

DATE IN 1/22/09	SUSPENSE	ENGINEER W Jones	LOGGED IN 1/22/09	TYPE DHC 4152	APP NO. PKAA0902262042
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2009 JAN 22 PM 1:20 South St. Francis Drive, Santa Fe, NM 87505



30-039-D6508  
Breech 224  
XTO Energy  
5380

## 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

APPLICATION FOR DOWNHOLE COMMINGLING

DHC-4152 ☒ Yes ☐ No

XTO Energy Inc.  
Operator

382 CR 3100 Aztec, NM 87410  
Address

BREECH  
Lease

#224  
Well No.

A SEC 13 T26N-R7W  
Unit Letter-Section-Township-Range

RIO ARriba  
County

OGRID No. 5380 Property Code 30478 API No. 30-039-06508 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	SO. BLANCO PC <i>Pro</i>	OTERO CHACRA	BLANCO MESAVERDE
Pool Code	72439 ✓	82329 ✓	72319 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2716' - 2754'	3594' - 3699'	4996' - 5146'
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)	208	213	269
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1.199	1.199	1.229
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: 8/08 Rates: 0 BO/406 MCF/0 BW	Date: 8/08 Rates: 0 BO/174 MCF/0 BW	Date: 8/08 Rates: 5 BO/778 MCF/0 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: 25 %	Oil: 0 % Gas: 10.7 %	Oil: 63.2 % Gas: 45 %

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: DHC-2236

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

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

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.  
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APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107A  
Revised June 10, 2003

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

Operator XTO Energy Inc. Address 382 CR 3100 Aztec, NM 87410

Lease BREECH Well No. #224 Unit Letter-Section-Township-Range A SEC 13 T26N-R7W County RIO ARriba

OGRID No. 5380 Property Code 30478 API No. 30-039-06508 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name			<u>WEDD</u> <del>UNDES.</del> GREENHORN
Pool Code			66675
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			6900' - 6940'
Method of Production (Flowing or Artificial Life)			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)			282
Oil Gravity or Gas BTU (Degree API or Gas BTU)			1.229
Producing, Shut-In or New Zone			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: Rates:	Date: Rates:	Date: 8/08 Rates: 2 BO/333 MCF/0 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: % Gas: %	Oil: % Gas: %	Oil: 36.8 % Gas: 19.3 %

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: DHC-2236

- 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

Well\_Name: BREECH # 224      API: 3003906508  
 Location: A-13-26.0N-07W 865 FNL 1140 FEL  
 Lat: 36.48997787      Long: -107.522  
 Operator Name: XTO ENERGY      INC      County: Rio Arriba  
 Land Type: Federal      Well Type: Gas  
 Spud Date: 12/29/1958 Plug Date:  
 Elevation GL: 6451 Depth TVC 7342

Pool Name: BLANCO P. C. SOUTH (PRORATED GAS)      2007

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	0	431	0	31
February	0	429	0	28
March	0	511	0	31
April	0	492	0	30
May	0	574	0	31
June	0	540	0	30
July	0	540	0	31
August	0	618	0	31
September	0	383	0	30
October	0	458	0	28
November	0	493	0	30
December	0	308	0	31

Year: 2007

Pool Name: BLANCO-MESAVERDE (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	7	1100	1	31
February	8	1127	1	28
March	6	1361	1	31
April	4	1326	1	30
May	5	1146	1	31
June	9	1251	1	30
July	4	1208	1	31
August	4	1097	1	31
September	3	904	0	30
October	9	1042	1	28

November	8	580	1	30
December	5	1188	1	31

Year: 2007

Pool Name: OTERO CHACRA (GAS)

Oil(BBLS)

Month	Gas(MCF)	Water(BBLS)	Days Produced
January	0	231	31
February	0	226	28
March	0	266	31
April	0	256	30
May	0	293	31
June	0	277	30
July	0	278	31
August	0	312	31
September	0	210	30
October	0	239	28
November	0	257	30
December	0	179	31

Year: 2007

Pool Name: WILDCAT 26N7W13A:GREENHORN (G)

Oil(BBLS)

Month	Gas(MCF)	Water(BBLS)	Days Produced
January	5	477	31
February	5	488	28
March	4	589	31
April	3	574	30
May	3	497	31
June	6	542	30
July	3	524	31
August	3	476	31
September	2	393	30
October	5	452	28
November	6	254	30
December	3	515	31

Year: 2008

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

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced		
January	0	352	0	30		
February	0	134	0	29		
March	0	460	0	31		
April	0	485	0	30		
May	0	430	0	31		
June	0	340	0	30		
July	0	454	0	31		
August	0	406	0	31	1200	0
September	0	0	0	0		
October	0	0	0	0		
November	0	0	0	0		
December	0	0	0	0		

Year:

Pool Name:

BLANCO-MESAVERDE (PRORATED GAS)

Oil(BBLS)

2008

Month	Gas(MCF)	Water(BBLS)	Days Produced		
January	7	1042	1	30	
February	0	729	0	29	
March	5	672	24	31	
April	4	883	1	30	
May	8	769	0	31	
June	3	585	0	30	
July	4	798	0	31	
August	5	778	0	31	2161
September	0	0	0	0	
October	0	0	0	0	
November	0	0	0	0	
December	0	0	0	0	

Year:

Pool Name:

OTERO CHACRA (GAS)

Oil(BBLS)

2008

Month	Gas(MCF)	Water(BBLS)	Days Produced		
January	0	197	0	30	
February	0	57	0	29	
March	0	197	0	31	
April	0	208	0	30	

May	0	184	0	31			
June	0	146	0	30			
July	0	195	0	31			
August	0	174	0	31	515	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: WILDCAT 26N7W13A;GREENHORN (G)  
Oil(BBLS)

Month	Gas(MCF)	Water(BBLS)	Days Produced				
January	5	452	1	30			
February	0	313	0	29			
March	3	288	23	31			
April	2	378	0	30			
May	6	330	0	31			
June	2	251	0	30			
July	3	342	0	31			
August	2	333	0	31	926	0	7
September	0	0	0	0			
October	0	0	0	0			
November	0	0	0	0			
December	0	0	0	0	4802	0	19

MV allocations	Gas	Wtr	Oil	
Greenhorn Allocations	45.0	0.0	63.2	
Chacra allocations	19.3	0.0	36.8	
Pictured Cliffs allocation	10.7	0.0	0.0	
	25.0	0.0	0.0	

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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.**

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

**XTO Energy Inc.**

3a. Address

**382 CR 3100**

3b. Phone No. (include area code)

**505-333-3100**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**865' FNL & 1140' FEL SEC. 13A-T26N-R7W**

5. Lease Serial No.

**NMM-03733**

6. If Indian, Allottee or Tribe Name

**N/A**

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

**N/A**

8. Well Name and No.

**BREECH #224**

9. API Well No.

**30-039-06508**

10. Field and Pool, or Exploratory Area

**SO. BLANCO PC/OTERO CH/  
BLANCO MV/UNDES. GREENHORN**

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

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other **AMEND**

**DHC**

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 recompleat 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 Otero CH (82329), the Blanco Mesaverde (72319) and the Undesignated Greenhorn (66675).**

**Allocations are based on the attached production and have been allocated as follows:**

<b>Pictured Cliffs</b>	<b>Oil: 0%</b>	<b>Water: 0%</b>	<b>Gas: 25%</b>
<b>Chacra</b>	<b>Oil: 0%</b>	<b>Water: 0%</b>	<b>Gas: 10.7%</b>
<b>Mesaverde</b>	<b>Oil: 63.2%</b>	<b>Water: 63.2%</b>	<b>Gas: 45%</b>
<b>Greenhorn</b>	<b>Oil: 36.8%</b>	<b>Water: 36.8%</b>	<b>Gas: 19.3%</b>

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 NMOC pre-approved pool combinations for DHC in the SJ Basin and the NMOC 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 B. BINGHAM**

Title **SR. REGULATORY COMPLIANCE TECH**

Signature

Date **1/21/09**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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

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.



**Jones, William V., EMNRD**

---

**From:** Jones, William V., EMNRD  
**Sent:** Friday, January 30, 2009 2:42 PM  
**To:** 'Lorri\_Bingham@xtoenergy.com'  
**Cc:** Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD; Warnell, Terry G, EMNRD  
**Subject:** Downhole Commingle Applications: Breech F #8 and Breech #224

*Cancelled 1/30/09*

Hello Lorri:

Please ask your engineer to estimate the static reservoir pressure and the means of arriving at these pressures for the Pictured Cliffs, Chacra, and Mesaverde in both these wells and send these numbers to me by reply email.

The perforation range is above the 150% rule and requires pressure data and verification that if the well is shutin for any reason, that any of these intervals will not fracture the other s - prior to approval.

I will prepare the orders, but hold them pending this data.

Thanks,

William V. Jones PE  
New Mexico Oil Conservation Division  
1220 South St. Francis  
Santa Fe, NM 87505  
505-476-3448

**Jones, William V., EMNRD**

---

**From:** Lorri\_Bingham@xtoenergy.com  
**Sent:** Friday, March 27, 2009 8:32 AM  
**To:** Jones, William V., EMNRD  
**Subject:** Fw: Breech 224 DHC  
**Attachments:** Breech 224 PC BHPFSP.XLS; Breech 224 mv BHPFSP.XLS

Good morning, Will!

Here is the BHL psi for the Breech #224. Please don't hesitate to ask, if you need anything further.

Thanks,

Lorri Bingham  
Regulatory Compliance Technician  
XTO Energy, Inc./Farmington  
(505) 333-3204

[Lorri\\_bingham@xtoenergy.com](mailto:Lorri_bingham@xtoenergy.com)

----- Forwarded by Lorri Bingham/FAR/CTOC on 03/27/2009 08:31 AM -----

**Loren Fothergill/FAR/CTOC**

To Lorri Bingham/FAR/CTOC@CTOC

cc

03/26/2009 04:04 PM

Subject Fw: Breech 224 DHC

bottomhole pressure: The pressures are calculated bottomhole pressures based upon a 7 day shut in pressure observer during the 2007 NM Packer leakage test 9/13/08. SITP 195 psig for PC/CH and 235 psig for MV/Greenhorn.

PC: 208 psig  
CH 213 psig  
MV 269 psig  
DK 282 psig

Thanks  
Loren W. Fothergill  
Sr. Production Engineer  
505 333 3140

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This inbound email has been scanned by the MessageLabs Email Security System.

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