

DATE IN 1/22/09	SUSPENSE	ENGINEER W. Jones	LOGGED IN 1/22/09	TYPE DHC 4T51	APP NO. PKAA0902201628
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ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2009 JAN 22 PM 3:09 South St. Francis Drive, Santa Fe, NM 87505



30-039-06835
Breach #8
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

Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

DHC-4151

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

Lease BREECH F Well No. #8 Unit Letter-Section-Township-Range A SEC 34 -T27N-R6 W County RIO ARriba

OGRID No. 5380 Property Code 304754 API No. 30-039-06835 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>SOUTH BLANCO/PC</u>	<u>BLANCO MESAVERDE</u>	<u>BASIN DAKOTA</u>
Pool Code	<u>72439</u>	<u>72319</u>	<u>71599</u>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<u>3180' - 3224'</u>	<u>4844' - 5527'</u>	<u>7392' - 7614'</u>
Method of Production (Flowing or Artificial Life)	<u>FLOWING</u>	<u>FLOWING</u>	<u>FLOWING</u>
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)	<u>298</u>	<u>498</u>	<u>530</u>
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<u>1.223</u>	<u>1.122</u>	<u>1.122</u>
Producing, Shut-In or New Zone	<u>PRODUCING</u>	<u>PRODUCING</u>	<u>PRODUCING</u>
Date and Oil/Gas/Water Rates of Last Production	Date: <u>8/2008</u> Rates: <u>0 BO/462 MCF/0 BW</u>	Date: <u>8/2008</u> Rates: <u>3 BO/407 MCF/5 BW</u>	Date: <u>8/2008</u> Rates: <u>6 BO/1530 MCF/5 BW</u>
(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:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: <u>0</u> % Gas: <u>16.9</u> %	Oil: <u>25.9</u> % Gas: <u>17.4</u> %	Oil: <u>74.1</u> % Gas: <u>65.7</u> %

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: CASE NO. 6440/ORDER NO. R-5924

- 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 F # 008 API: 3003906835
 Location: A-34-27.0N-06W 990 FNL 990 FEL
 Lat: 36.53588432 Long: -107.449
 Operator Name: XTO ENERGY INC County: Rio Arriba
 Land Type: Federal Well Type: Gas
 Spud Date: 2/25/1959 Plug Date:
 Elevation GL: 6603 Depth TVD: 7749

Year:	2007
Pool Name:	BASIN DAKOTA (PRORATED GAS)
Month	Gas(MCF) Water(BBLS) Days Produced
January	2 2397 0 31
February	4 2070 1 28
March	3 2117 0 31
April	5 1934 1 30
May	8 1935 1 31
June	5 1834 1 30
July	6 2003 1 31
August	6 2053 1 31
September	0 1819 0 29
October	4 1884 1 28
November	3 1955 0 30
December	4 2188 1 31

Year:	2007
Pool Name:	BLANCO P. C. SOUTH (PRORATED GAS)
Month	Gas(MCF) Water(BBLS) Days Produced
January	0 519 0 31
February	0 503 0 28
March	0 498 0 31
April	0 494 0 30
May	0 491 0 31
June	0 483 0 30
July	0 513 0 31
August	0 497 0 31
September	0 450 0 29
October	0 455 0 27

November	0	508	0	30
December	0	488	0	31

Year: 2007

Pool Name: BLANCO-MESAVERDE (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
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January	0	654	0	31
February	1	565	0	28
March	1	579	0	31
April	2	531	0	30
May	2	531	0	31
June	2	504	0	30
July	1	549	0	31
August	2	562	0	31
September	0	499	0	29
October	1	515	0	28
November	1	536	0	30
December	2	598	0	31

Year: 2008

Pool Name: BASIN DAKOTA (PRORATED GAS)

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
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January	8	1978	1	30	
February	62	1877	0	29	
March	0	1753	0	31	
April	6	1705	0	30	
May	6	1354	0	31	
June	6	1939	20	30	
July	8	1875	0	31	
August	6	1530	5	31	5344
September	0	0	0	0	25
October	0	0	0	0	20
November	0	0	0	0	
December	0	0	0	0	

Year: 2008

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

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced		
January	0	646	0	30		
February	0	312	0	29		
March	0	358	50	31		
April	0	441	0	30		
May	0	451	0	31		
June	0	454	0	30		
July	0	458	0	31		
August	0	462	0	31	1374	0
September	0	0	0	0		
October	0	0	0	0		
November	0	0	0	0		
December	0	0	0	0		

Year: 2008

BLANCO-MESAVERDE (PRORATED GAS)
Oil(BBLS)

Month	Gas(MCF)	Water(BBLS)	Days Produced		
January	2	542	0	30	
February	19	499	0	29	
March	0	466	0	31	
April	1	453	0	30	
May	2	360	0	31	
June	2	515	20	30	
July	2	498	0	31	
August	3	407	5	31	1420
September	0	0	0	0	25
October	0	0	0	0	7
November	0	0	0	0	
December	0	0	0	0	

DK Allocations
MV Allocations
PC Allocations

Gas	Water	Oil
65.7	50.0	74.1
17.4	50.0	25.9
16.9	0.0	0.0

8138 50 27

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FNL & 990' FEL SEC. 34A-T27N-R6W

3b. Phone No. (include area code)
505-333-3100

5. Lease Serial No.
NMM-03547

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 F #8

9. API Well No.
30-039-06835

10. Field and Pool, or Exploratory Area
**SO. BLANCO PC/BLANCO MV
BASIN DK**

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

<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other AMEND
<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	DHC
<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 recompleate 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 recompleation 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 Blanco Mesaverde (72319) and the Basin Dakota (71599). Allocations are based on the attached production and have been allocated as follows:

Pictured Cliffs	Oil: 0%	Water: 0%	Gas: 16.9%
Mesaverde	Oil: 25.9%	Water: 50%	Gas: 17.4%
Dakota	Oil: 74.1%	Water: 50%	Gas: 65.7%

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.

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

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

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

Tracking:

Jones, William V., EMNRD

From: Lorri_Bingham@xtoenergy.com
Sent: Friday, March 27, 2009 8:30 AM
To: Jones, William V., EMNRD
Subject: Fw: DHC Breech F #8
Attachments: Breech F #8 PC BHPFSP.XLS; Breech F #8 DK BHPFSP.XLS

Good morning, Will!

Here is the BHL for the Breech F #8. Please let me know if you need anything further.

Thanks,

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

Lorri_bingham@xtoenergy.com

----- Forwarded by Lorri Bingham/FAR/CTOC on 03/27/2009 08:29 AM -----

Loren Fothergill/FAR/CTOC

To Lorri Bingham/FAR/CTOC@CTOC

cc

03/26/2009 03:29 PM

Subject DHC Breech F #8

Lorri

The bottomhole pressures were calculated from the NM packer leakage test conducted on Aug 28, 2008. PC SITP 275 psig. SI 45 days. MV/DK SITP 435 psig. SI 45 days.
Calculated bottomhole pressures:

PC: 298 psig.
MV: 498 psig.
DK: 530 psig.

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

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