

DATE <u>9.30.11</u>	SUSPENSE	ENGINEER <u>WVJ</u>	LOGGED IN <u>9.30.11</u>	TYPE <u>DIFC</u>	APP NO <u>1127349082</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



*PTG-W*  
*XTO Energy*  
*5380*  
 RECEIVED OCD

**ADMINISTRATIVE APPLICATION CHECKLIST**

*2011 SEP 30 P 9:57*  
*Breech E-89F*  
*30-039-31002*

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  
 Title

9/28/2011  
 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

Yes ☐ No ☒

APPLICATION FOR DOWNHOLE COMMINGLING

XTO Energy Inc.

Operator

382 CR 3100, Aztec, NM 87410

Address

UAC-PP71

Breach E

Lease

#89F

Well No.

D

Unit

Sec 03

Section

T26N

Township

R06W

Range

Rio Arriba

County

OGRID No. 5380

Property Code 304753

API No. 30-039-31002

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)	5150' - 5450' estimated	6550' - 6850' estimated	7200' - 7600' 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)	676	981	1493 ✓
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?

Yes ☒ 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 ☒ 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

Breecch E 89F - 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	OIL (BBL)	CUMUL OIL (BBL)	GAS (MCF)	CUMUL GAS (MCF)	WATER (BBL)	CUMUL WATER (BBL)	EUR	EUR	GAS (MMCF)	AVERAGE WATER (BBL/D)
BRECH F	8M (NP)	DAKOTA	34	27 N	6 W	BASIN	XTO ENERGY	19960531	20101201	4378	2562	440730	797	3.05	595.04	0.18	0.18	1034.18	0.19	1034.18
BRECH F	233R (NP)	DAKOTA	16	26 N	6 W	BASIN	XTO ENERGY	19940731	20101201	5296	2570	780973	1020	3.24	1054.07	0.51	0.51	1059.07	0.51	1059.07
BRECH F	1F (NP)	DAKOTA	33	27 N	6 W	BASIN	XTO ENERGY	19990228	20101201	4116	1628	663885	2088	2.23	709.07	15.69	2.23	2663.71	15.69	2663.71
BRECH A	132R (NP)	DAKOTA	9	26 N	6 W	BASIN	XTO ENERGY	20010531	20101201	3087	1454	1126535	48449	2.14	1913.61	9.82	2.14	1913.61	9.82	1913.61
BRECH A	136F (NP)	DAKOTA	10	26 N	6 W	BASIN	XTO ENERGY	19901031	20101201	3445	2698	853163	33820	4.08	648.45	0.97	4.08	648.45	0.97	648.45
BRECH C	144E (NP)	DAKOTA	12	26 N	6 W	BASIN	XTO ENERGY	19901231	20101201	5998	849	489660	652	0.97	799.67	0.11	0.97	799.67	0.11	799.67
BRECH B	147 (NP)	DAKOTA	7	26 N	6 W	BASIN	XTO ENERGY	20030831	20101201	1281	1276	174534	910	6.07	954.24	0.33	6.07	954.24	0.33	954.24
BRECH C	303 (NP)	DAKOTA	13	26 N	6 W	BASIN	XTO ENERGY	20040930	20101201	2220	1108	345665	723	3.42	503.42	0.29	3.42	503.42	0.29	503.42
BRECH E	850 (NP)	DAKOTA	5	26 N	6 W	BASIN	XTO ENERGY	20040930	20101201	2139	1071	267866	624	2.17	405.40	0.41	2.17	405.40	0.41	405.40
BRECH E	65 (NP)	DAKOTA	5	26 N	6 W	BASIN	XTO ENERGY	20060331	20101201	1709	227	183975	884	0.41	177.89	0.27	0.41	177.89	0.27	177.89
BRECH E	79 (NP)	DAKOTA	1	26 N	6 W	BASIN	XTO ENERGY	20060131	20101201	1601	169	68581	435	0.17	405.40	0.52	0.17	405.40	0.52	405.40
BRECH C	392 (NP)	DAKOTA	13	26 N	6 W	BASIN	XTO ENERGY	20060228	20101201	1761	4304	609403	1582	8.78	1632.76	0.90	8.78	1632.76	0.90	1632.76
BRECH C	828 (NP)	DAKOTA	13	26 N	6 W	BASIN	XTO ENERGY	20060228	20101201	1786	1761	218741	742	3.26	643.87	0.42	3.26	643.87	0.42	643.87
BRECH A	158 (NP)	DAKOTA	10	26 N	6 W	BASIN	XTO ENERGY	20070531	20101201	1308	176	154887	593	0.18	743.06	0.36	0.18	743.06	0.36	743.06
BRECH F	16 (NP)	DAKOTA	33	27 N	6 W	BASIN	XTO ENERGY	20070630	20101201	1036	438	133802	373	0.44	649.91	0.36	0.44	649.91	0.36	649.91
BRECH F	2 (NP)	DAKOTA	33	27 N	6 W	BASIN	XTO ENERGY	20070531	20100801	1167	1315	200477	955	4.00	872.14	0.82	4.00	872.14	0.82	872.14
STATE A	77 (NP)	DAKOTA	2	26 N	6 W	BASIN	XTO ENERGY	20071130	20101201	1101	374	208370	791	1.27	851.74	0.72	1.27	851.74	0.72	851.74
BRECH	228M (NP)	DAKOTA	18	26 N	6 W	BASIN	XTO ENERGY	19991231	20101201	3895	1691	473453	1032	2.70	891.94	0.27	2.70	891.94	0.27	891.94
BRECH	812M (NP)	DAKOTA	18	26 N	6 W	BASIN	XTO ENERGY	19991231	20101201	3930	1480	480166	780	2.31	906.44	0.20	2.31	906.44	0.20	906.44
Average															2.68	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	OIL (BBL)	CUMUL GAS (MMCF)	CUMUL WATER (BBL)	EUR OIL (MBO)	EUR GAS (MMCF)	AVERAGE WATER (BBL/D)
BREECH	812M (NP)	MESAVERDE	18	26 N	6 W	BLANCO	XTO ENERGY	19991231	20101201	3928	4684	261521	1261	7.10	479.72	0.31
BREECH	228M (NP)	MESAVERDE	18	26 N	6 W	BLANCO	XTO ENERGY	19991231	20101201	3897	3588	250402	1281	5.98	450.24	0.33
BREECH E	850 (NP)	MESAVERDE	5	26 N	6 W	BLANCO	XTO ENERGY	20060630	20101201	1574	681	73056	60	2.25	166.20	0.04
BREECH F	8M (NP)	MESAVERDE	34	27 N	6 W	BLANCO	XTO ENERGY	19980531	20101201	4378	781	125566	512	0.91	157.81	0.12
BREECH E	118E (NP)	MESAVERDE	1	26 N	6 W	BLANCO	XTO ENERGY	19961031	20101201	5048	2606	540226	656	4.95	1111.10	0.13
BREECH C	144E (NP)	MESAVERDE	12	26 N	6 W	BLANCO	XTO ENERGY	19971231	20101201	4462	1890	246010	860	2.77	398.08	0.19
BREECH C	144 (NP)	MESAVERDE	12	26 N	6 W	BLANCO	XTO ENERGY	19981231	20101201	4313	3851	197881	925	6.73	336.72	0.21
Average												4.33	442.84			0.19

Modern Mancos Wells Drilled after 1990																	
LEASE NAME	NO.	RESERVOIR	SECTION	TOWNSHIP	RANGE	FIELD	OPERATOR	1st PROD	LAST PROD	DAYS ON	OIL (BBL)	CUMUL	CUMUL	CUMUL	EUR	AVERAGE	
BREECH F	1F (NP)	MANCOS	33	27 N	6 W	BLANCO	XTO ENERGY	19990228	20101201	4136	10610	558552	16160	13.657	911.895	3.91	
STATE B COM	233R (NP)	MANCOS	16	26 N	6 W	BLANCO	XTO ENERGY	19940731	20101201	5266	6644	1004217	98	8.849	1406.868	0.02	
STATE COM	113 (NP)	MANCOS	2	26 N	6 W	BLANCO	XTO ENERGY	19871130	20101201	3985	12844	275036	363	15.136	493.912	0.09	
BRECH A	136 (NP)	MANCOS	10	26 N	6 W	BLANCO	XTO ENERGY	19980331	20101201	4339	11417	133070	269	12.144	228.704	0.06	
BRECH C	144E (NP)	MANCOS	12	26 N	6 W	BLANCO	XTO ENERGY	19891130	20101201	6270	1118	190885	42	1.118	228.704	0.01	
BRECH E	79 (NP)	MANCOS	1	26 N	6 W	BLANCO	XTO ENERGY	20061130	20101201	1377	141	37084	41	0.141	159.726	0.03	
BRECH D	240E (NP)	MANCOS	15	26 N	6 W	BLANCO	XTO ENERGY	20050930	20101201	1859	2529	289675	75	6.969	910.33	0.04	
BRECH E	65 (NP)	MANCOS	5	26 N	6 W	BLANCO	XTO ENERGY	20071031	20101201	1180	686	73005	74	2.116	311.944	0.06	
STATE COM	113E (NP)	MANCOS	2	26 N	6 W	BLANCO	XTO ENERGY	20060430	20101201	1573	236	80802	240	0.614	244	0.15	
BRECH E	850 (NP)	MANCOS	5	26 N	6 W	BLANCO	XTO ENERGY	20051031	20101201	1762	687	98407	510	1.169	302.888	0.29	
BRECH D	685E (NP)	MANCOS	11	26 N	6 W	BLANCO	XTO ENERGY	20060131	20101201	1802	3794	276060	171	8.836	863.72	0.09	
BRECH C	244E (NP)	MANCOS	14	26 N	6 W	BLANCO	XTO ENERGY	20060228	20101201	1786	4089	317459	86	12.733	934.921	0.05	
BRECH A	136F (NP)	MANCOS	10	26 N	6 W	BLANCO	XTO ENERGY	20040731	20101201	2311	14249	1288401	2352	27.434	3476.366	1.02	
BRECH B	147 (NP)	MANCOS	7	26 N	6 W	BLANCO	XTO ENERGY	20041031	20101201	2258	2460	280919	411	6.146	663.735	0.18	
BRECH E	58M (NP)	MANCOS	3	26 N	6 W	BLANCO	XTO ENERGY	20030731	20101201	2653	5703	298295	86	6.357	937.712	0.03	
BRECH D	140M (NP)	MANCOS	11	26 N	6 W	BLANCO	XTO ENERGY	20051130	20101201	1872	6009	392203	376	10.474	1136.386	0.20	
BRECH E	50E (NP)	MANCOS	5	26 N	6 W	BLANCO	XTO ENERGY	20040131	20101201	2322	5140	260727	127	10.275	740.29	0.05	
STATE A	62M (NP)	MANCOS	2	26 N	6 W	BLANCO	XTO ENERGY	20021130	20101201	2656	3422	205832	216	11.985	654.375	0.08	
BRECH C	688M (NP)	MANCOS	12	26 N	6 W	BLANCO	XTO ENERGY	20031130	20101201	2668	905	177330	112	1.22	269.058	0.04	
BRECH F	8M (NP)	MANCOS	34	27 N	6 W	BLANCO	XTO ENERGY	20021231	20101201	2810	2484	220946	120	4.464	491.283	0.04	
BRECH A	132R (NP)	MANCOS	9	26 N	6 W	BLANCO	XTO ENERGY	20040930	20101201	2246	20885	727681	4069	41.484	2138.046	1.81	
Average															6.976	635.54	0.939

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

**Breech E 89F - Downhole Commingle (BHP and Fracture Parting Pressure Calculation)**

	<b>Mesaverde</b>	<b>Mancos</b>	<b>Dakota</b>
Gas Specific Gravity	0.694	0.681	0.698
Depth to Mid Perf (ft)	5300	6700	7400
Shut in Casing Pressure (psia)	591	826	1219
Surface Temperature (deg F)	60	60	60
Bottom Hole Temperature (deg F)	136	141	151
<b>Static BHP (psia)</b>	<b>676</b>	<b>981</b>	<b>1493</b>
<b>Fracture Parting Pressure (psia)</b>	<b>3445</b>	<b>4355</b>	<b>4810</b>