

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

RECEIVED

NOV 15 2010

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XTO ENERGY INC.

Farmington Field Office
Bureau of Land Management

3a. Address

382 CR 3100 AZTEC, NM 87410

3b. Phone No. (include area code)

505-333-3204

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

785' ENL & 1485' FWL NENW SEC. 33 (C) - T27N-R6W N.M.P.M.

5. Lease Serial No.

NMM-03547

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

BREECH F #2

9. API Well No.

30-039-29999

10. Field and Pool, or Exploratory Area

BASIN DAKOTA/BASIN MANCOS

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 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. requests approval for an exception to NMOCD Rule 303-A to permit DHC of production from the Basin Dakota (71599) & the Basin Mancos (97232) pools in the Breech F #2. XTO proposes to downhole commingle these pools upon approval of this application. Please see attached spreadsheet for justification of proposed allocations.

Basin Dakota:	Gas: 60%	Oil: 55%	Water: 82%
Basin Mancos:	Gas: 40%	Oil: 45%	Water: 18%

Both pools are not in the NMOCD pre-approved pool combinations for DHC in the San Juan Basin and the NMOCD was notified of our intent via Form C-107A on 11/12/10. Ownership is not common in both zones; therefore, interest owners were notified by certified mail, return receipt on 11/12/10. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights.

RCVD NOV 17 '10

OIL CONS. DIV.
DIST. 3

NEED SF DHC ORDER

DHC 4338

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

LORRI D. BINGHAM

Title REGULATORY ANALYST

Signature

Date 11/12/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title

Gco

Date

11-16-10

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

AZ

Allocations for Breech F 2 (Located in the NE quarter of Section 33 in 27N 6W)

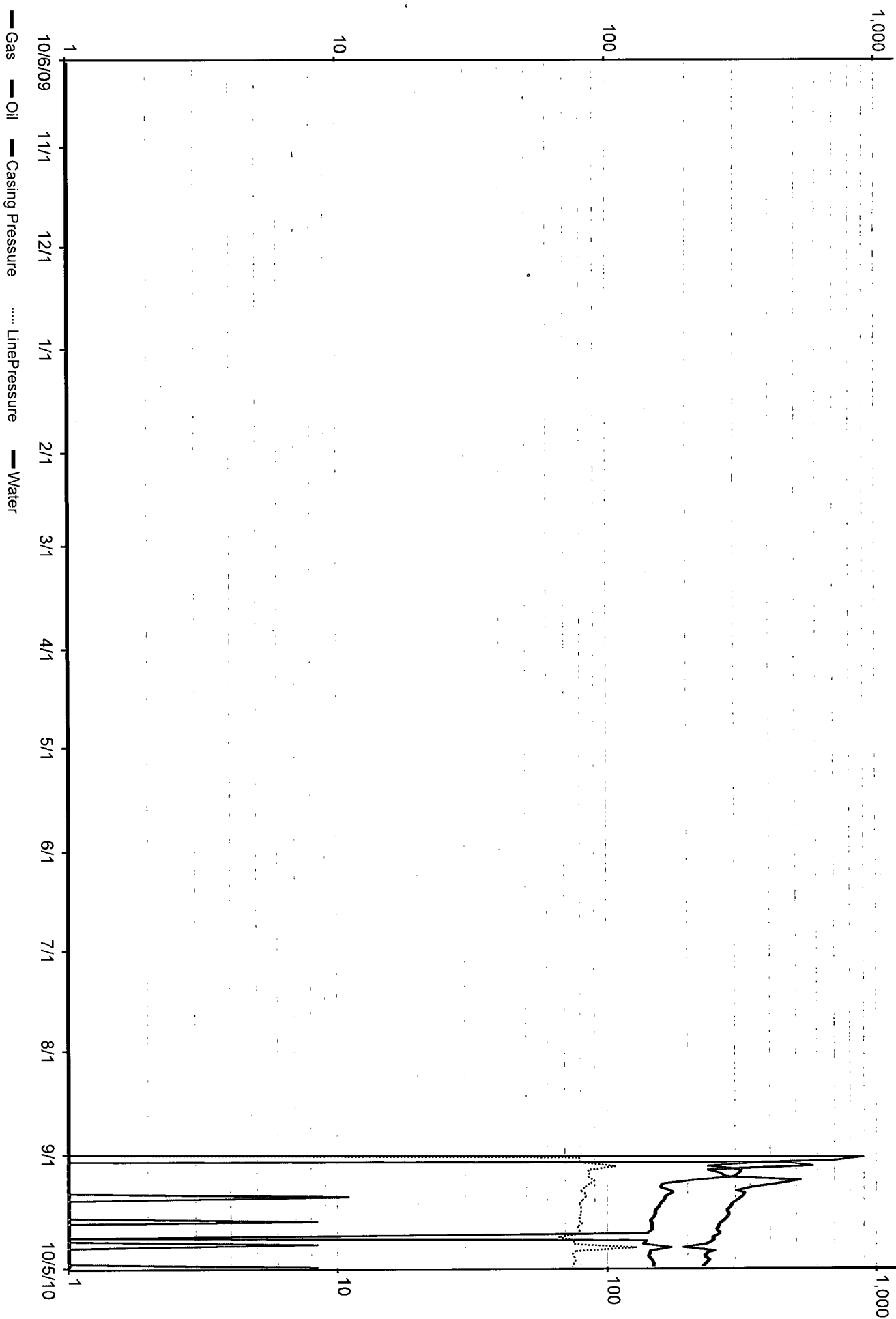
	7 Day Average Rate (MCFPD)	Gas Allocations	30 Day Average Rate (BOPD)	Oil Allocations	Water Allocations
Mancos =	230	0.60	0.89	0.55	0.82
Dakota =	155	0.40	0.72	0.45	0.18
Total =	385	1.00	1.61	1.00	1.00

The gas allocations of 60% Mancos and 40% Dakota for the Breech F 2 coincides with other allocations in nearby wells. The closest Mancos/Dakota well in the area is the Breech F 16 (located in the NE quarter of Section 33 in 27N 6W), which has gas allocations of 56% Mancos and 44% Dakota, oil allocations of 95% Mancos and 5% Dakota and water allocations of 82% Mancos and 18% Dakota.

MCF

BREECH F 002 MC

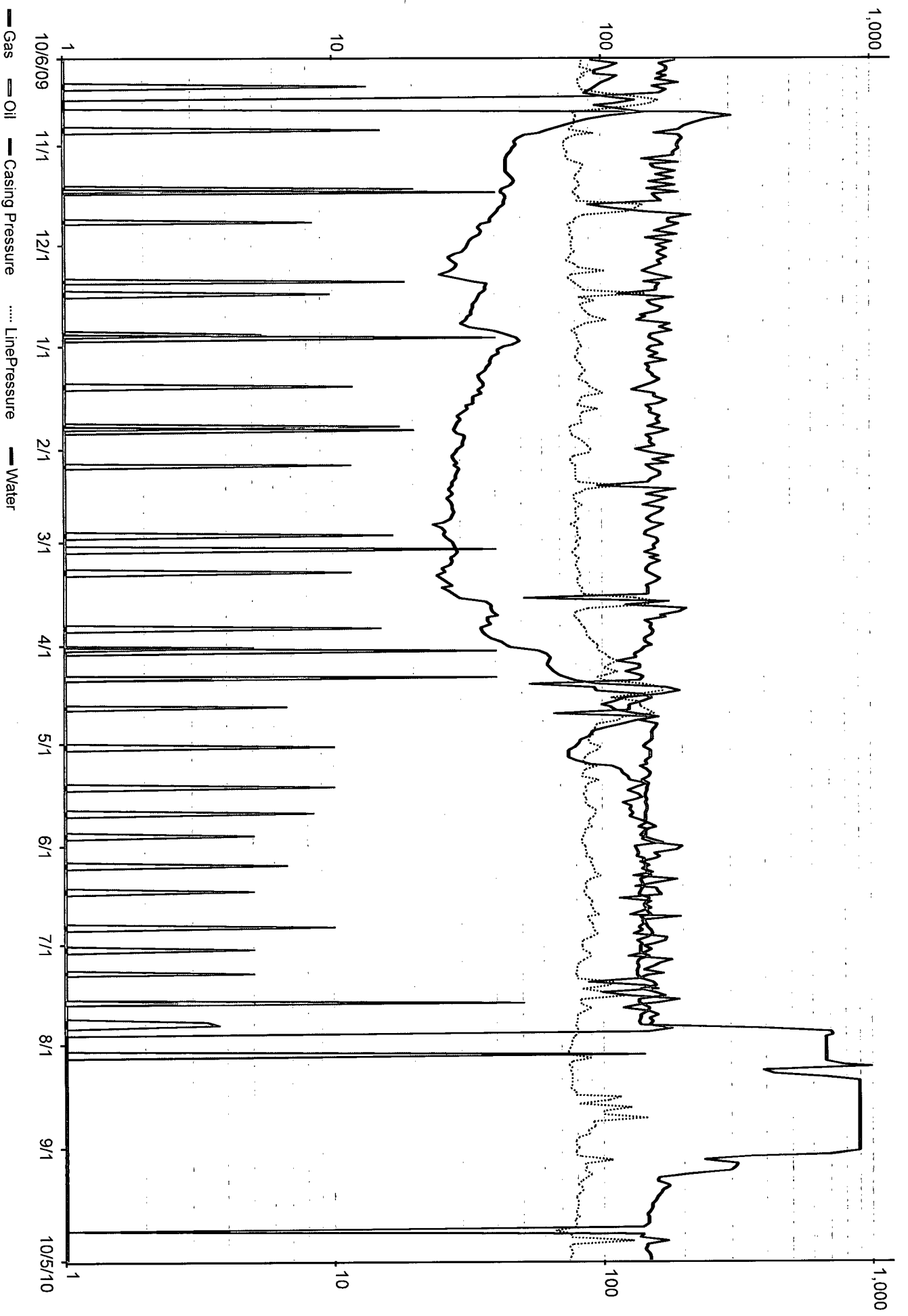
BBL



MCF

BRECH F 002 DK

BBL





382 CR 3100
Aztec, NM 87410

November 12, 2010

Interest Owners

Subject: Notice of Intent to Apply for Downhole Commingling
Breech F #2
Unit C, Sec 33, 27N, R6W

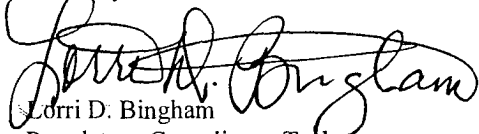
XTO Energy Inc is submitting an application to the New Mexico Oil Conservation Division (NMOCD) to downhole commingle production from the Basin Dakota and the Basin Mancos pools in the Breech F #2. Commingling of these pools will minimize operating costs, add reserves and improve economics of the well.

The proposed allocation percentages for each pool are as follows:

Mancos:	Gas: 60%	Water: 82%	Oil: 55%
Dakota	Gas: 40%	Water: 18%	Oil: 45%

NMOCD requires all interest owners be notified of intent to downhole commingle if ownership is different between zones. If you need additional information or have any questions, I may be contacted at (505) 333-3100. If you have any objections to our application, please contact me within twenty (20) days of the date of this letter.

Sincerely,


Lorri D. Bingham
Regulatory Compliance Tech

xc: well file



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Aztec, NM 87410

November 12, 2010

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Breech F #2
Unit C, Sec 33, 27N, R6W

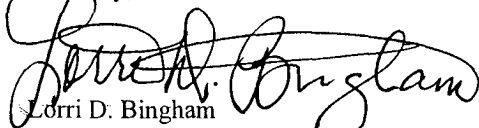
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Regulatory Compliance Tech

xc: well file

BETSY BRYANT
2201 BROOKHOLLOW
ABILENE, TX 796055507

BREECH F 002 REG DEPT lb

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2201 BROOKHOLLOW
ABILENE, TX 796055507

BREECH F 002 REG DEPT lb

BETSY BRYANT
2201 BROOKHOLLOW
ABILENE, TX 796055507

BREECH F 002 REG DEPT lb

BP AMERICA PRODUCTION COMPANY
P O BOX 277897
ATLANTA, GA 303847897

BREECH F 002 REG DEPT lb

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P O BOX 277897
ATLANTA, GA 303847897

BREECH F 002 REG DEPT lb

BP AMERICA PRODUCTION COMPAN
ATTN OUTSIDE OPERATE
PO BOX 848103
DALLAS, TX 752840000

BREECH F 002 REG DEPT lb

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P O BOX 277897
ATLANTA, GA 303847897

BREECH F 002 REG DEPT lb

DOROTHY BARTLETT C/O MS KAY
WARD
PALOUSE ENT
825 SE BISHOP BLVD SUITE 601
PULLMAN, WA 991630000

BREECH F 002 REG DEPT lb

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825 SE BISHOP BLVD SUITE 601
PULLMAN, WA 991630000

BREECH F 002 REG DEPT lb

ENERGEN RESOURCES
CORPORATION
605 RICHARD ARRINGTON BLVD N
BIRMINGHAM, AL 352032707

BREECH F 002 REG DEPT lb

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BREECH F 002 REG DEPT lb

EPIC ROYALTIES LLC
2960 INCA ST #207
DENVER, CO 802020000

BREECH F 002 REG DEPT lb

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BREECH F 002 REG DEPT lb

GAIL SMITH KEYS
1803 CRESTVIEW DR
CARROLLTON, TX 750061609

BREECH F 002 REG DEPT lb

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BREECH F 002 REG DEPT lb

GEORGE W UMBACH C/O BANK OF
OKLAHOMA AGENT ATTN J
PO BOX 1588
TULSA, OK 741010000

BREECH F 002 REG DEPT lb

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BREECH F 002 REG DEPT lb

GREG & NANCY VANCE FAM L PTRSP
C/O PRODUCTION GATHERING CO LP
BY G & N MGNT CO LLC
8080 N CENTRAL EXPY STE 1090
DALLAS, TX 752060000

BREECH F 002 REG DEPT lb

GREG & NANCY VANCE FAM L PTRSP
C/O PRODUCTION GATHERING CO LP
BY G & N MGNT CO LLC
8080 N CENTRAL EXPY STE 1090
DALLAS, TX 752060000

BREECH F 002 REG DEPT lb

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DALLAS, TX 752060000

BREECH F 002 REG DEPT lb

GW HOLDINGS INC.
P O BOX 121938
FORT WORTH, TX 761211938
BREECH F 002 REG DEPT lb

HARRIET M. BUCHENAU LIVING
TRUST DTD 8/30/94 HARRI
PO BOX 867585
PLANO, TX 750867585
BREECH F 002 REG DEPT lb

HENRIETTA E SCHULTZ TRUSTEE
500 N. AKARD, SUITE 2940
DALLAS, TX 752013360
BREECH F 002 REG DEPT lb

JOSEPH W BARTLETT JR
5117 LYTON AVE
LAS VEGAS, NV 891461452
BREECH F 002 REG DEPT lb

LAS COLINAS MINERALS LP
125 E JOHN CARPENTER FRWY
SUITE 600
IRVING, TX 750620000
BREECH F 002 REG DEPT lb

LORRAINE N HIGBIE
1600 BROADWAY STE 1400
DENVER, CO 802020000
BREECH F 002 REG DEPT lb

MACLONDON ENERGY, LP
PO BOX 14230
ODESSA, TX 797680000
BREECH F 002 REG DEPT lb

MARGIE S. ELKINS
11008 ALEXANDRIA DR
FRISCO, TX 750358385
BREECH F 002 REG DEPT lb

MHT PROPERTIES LTD
3840 WINDSOR LANE
DALLAS, TX 752050000
BREECH F 002 REG DEPT lb

MITZI EASLEY
1203 ARRONIMIK CIR
AUSTIN, TX 787466301
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MMS XTO FEDERAL
C/O XTO ENERGY INC
810 HOUSTON STREET
FORT WORTH, TX 761026298
BREECH F 002 REG DEPT lb

ODYSSEY ROYALTIES LLC
8261 S MONACO COURT
ENGLEWOOD, CO 801120000
BREECH F 002 REG DEPT lb

PATRICK ROBINSON
7036 S SHAWNEE ST
AURORA, CO 800160000
BREECH F 002 REG DEPT lb

PHILIP T BEE CHARITABLE TRUST
JILL C BEE & ROSE B
5600 W LOVERS LN STE 116
PMB 136
DALLAS, TX 752090000
BREECH F 002 REG DEPT lb

PICKLE INC. C/O MICHAEL D. MACKEL
PO BOX 16163
BEVERLY HILLS, CA 902090000
BREECH F 002 REG DEPT lb

ROBT UMBACH CANCER
FOUNDATION WELLS FARGO BANK,
NA
ATTN: OPERATIONS
PO BOX 5383
DENVER, CO 802170000
BREECH F 002 REG DEPT lb

SARAH S MIMS TRUST WILLIAM L
MADSEN AND SARAH S MI
PO BOX 111846
CARROLLTON, TX 750111846
BREECH F 002 REG DEPT lb

SUSAN RITTER
4700 VIA MEDIA
AUSTIN, TX 787460000
BREECH F 002 REG DEPT lb

TED WEINER OIL PROPERTIES TRST
GWENDOLYN WEINER, T
PO BOX 121938
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FORT WORTH, TX 761212389

BREECH F 002 REG DEPT 1b

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BREECH F 002 REG DEPT 1b

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FORT WORTH, TX 761212389

BREECH F 002 REG DEPT 1b

TEXAS CRUDE OIL- JOINT VENTURE
P O BOX 122389
FORT WORTH, TX 761212389

BREECH F 002 REG DEPT 1b

TEXAS CRUDE OIL- JOINT VENTURE
P O BOX 122389
FORT WORTH, TX 761212389

BREECH F 002 REG DEPT 1b

TEXAS CRUDE OIL- JOINT VENTURE
P O BOX 122389
FORT WORTH, TX 761212389

BREECH F 002 REG DEPT 1b

XTO ENERGY PARTNERS
OPERATING, LLC
810 HOUSTON STREET
FORT WORTH, TX 761026298

BREECH F 002 REG DEPT 1b

XTO ENERGY PARTNERS
OPERATING, LLC
810 HOUSTON STREET
FORT WORTH, TX 761026298

BREECH F 002 REG DEPT 1b

XTO ENERGY PARTNERS
OPERATING, LLC
810 HOUSTON STREET
FORT WORTH, TX 761026298

BREECH F 002 REG DEPT 1b

ZAP MINERALS LP
PO BOX 570174
HOUSTON, TX 772570000

BREECH F 002 REG DEPT 1b

ZAP MINERALS LP
PO BOX 570174
HOUSTON, TX 772570000

BREECH F 002 REG DEPT 1b

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BREECH F 002 REG DEPT 1b