

8-30-11 DATE IN	SUSPENSE	ENGINEER DB	LOGGED IN 8.31.11	TYPE NSL	APP NO. 1124351307
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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
XTO
Breach #704
6482

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.

Print or Type Name

Signature

Title

Date

e-mail Address

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

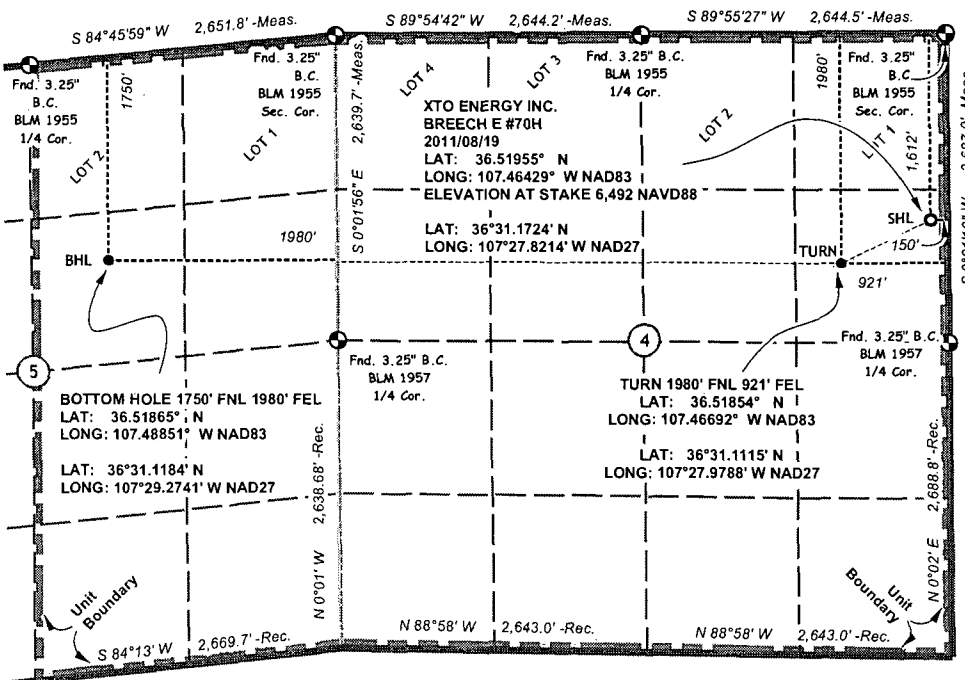
State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-219-26		² Pool Code 97232		³ Pool Name Basin Mancos	
⁴ Property Code		⁵ Property Name BREECH E			⁶ Well Number 70H
⁷ OGRID No.		⁸ Operator Name XTO ENERGY INC.			⁹ Elevation 6,492
¹⁰ Surface Location					
UL or lot no. H	Section 4	Township 26 N	Range 6 W	Lot Idn	Feet from the 1612
		North/South line NORTH		Feet from the 150	East/West line EAST
		County RIO ARRIBA			
¹¹ Bottom Hole Location If Different From Surface					
UL or lot no. G	Section 5	Township 26 N	Range 6 W	Lot Idn	Feet from the 1750
		North/South line NORTH		Feet from the 1980	East/West line EAST
		County RIO ARRIBA			
¹² Dedicated Acres		¹³ Joint or Infill	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, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

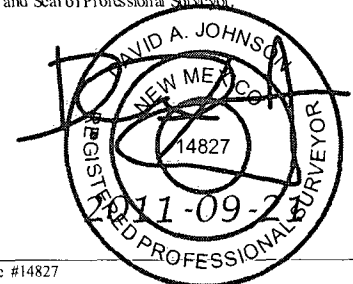
¹⁸ SURVEYOR CERTIFICATION

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.

August 19, 2011

Date of Survey

Signature and Seal of Professional Surveyor



Certificate #14827



August 29, 2011

VIA FEDEX OVERNIGHT

Mr. David Brooks
New Mexico Oil Conservation Division
1220 S St Francis Dr
Santa Fe NM 87504

Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Breech E 70H
Surface Hole Location: 1,612' FNL & 150' FEL, Section 4, T26N, R6W
Bottom Hole Location: 1,750' FNL & 1,980' FEL, Section 5, T26N, R6W
Rio Arriba County, New Mexico
Basin Mancos Formation

Dear Mr. Brooks:

XTO Energy Inc. hereby requests administrative approval for an unorthodox location for the above referenced well. Attached for your reference are the following exhibits:

1. Well location plat (NMOCD Form C-102)
2. Ownership Map
3. Production map

The above referenced well is proposed to be drilled to test the Basin Mancos Formation, spaced as a 960 acre project area. Pursuant to the Basin-Mancos Gas Pool, Order No. R-12984, 660' unit boundary setbacks were established for drilling and development. However, XTO will enter the Basin Mancos pool at approximately 150' FEL of Section 4 causing the well to be non-standard. The well will be located on Federal lands.

Pickle Inc., as a working interest partner in Section 3, T26N, R6W, has been notified of the encroachment of Section 3. A copy has been provided for your reference.

XTO Energy Inc. requests your administrative approval for the unorthodox location based on the above information. Should you need any additional information, please contact the undersigned at (817) 885-3064.

Yours truly,

Aaron Austin
Sr. Landman

Enclosures

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
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Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-21526		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name BREECH E		⁶ Well Number 70H
⁷ OGRID No. 5380	⁸ Operator Name XTO ENERGY INC.		⁹ Elevation 6,492

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
H	4	26 N	6 W		1612	NORTH	150	EAST	RIO ARRIBA

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
G	5	26 N	6 W		1750	NORTH	1980	EAST	RIO ARRIBA

¹² Dedicated Acres	¹³ Joint or Infill	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, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION

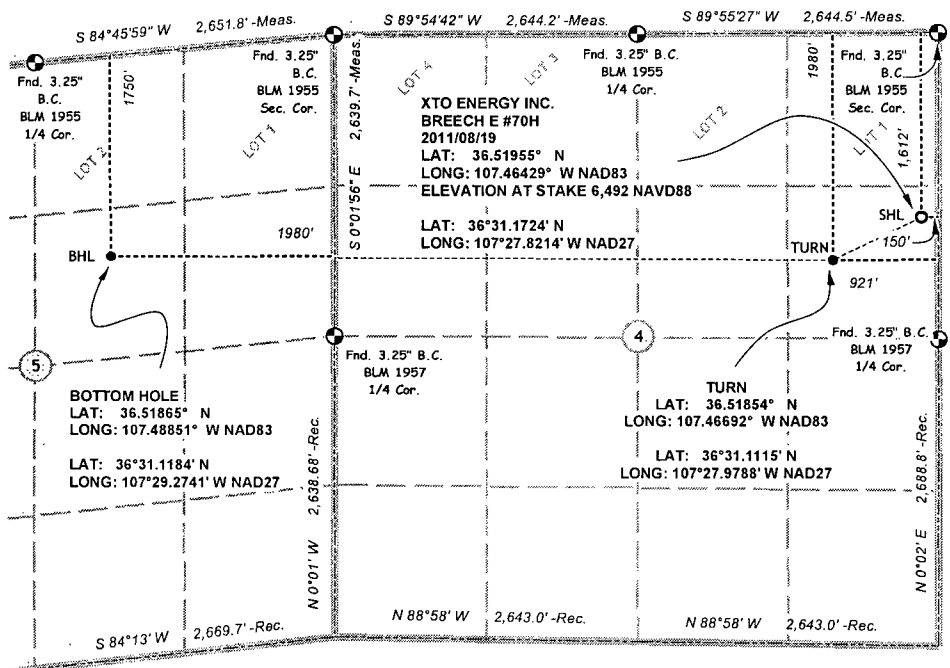
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

August 19, 2011

Date of Survey

Signature and Seal of Professional Surveyor

Certificate #14827



PRELIMINARY



SECTION PLAT OF 9 SQUARE MILES

STATE: New Mexico COUNTY: Rio Arriba

PROSPECT: Breech E 70H DATE: August 29, 2011

SECTION: 04 TOWNSHIP: 26 North RANGE: 6 West

SCALE: 1'=2000'

32	33	34
05	04	03 XTO Energy Inc. 91.00% Pickle Inc. 9.00%
08	09	10



San Juan Basin

SEC 4-T26N-R06W

Cumulative Prod thru 5/2011

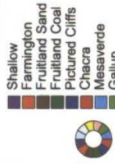
Rio Arriba County, New Mexico



POSTED WELL DATA

Operator
Well Label
PICUM - CUMUL. LABELS
PICUM - FROM DATE TO DATE
PICUM - LAST OIL BLEND
PICUM - COMPLETE WELL NO PROD

ATTRIBUTE MAP



SYMBOL HIGHLIGHT

- BOOKED FRUITLAND COAL RESERVES
- BOOKED PICTURED CLIFFS RESERVES
- BOOKED CHACRA RESERVES
- BOOKED MESAVIERDE RESERVES
- BOOKED GALLUP RESERVES
- BOOKED DAKOTA RESERVES
- BOOKED PARADOX RESERVES
- SERVICE/INJECTION WELLS

REMARKS

Breach E 70H

August 26, 2011

PETRA 8/26/2011 11:05:50 AM



August 29, 2011

VIA U. S. CERTIFIED MAIL

Pickle Inc.
P.O. Box 16163
Beverly Hills, CA 90209
Attn: Mr. Michael Mackel

Re: Application for Administrative Approval of Unorthodox Location
XTO Energy Inc.'s Breech E 70H
Surface Hole Location: 1,612' FNL & 150' FEL, Section 4, T26N, R6W
Bottom Hole Location: 1,750' FNL & 1,980' FEL, Section 5, T26N, R6W
Rio Arriba County, New Mexico
Basin Mancos Formation

Dear Mr. Mackel:

Enclosed is a copy of an Application for Administrative Approval of Unorthodox Location for the Breech E 70H well that has been sent to the New Mexico Oil Conservation Commission for administrative approval. This notice and a copy of the application are being sent to you as a courtesy so that you may have the documentation for your records.

Should you have any questions or need more information, please contact the undersigned at (817) 885-3064.

Yours truly,

A handwritten signature in black ink, appearing to read 'Aaron Austin', with a stylized flourish at the end.

Aaron Austin
Sr. Landman

Enclosures

cc: Mr. David Brooks, NMOCD

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, September 21, 2011 4:36 PM
To: 'Aaron_Austin@xtoenergy.com'
Subject: Breech E #70H; NSL Application

Dear Mr. Austin

Your letter with this application indicates that a 960-acre project area will be dedicated to this well. However, the attached Form C-102 does not show the configuration of the proposed project area.

There are several possible configurations for 960 acres that include the proposed wellbore location. Please furnish a revised C-102 depicting your intended configuration. I am inclined to assume that you intend to include all of Section 4 and the E/2 of Section 5, but I need to know for sure.

Sincerely

David K. Brooks
Legal Examiner