba
 Land Type: Federal Well Type: Gas
 Spud Date: 2/25/1959 Plug Date:
 Elevation GL: 6603 Depth TVD: 7749

Year: 2007

Pool Name: BASIN DAKOTA (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	2	2397	0	31
February	4	2070	1	28
March	3	2117	0	31
April	5	1934	1	30
May	8	1935	1	31
June	5	1834	1	30
July	6	2003	1	31
August	6	2053	1	31
September	0	1819	0	29
October	4	1884	1	28
November	3	1955	0	30
December	4	2188	1	31

Year: 2007

Pool Name: BLANCO P. C. SOUTH (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	0	519	0	31
February	0	503	0	28
March	0	498	0	31
April	0	494	0	30
May	0	491	0	31
June	0	483	0	30
July	0	513	0	31
August	0	497	0	31
September	0	450	0	29
October	0	455	0	27

November	0	508	0	30
December	0	488	0	31

Year: 2007

Pool Name: BLANCO-MESAVERDE (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	0	654	0	31
February	1	565	0	28
March	1	579	0	31
April	2	531	0	30
May	2	531	0	31
June	2	504	0	30
July	1	549	0	31
August	2	562	0	31
September	0	499	0	29
October	1	515	0	28
November	1	536	0	30
December	2	598	0	31

Year: 2008

Pool Name: BASIN DAKOTA (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	8	1978	1	30
February	62	1877	0	29
March	0	1753	0	31
April	6	1705	0	30
May	6	1354	0	31
June	6	1939	20	30
July	8	1875	0	31
August	6	1530	5	31
September	0	0	0	0
October	0	0	0	0
November	0	0	0	0
December	0	0	0	0

5344 25 20

Year: 2008

Pool Name: BLANCO P. C. SOUTH (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced			
January	0	646	0	30			
February	0	312	0	29			
March	0	358	50	31			
April	0	441	0	30			
May	0	451	0	31			
June	0	454	0	30			
July	0	458	0	31			
August	0	462	0	31	1374	0	0
September	0	0	0	0			
October	0	0	0	0			
November	0	0	0	0			
December	0	0	0	0			

Year: 2008

Pool Name: BLANCO-MESAVERDE (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced			
January	2	542	0	30			
February	19	499	0	29			
March	0	466	0	31			
April	1	453	0	30			
May	2	360	0	31			
June	2	515	20	30			
July	2	498	0	31			
August	3	407	5	31	1420	25	7
September	0	0	0	0			
October	0	0	0	0			
November	0	0	0	0			
December	0	0	0	0			
					8138	50	27

	Gas	Water	Oil
DK Allocations	65.7	50.0	74.1
MV Allocations	17.4	50.0	25.9
PC Allocations	16.9	0.0	0.0

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.

Lorri D Bingham
 Print or Type Name

Signature

Sr. Regulatory Compliance Tech
 Title

1/21/09
 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

Form C-107A
Revised June 10, 2003

APPLICATION TYPE

Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator XTO Energy Inc. Address 382 CR 3100 Aztec, NM 87410
Lease BREECH F Well No #8 Unit Letter-Section-Township-Range A SEC 34 -T27N-R6 W County RIO ARriba
OGRID No 5380 Property Code 304754 API No 30-039-06835 Lease Type X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	SOUTH BLANCO PC	BLANCO MESAVERDE	BASIN DAKOTA
Pool Code	72439	72319	71599
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3180' - 3224'	4844' - 5527'	7392' - 7614'
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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1.223	1.122	1.122
Producing, Shut-In or New Zone	PRODUCING	PRODUCING	PRODUCING
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: 8/2008 Rates: 0 BO/462 MCF/0 BW	Date: 8/2008 Rates: 3 BO/407 MCF/5 BW	Date: 8/2008 Rates: 6 BO/1530 MCF/5 BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required)	Oil: 0 % Gas: 16.9 %	Oil: 25.9 % Gas: 17.4 %	Oil: 74.1 % Gas: 65.7 %

Are all working, overriding, and royalty interests identical in all commingled zones? Yes X No
If not, have all working, overriding, and royalty interests been notified by certified mail? Yes No
Are all produced fluids from all commingled zones compatible with each other? Yes X No
Will commingling decrease the value of production? Yes No X
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 X No

NMOCD Reference Case No. applicable to this well: CASE NO. 6440/ORDER NO. R-5924

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 Lorri D. Bingham TITLE SR. REG COMPLIANCE TECH DATE 1/21/09
TYPE OR PRINT NAME LORRI D. BINGHAM TELEPHONE NO. (505) 333-3100
E-MAIL Lorri.bingham@xtoenergy.com