

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM 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.

RECEIVED

JAN 22 2009

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMM-03733
2. Name of Operator XTO Energy Inc.		6. If Indian, Allottee or Tribe Name N/A
3a. Address 382 CR 3100	3b. Phone No. (include area code) 505-333-3100	7. If Unit or CA/Agreement, Name and/or No. Bureau of Land Management Birmingham Field Office
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 865' FNL & 1140' FEL SEC. 13A-T26N-R7W		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
<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 recomplete 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 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:

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

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.

DHC Pending

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 Hewitt

Title

Geo

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

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO
---------	----------	----------	-----------	------	--------

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

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

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

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 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	UNDES. 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)			
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
	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: % 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 TVL	7342

2007

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

2007

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)

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

Year: 2007

Pool Name: WILDCAT 26N7W13A, GREENHORN (G)

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	5	477	1	31
February	5	488	1	28
March	4	589	1	31
April	3	574	0	30
May	3	497	0	31
June	6	542	1	30
July	3	524	0	31
August	3	476	0	31
September	2	393	0	30
October	5	452	1	28
November	6	254	1	30
December	3	515	0	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		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		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	0
September		0	0	0	0		12
October		0	0	0	0		
November		0	0	0	0		
December		0	0	0	0		

Year: 2008

Pool Name: OTERO CHACRA (GAS)

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

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)

Month	Oil(BBLS)	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

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