

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000**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.**5. Lease Serial No.  
NMSF081239

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.  
L C KELLY 182. Name of Operator  
XTO ENERGY INCContact: HOLLY C PERKINS  
E-Mail: HOLLY\_PERKINS@XTOENERGY.COM9. API Well No.  
30-045-32421-00-X13a. Address  
2700 FARMINGTON AVE., BLDG K, SUITE 1  
FARMINGTON, NM 874013b. Phone No. (include area code)  
Ph: 505-564-6720  
Fx: 505-564-670010. Field and Pool, or Exploratory  
BASIN DAKOTA  
BLANCO MESAVERDE

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

Sec 3 T30N R12W NESW 2545FSL 1975FWL

11. County or Parish, and State

SAN JUAN COUNTY, 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Subsurface Commingling
	<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 site is ready for final inspection.)

XTO Energy Inc. requests approval for an exception to rule 303-C to permit the downhole commingling of production from the Basin Dakota and the Blanco Mesaverde pools in the LC Kelly #18. XTO is currently drilling this well and will downhole commingle these pools upon completion of the well.

Based on individual pool tests in the LC Kelly #5M offset well, allocations for each pool are proposed as follows:

Basin Dakota (71599) Oil 58% Water 95% Gas 30%  
Blanco Mesaverde (72319) Oil 42% Water 5% Gas 70%

Both of these pools are included in the New Mexico Oil Conservation Division pre-approved pool combinations for downhole commingling in the San Juan Basin. Ownership in this well's pools is

DHC1710AZ

14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #50813 verified by the BLM Well Information System For XTO ENERGY INC. located in Farmington Committed to AFMSS for processing by MATTHEW HALBERT on 08/19/2004 (05MXH0205SE) Adhere to previously issued stipulations	
Name (Printed/Typed) HOLLY C PERKINS	Title REGULATORY COMPLIANCE TECH
Signature (Electronic Submission)	Date 11/08/2004

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>Joe Hunt</u>	Title <u>Acting Team Lead</u>	Date <u>12-15-04</u>
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 <u>FD0</u>
		<u>NMOC</u>

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

**Additional data for EC transaction #50813 that would not fit on the form**

**32. Additional remarks, continued**

common; therefore no notification was done. The NMOCD has been notified of our intent to downhole commingle. Downhole commingling will offer an economic method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights.



2700 Farmington Ave, K-1 Farmington, NM 87401  
Phone: (505) 324-1090 FAX: (505) 564-6700

November 8, 2004

Mr. Frank Chavez  
New Mexico Oil Conservation Division  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

Subject: Request for Exception to Rule 303C Downhole commingling  
L.C. Kelly #18 – 2545' FSL & 1975' FWL  
Basin Dakota (71599) & Blanco Mesaverde (72319)  
San Juan County, NM

Dear Mr. Chavez:

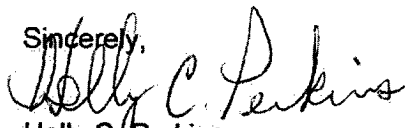
XTO Energy Inc. requests administrative approval for an exception to Rule 303-C to permit the downhole commingling of production in the aforementioned well from the Basin Dakota and Blanco Mesaverde. We have included for your reference an NMOCD Form C103, a Federal form 3160-5, and plats for the Basin Dakota & Blanco Mesaverde

The L.C. Kelly #18 is in the process of being completed by XTO Energy Inc. It is proposed to downhole commingle both zones during completion. Based on individual pool tests in the LC Kelly #5M offset well, allocations for each pool are proposed as follows:

Basin Dakota (71599)	Oil 58%	Water 95%	Gas 30%
Blanco Mesaverde (72319)	Oil 42%	Water 5%	Gas 70%

The ownership (WI, MRI & ORRI) of these pools are identical in this wellbore. Downhole commingling in this manner will offer an economic method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights. Should you require any additional information please contact me at (505) 324-1090.

Sincerely,

  
Holly C. Perkins  
Regulatory Compliance Tech

End (2)  
xc: FTW land  
Well file