

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

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.

MAR 10 2011

5. Lease Serial No.

BMSH-079035A

6. If Indian, Allottee or Tribe Name

Bureau of Land Management

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

BREECH A #158

9. API Well No.

30-039-29997

10. Field and Pool, or Exploratory Area

BASIN DAKOTA/BASIN MANCOS/
BLANCO MESAVERDE

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

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| ☐ Acidize | ☐ Deepen | ☐ Production (Start/Resume) | ☐ Water Shut-Off |
| ☐ Alter Casing | ☐ Fracture Treat | ☐ Reclamation | ☐ Well Integrity |
| ☐ Casing Repair | ☐ New Construction | ☐ Recomplete | ☒ Other <u>DOWNHOLE</u> |
| ☐ Change Plans | ☐ Plug and Abandon | ☐ Temporarily Abandon | <u>COMMINGLE</u> |
| ☐ Convert to Injection | ☐ Plug Back | ☐ 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 recompleate 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 recompleation 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. requests approval to DHC this well per NMCCD Rule 19.15.12.11 C(2) in the Basin Dakota (71599), Basin Mancos (97232) & the Blanco Mesaverde (72319) pools. XTO proposes to downhole commingle these pools upon completion of the Mancos & Mesaverde. Please see the attached spreadsheets for justification of recommended allocations.

Basin Mancos	Oil: 84%	Gas: 58%	Water: 47%
Blanco Mesaverde	Oil: 10%	Gas: 9%	Water: 16%
Basin Dakota	Oil: 6%	Gas: 33%	Water: 37%

Ownership is diverse & notification to owners was made by CRR on 2/22/2011. DHC will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. Pools are not in the NMCCD pre-approved pool combinations for DHC in the San Juan Basin and the NMCCD was notified of our intent to DHC via Form C-107A on 3/7/2011.

RCVD MAR 11 '11
OIL CONS. DIV.
DIST. 3

TRIMING - MUST HAVE C107A APPROVED & ORDER ISSUED BEFORE WORK BEGINS

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

WANETT MCCAULEY

Title REGULATORY COMPLIANCE TECHNICIAN

Signature

Wanett McCauley

Date 3/14/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title

GEO

Date

3-9-11

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

FFO

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.

NMCCD

Breech A 158 - Allocations

Wells Producing from the Mancos that were drilled after 2000, located in the 9 Sections surrounding the Breach A 158											CUMUL	CUMUL	CUMUL	AVERAGE	AVERAGE	AVERAGE	
LEASE NAME	NO.	RESERVOIR	SECTION	TOWNSHIP	RANGE	FIELD	OPERATOR	1st PROD	LAST PROD	DAYS ON	OIL (BBL)	GAS (MCF)	WATER (BBL)	OIL (BBL/D)	GAS (MCF/D)	WATER (BBL/D)	
BREACH A	132R (NP)	MANCOS	9	26 N	6 W	BLANCO	XTO ENERGY	20040930	20101201	2246	20885	727681	4069	9.30	323.99	1.81	
BREACH A	136F (NP)	MANCOS	10	26 N	6 W	BLANCO	XTO ENERGY	20040731	20101201	2311	14249	1288401	2352	6.17	557.51	1.02	
BREACH C	244E (NP)	MANCOS	14	26 N	6 W	BLANCO	XTO ENERGY	20060228	20101201	1786	4089	317459	86	2.29	177.75	0.05	
BREACH D	140M (NP)	MANCOS	11	26 N	6 W	BLANCO	XTO ENERGY	20051130	20101201	1872	6009	392203	376	3.21	209.51	0.20	
BREACH D	240E (NP)	MANCOS	15	26 N	6 W	BLANCO	XTO ENERGY	20050930	20101201	1859	2529	288675	75	1.36	155.29	0.04	
BREACH D	685E (NP)	MANCOS	11	26 N	6 W	BLANCO	XTO ENERGY	20060131	20101201	1802	3794	276060	171	2.11	153.20	0.09	
BREACH E	58M (NP)	MANCOS	3	26 N	6 W	BLANCO	XTO ENERGY	20030731	20101201	2653	5103	298295	86	1.92	112.44	0.03	
STATE A	62M (NP)	MANCOS	2	26 N	6 W	BLANCO	XTO ENERGY	20021130	20101201	2656	3422	205832	216	1.29	77.50	0.08	
STATE COM	113E (NP)	MANCOS	2	26 N	6 W	BLANCO	XTO ENERGY	20060430	20101201	1573	236	80802	240	0.15	51.37	0.15	
Average											3.09			202.06			0.39

Wells Producing from the Mesaverde that were drilled after 1980, located in the 9 Sections surrounding the Breech A 158																
LEASE NAME	NO.	RESERVOIR	SECTION	TOWNSHIP	RANGE	FIELD	OPERATOR	1st PROD	LAST PROD	DAYS ON	CUMUL OIL (BBL)	CUMUL GAS (MCF)	CUMUL WATER (BBL)	AVERAGE OIL (BBL/D)	AVERAGE GAS (MCF/D)	AVERAGE WATER (BBL/D)
BREECH A	132E (NP)	MESAVERDE	9	26 N	6 W	BLANCO	XTO ENERGY	19820228	20101201	7992	2264	138836	789	0.28	17.37	0.10
BREECH A	204M (NP)	MESAVERDE	9	26 N	6 W	BLANCO	XTO ENERGY	19801130	20101201	7599	1732	155073	951	0.23	20.41	0.13
BREECH C	244E (NP)	MESAVERDE	14	26 N	6 W	BLANCO	XTO ENERGY	19860131	20101201	6359	3222	226755	1025	0.51	35.66	0.16
BREECH C	323E (NP)	MESAVERDE	14	26 N	6 W	BLANCO	XTO ENERGY	19820131	20101201	8083	2918	192337	932	0.36	23.80	0.12
BREECH D	140 (NP)	MESAVERDE	11	26 N	6 W	BLANCO	XTO ENERGY	19821130	20101201	7723	943	113428	595	0.12	14.69	0.08
BREECH D	140M (NP)	MESAVERDE	11	26 N	6 W	BLANCO	XTO ENERGY	19831231	20101201	7083	1191	136032	923	0.17	19.21	0.13
BREECH D	240E (NP)	MESAVERDE	15	26 N	6 W	BLANCO	XTO ENERGY	19860131	20101201	7343	1830	193933	931	0.25	26.41	0.13
BREECH D	685E (NP)	MESAVERDE	11	26 N	6 W	BLANCO	XTO ENERGY	19821130	20101201	7785	3681	129023	1270	0.47	16.57	0.16
BREECH E	54E (NP)	MESAVERDE	4	26 N	6 W	BLANCO	XTO ENERGY	19801231	20101201	8510	1137	104303	697	0.13	12.26	0.08
BREECH E	58M (NP)	MESAVERDE	3	26 N	6 W	BLANCO	XTO ENERGY	19860131	20101201	7198	4380	283476	1136	0.61	39.38	0.16
BREECH E	68E (NP)	MESAVERDE	4	26 N	6 W	BLANCO	XTO ENERGY	19801231	20101201	8041	1363	81908	506	0.17	10.19	0.06
REUTER	321E (NP)	MESAVERDE	15	26 N	6 W	BLANCO	XTO ENERGY	19860228	20101201	6249	4866	290151	1029	0.78	46.43	0.16
STATE A	268E (NP)	MESAVERDE	16	26 N	6 W	BLANCO	XTO ENERGY	19801231	20101201	7942	7317	377412	1654	0.92	47.52	0.21
STATE A	62M (NP)	MESAVERDE	2	26 N	6 W	BLANCO	XTO ENERGY	19831231	20101201	6752	800	198492	618	0.12	29.40	0.09
STATE B COM	233E (NP)	MESAVERDE	16	26 N	6 W	BLANCO	XTO ENERGY	19830228	20101201	7156	3381	464266	847	0.47	64.88	0.12
STATE COM	113E (NP)	MESAVERDE	2	26 N	6 W	BLANCO	XTO ENERGY	19811231	20101201	6497	1613	442051	1614	0.25	68.04	0.25
Average														0.37	30.76	0.13

Breech A 158 Current Production											
LEASE NAME	RESERVOIR	Section	Township	Range	FIELD	OPERATOR	12 MONTH AVERAGE OF LATEST PRODUCT				
BRECH A	158 DAKOTA	10	26 N	6 W	BLASIN	XTO ENERGY	OIL (BBL/D)	GAS (MCF/D)	WATER (BBL/D)		
							0.22	112.76	0.30		

Allocations			
	Oil	Gas	Water
Mancos	84%	58%	47%
Mesaverde	10%	9%	16%
Dakota	6%	33%	37%

Last 12 Months Production for the Breech A 158*Dakota Production*

	Oil Prod (BBL)	Gas Prod (MCF)	Water Prod (BBL)	Days On	Oil (BBL/D)	Gas (MCF/D)	Water (BBL/D)
1/31/2010	0	3692	0	24	0	153.8333	0
2/28/2010	4	3595	0	28	0.142857	128.3929	0
3/31/2010	3	3443	0	31	0.096774	111.0645	0
4/30/2010	19	3129	50	30	0.633333	104.3	0.6
5/31/2010	7	3711	0	31	0.225806	119.7097	0
6/30/2010	10	3357	40	30	0.333333	111.9	0.75
7/31/2010	7	3392	0	31	0.225806	109.4194	0
8/31/2010	4	3045	40	31	0.129032	98.22581	0.775
9/30/2010	2	3028	0	30	0.066667	100.9333	0
10/31/2010	6	3519	40	31	0.193548	113.5161	0.775
11/30/2010	10	3552	40	30	0.333333	118.4	0.75
12/31/2010	8	2587	0	31	0.258065	83.45161	0
AVERAGE					0.22	112.76	0.30