

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 \_\_\_\_\_

- PLC 409  
 - CROSS TIMBERS  
 ENCLAS, LLC  
 298299

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 2014 OCT 15 P 3:07

[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

Wells  
 - L.C. Kelly IE  
 30-045-25349  
 - L.C. Kelly #16  
 30-045-31412  
 Pool  
 - Basin 10607  
 71599

[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.

Kristen D. Babcock \_\_\_\_\_  
 Print or Type Name                      Signature                      Title                      Date

*Kristen D. Babcock*

Kristen\_babcock@xtoenergy.com  
 e-mail Address

- Basin  
 Fruitland  
 Coal  
 T1629



RECEIVED OCD

2014 382 CR 3100 Aztec, NM 87410  
(505)333-3100 FAX: (505)333-3280

October 10, 2014

Mr. Michael McMilan  
New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

Subject: Request for Proposed Surface Commingle  
LC Kelly #16 & LC Kelly #1E  
Sec 5, T30N, R12W  
San Juan County, NM

Dear Mr. McMilan:

XTO Energy Inc. requests permission for surface commingling of natural gas produced from the following wells: LC Kelly #16 Gas Well and the LC Kelly #1E Gas Well. These wells are located in Section 5-Township 30N-Range 12W UL C, in San Juan County, New Mexico.

XTO plans to produce the commingled gas through a central compressor, thus decreasing emissions, lowering operating expenses and extending the economic life of the wells. This increases the ultimate recoveries on all leases. The anticipated allocated fuel production and fuel usage for the compressor is noted in the attachments.

The LC Kelly #1E will be equipped with an allocation meter that will be maintained by XTO Energy in accordance with State and Federal Regulations (Onshore Order No. 5). An allocations meter will also be set downstream of the CDP. Production volumes for the LC Kelly #16 will be calculated by subtracting the CDP volume from the LC Kelly #1E volume. Produced liquids will not be surface commingled. Ownership for these two wells is diverse; therefore all interest owners have been notified via certified mail, return receipt, on October 9, 2014.

The following attachments are included with this application:

- Form C107B (application for surface commingle; diverse ownership)
- Map of all wells and their associated leases
- Form C-102 for each well (plats)
- Table of well with lease and agreement information, spacing, permits, gravities/BTU, MCF
- Schematic diagram showing all flowlines, compressors & equipment
- Details of allocation formula
- Letter to WI, NRI & ORRI owners & list of owners
- Administrative Application Checklist

Sincerely,

Kristen D. Babcock  
Regulatory Analyst

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2014 OCT 15 P 3:07

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
1301 W. Grand Ave, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised June 10, 2003

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: XTO Energy, Inc.  
OPERATOR ADDRESS: 382 CR 3100, Aztec, NM 87410  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
Basin Dakota (71599)					
Basin Fruitland Coal (71629)					

(2) Are any wells producing at top allowables?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
(4) Measurement type:  Metering  Other (Specify)  
(5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Pool Name and Code.  
(2) Is all production from same source of supply?  Yes  No  
(3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
(4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

(1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

(1) Is all production from same source of supply?  Yes  No  
(2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.  
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Kristen D. Babcock TITLE: REGULATORY ANALYST DATE: 10/10/14

TYPE OR PRINT NAME KRISTEN D. BABCOCK TELEPHONE NO.: 505-333-3206

E-MAIL ADDRESS: kristen\_babcock@xtoenergy.com

DISTRICT I  
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
811 South First, Artesia, N.M. 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
E. gy. Minerals & Natural Resources Department

Form C-102  
Revised August 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, NM 87505

REC'D / SAN JUAN

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DEC 13 2002

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-045-3142		<sup>2</sup> Pool Code 71629		<sup>3</sup> Pool Name BASIN FRUITLAND COAL	
<sup>4</sup> Property Code 23620		<sup>5</sup> Property Name L. C. KELLY		<sup>6</sup> Well Number 16	
<sup>7</sup> GRID No. 167067		<sup>8</sup> Operator Name XTO ENERGY INC.		<sup>9</sup> Elevation 5988'	

<sup>10</sup> Surface Location

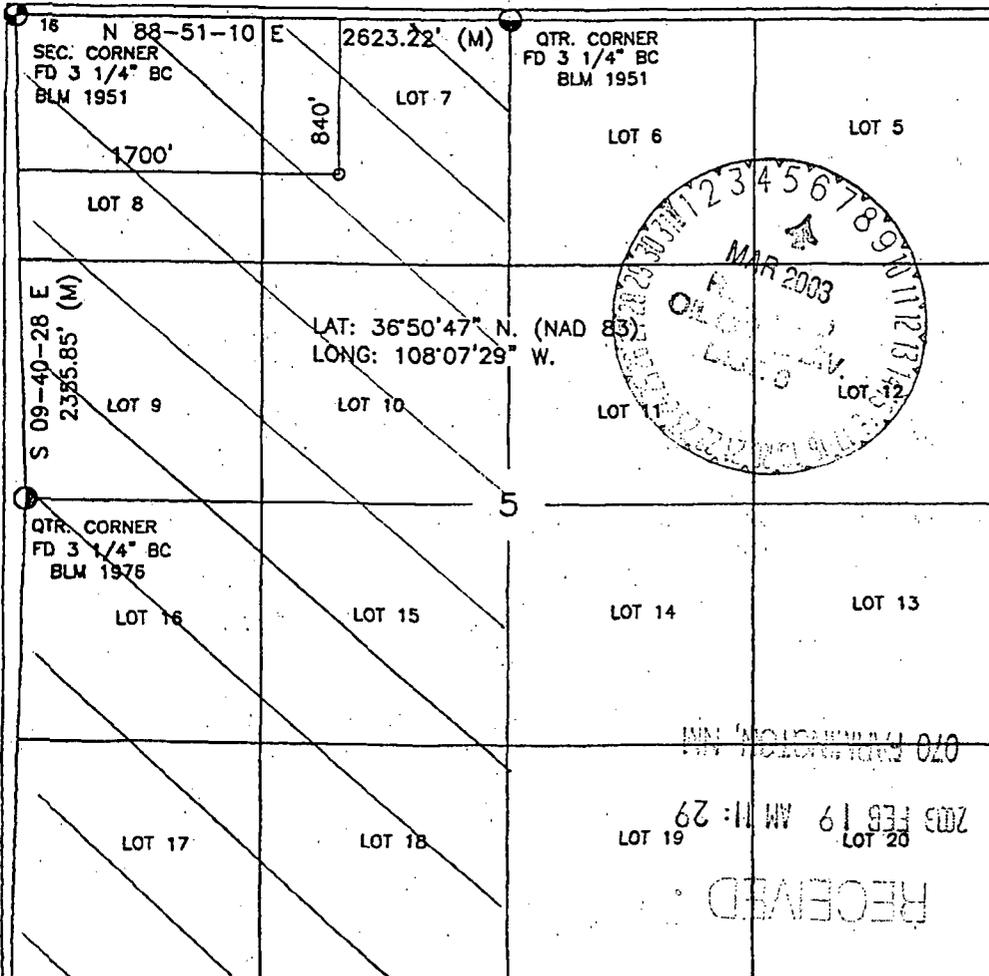
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	5	30-N	12-W		840	NORTH	1700	WEST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 285.92 W/2	<sup>13</sup> Joint or Infill I	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



**17 OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: J. W. Patton

Printed Name: JEFFRY W PATTON

Title: DRILLING ENGINEER

Date: 2-18-03

**18 SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: 12-13-02

Signature and Stamp: [Signature]

Professional Surveyor Seal: 14827

Certificate Number: \_\_\_\_\_

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-10,  
Supersedes O-18  
Effective 1-1-65

All distances shall be from the outer boundaries of the Section.

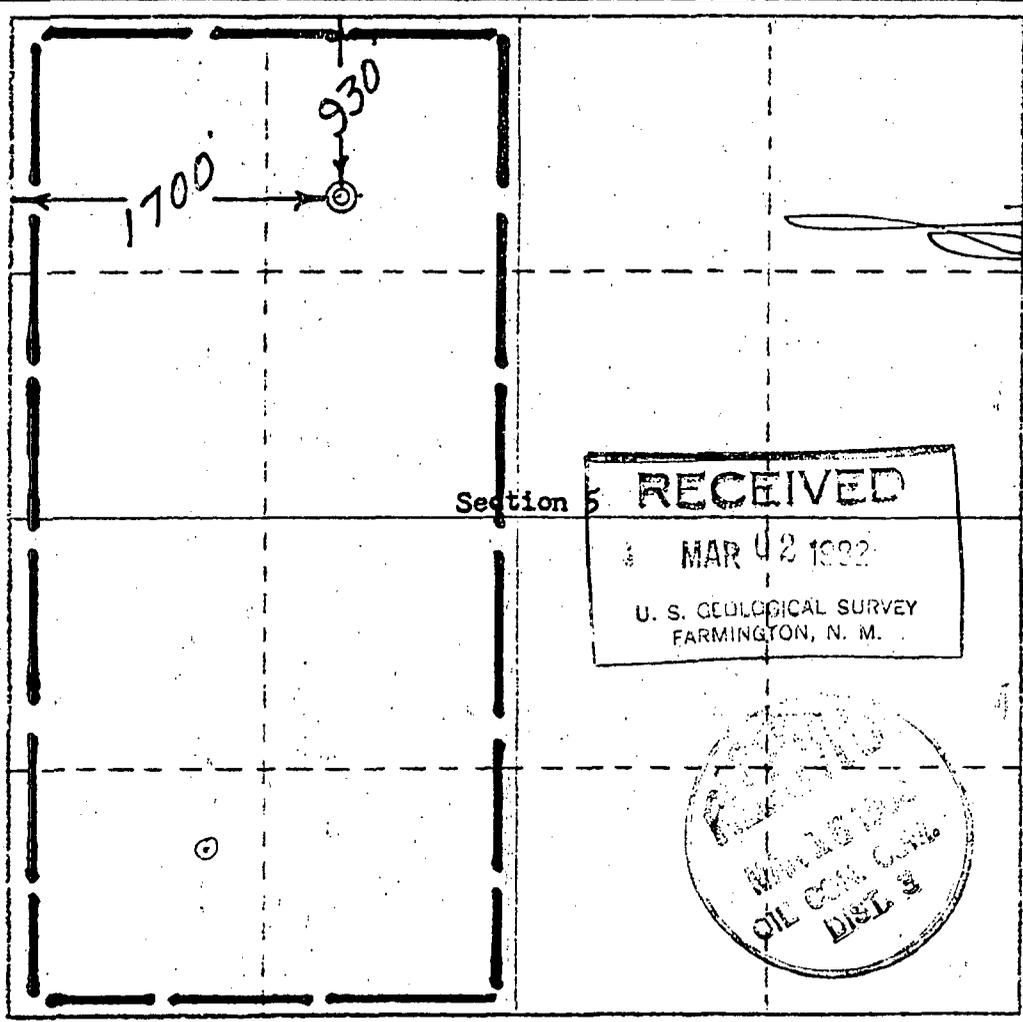
Lessee <b>M. R. Schalk</b>		Lessor <b>L. C. Kelly</b>		Well No. <b>1 E</b>
East Letter <b>C</b>	Section <b>5</b>	Township <b>30 North</b>	Range <b>12 West</b>	County <b>San Juan</b>
Actual Footage Location of Well:				
<b>930</b>	feet from the	<b>North</b>	line and	<b>1700</b>
				feet from the <b>West</b> line
Ground Level Elev: <b>5991</b>	Producing Formation <b>Dakota</b>	Feet <b>Basin</b>	Dedicated Acreage: <b>325 W 285.62</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Steve Schalk*

Steve Schalk

Position  
Agent

Company  
M. R. Schalk

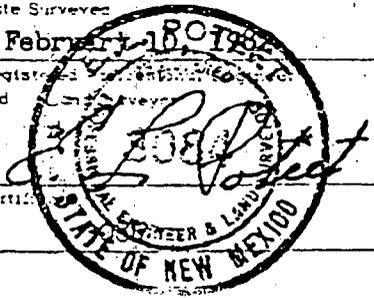
Date  
Feb. 26, 1982

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
February 10, 1982

Registered and Surveyed

Certified



320 860 90 1320 1650 1980 2310 2640 2980 3320 3650 3980 4320

## LC Kelly #16 CDP

### *Proposed Allocation Procedure*

#### Base Data:

W = Gas Volume (Mcf) from allocation meters at individual wells during allocation period

X = Gas Volume (Mcf) from CDP Sales Meter during allocation period

Y = BTU's from CDP Sales Meter during allocation period

Allocation Period is typically a calendar month and will be the same for all wells.

#### 1. Individual Well Gas Production = A + B + C + D + E

A = Allocated Sales Volume, Mcf =  $(W/SUM W) \times X$

(individual well volume divided by the sum of the well volumes; multiplied by total from CDP)

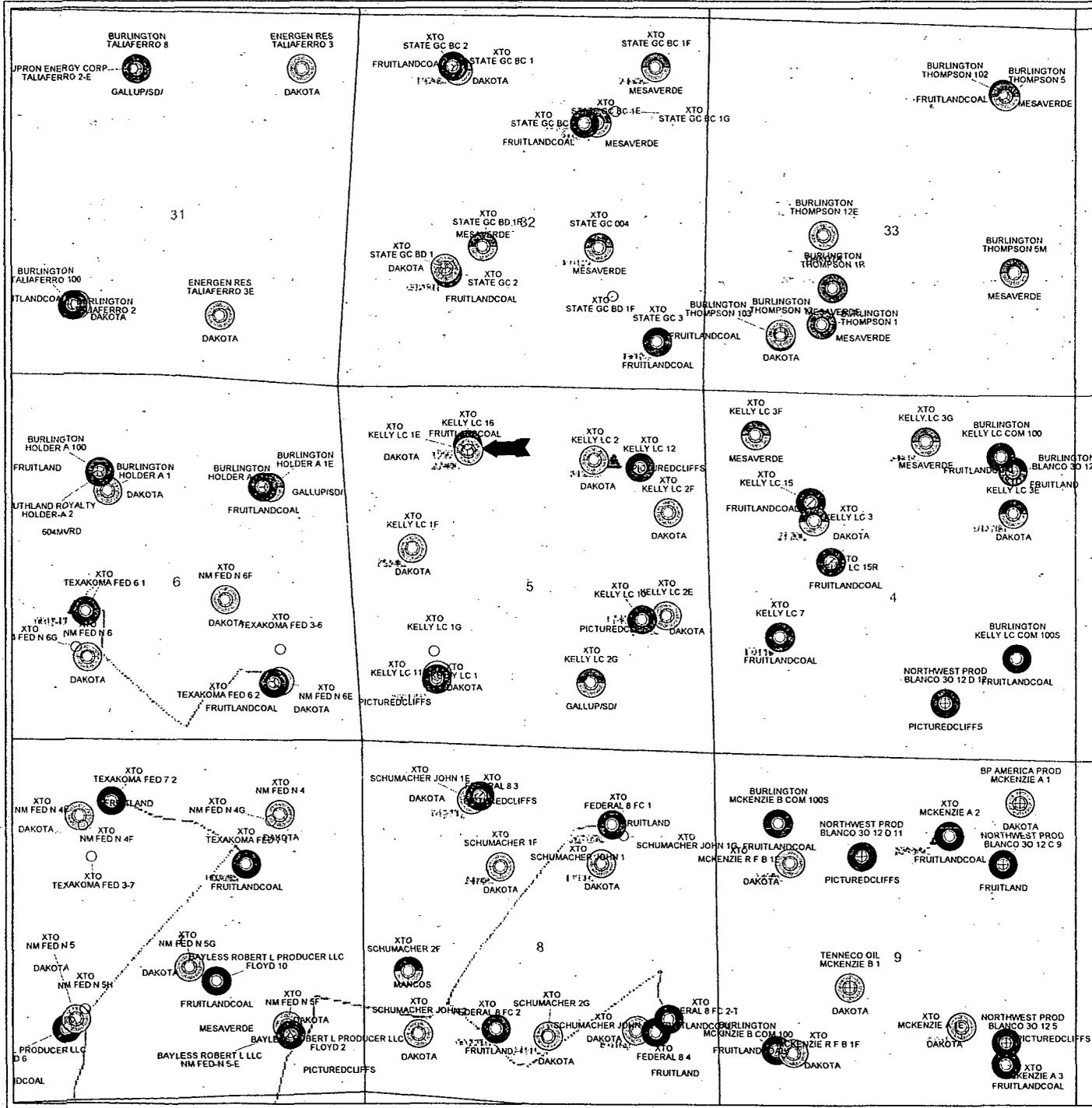
B = On lease fuel usage, Mcf. Determined from equipment specifications and operating conditions.

C = Purged and/or vented gas from well and/or lease equipment; Mcf. Calculated using equipment specifications and pressures.

D = Allocated fuel from gathering system equipment. The total fuel required to operate gathering system equipment will be allocated to the individual wells benefiting from the equipment using allocation factors determined by  $W/SUM W$  for the wells involved.

E = Allocated volume of gas lost and/or vented from the gathering system and/or gathering system equipment, Mcf. The total volume will be determined using industry accepted procedures for the conditions existing at the time of the loss. All volumes corresponding to liquid condensation within the gathering system will also be determined. The total volume lost and/or vented will be allocated to the individual wells affected using factors determined by  $W/SUM W$ .

2. Allocated Individual Well BTU's =  $((W \times \text{Individual well BTW}/SUM (@ \times \text{individual well BTU})) \times Y$ . Individual well gas heating values to be determined in accordance with BLM regulations (currently Onshore Order #5).



# XTO ENERGY, INC.

LC KELLEY 01 & 16

SJB\_2014.OVL

T30N-R12W-S05

## POSTED WELL DATA

Operator  
Well Label



ProdFM

## ATTRIBUTE MAP

- Fruitland Sand
- Fruitland Coal
- Pictured Cliffs
- Mesaverde
- Gallup/SDI
- Dakota

## WELL SYMBOLS

- Coal Bed Methane
- Dry Hole
- Gas Well
- Location
- P&A Coal Bed Methane
- P&A Gas Well
- Service Well

## REMARKS

For Surface Commingle

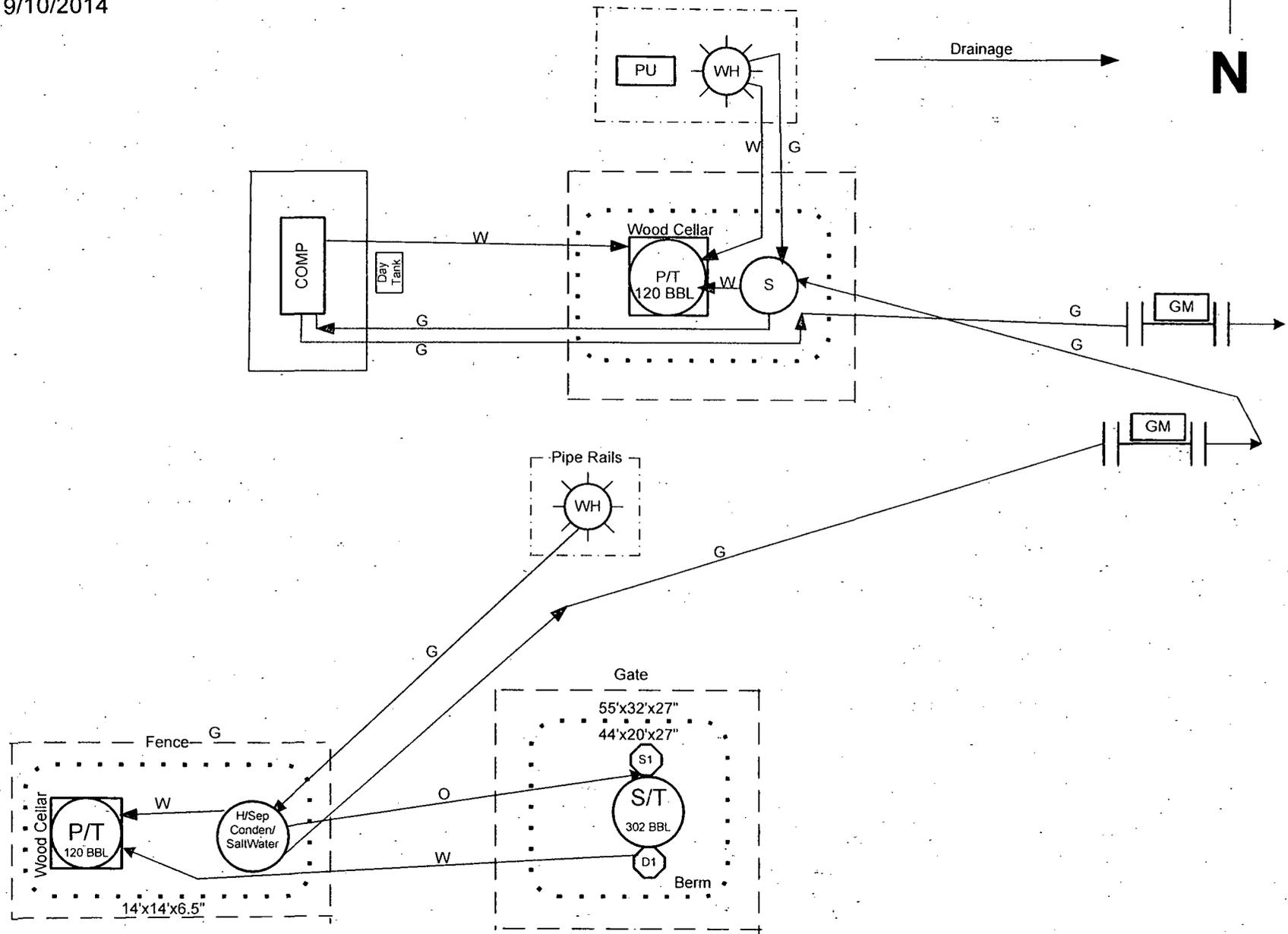
By: mk for BRB



September 26, 2014

Well Name:	LC Kelly 16	Well Name:	LC Kelly #1 E
Field:	San Juan County NM	Field:	San Juan County NM
Serial Number:	Lease # NMSF081239, API # 30-045-31412	Serial Number:	Lease # NMSF081239, API # 30-045-25349
Section:	NE/NW Sec. 5, T-30N, R-12W	Section:	Sec. 5, T-30N, R-12W

Last Updated: 9/10/2014

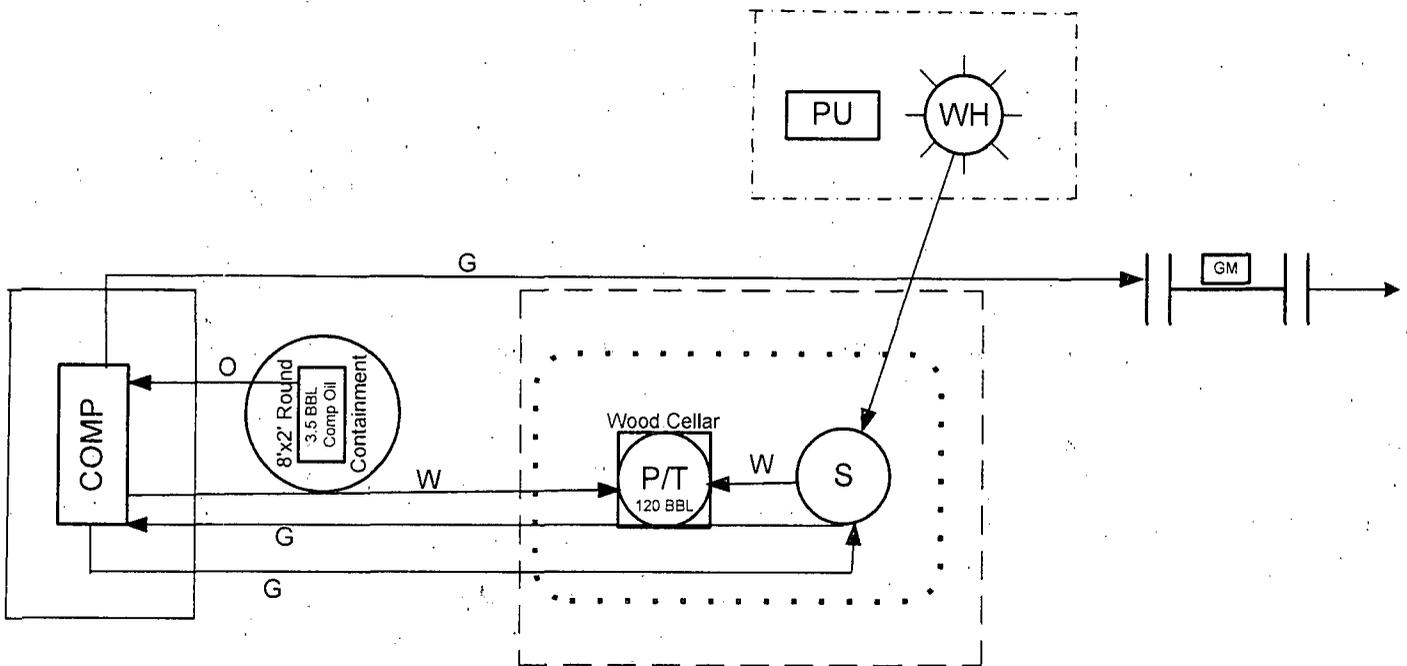


This lease is subject to the site security plan for San Juan Basin Area. The plan is located at:  
 XTO ENERGY INC.  
 382 Road 3100  
 Aztec, NM 87410

XTO ENERGY INC.  
 Lease: L C Kelly #016  
 Location: NE/NW Sec. 05, T30N, R12W  
 Federal Agreement: NMSF-081239  
 API# 30-045-31412

Last Updated: 12/22/2011

Drainage →

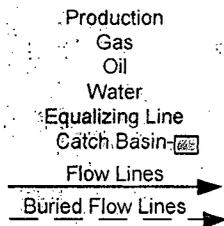
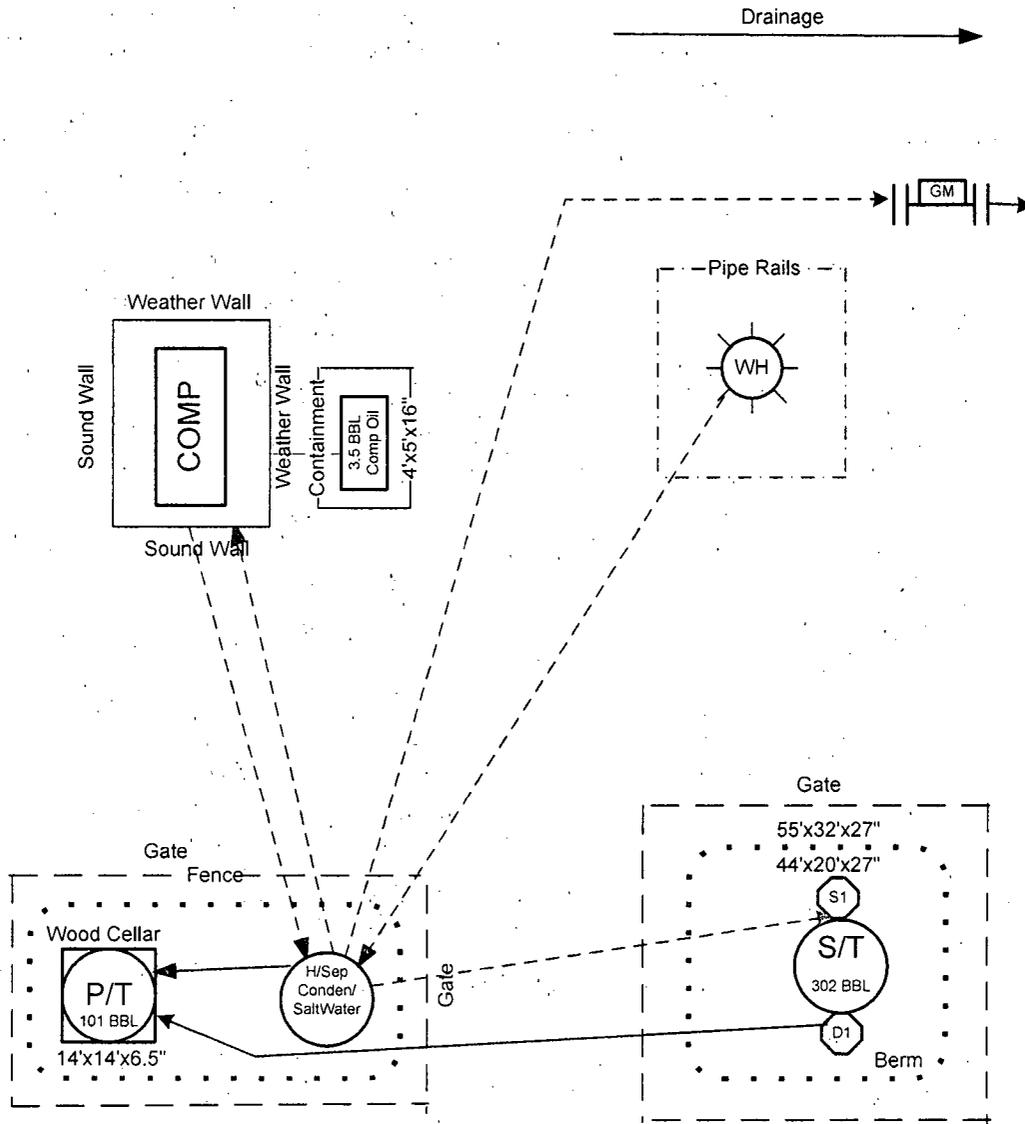


General sealing of valves, sales by tank gauging  
 Production phase: Drain valve D1 and sales valve S1 sealed closed.  
 Sales phase: Drain valve D1 sealed closed. Sales valve S1 open.  
 Draining phase: Drain valve D1 open. Sales valve S1 closed.

This lease is subject to the site security plan for San Juan Basin Area. The plan is located at:  
 XTO ENERGY INC.  
 382 Road 3100  
 Aztec, NM 87410

Plot Plan/Facility Diagram

Well Name: LC Kelly # 1 E  
 Field: San Juan County NM  
 Serial Number: Lease # SF-081239, API # 30-045-25349  
 Section: Sec. 5, T-30N, R-12W  
 Updated: 5/23/2011



General sealing of valves, sales by tank gauging  
 Production phase: Drain valve D1 and sales valve S1 sealed closed.  
 Sales phase: Drain valve D1 sealed closed. Sales valve S1 open.  
 Draining phase: Drain valve D1 open. Sales valve S1 closed.

This lease is subject to the site security plan for San Juan Basin Area. The plan is located at:  
 XTO ENERGY INC.  
 382 Road 3100  
 Aztec, NM 87410



**Compressor Information**

Location:	LC Kelly 16 CDP	
Property #	68971	
XTO Compressor #	1992C	
Lat/Long:	36.8463	-108.12394
Manufacturer:	CATERPILLAR	
Engine:	G3306NA	
Horse Power:	145	
Fuel Usage:	30	mcf
DK	26	mcf
FC	130	mcf

Well	Pumping Unit		Separator(s)		
	Engine	Fuel Usage (mcfpd)	Burners (y/n)	Fuel Usage (mcfpd)	Vented Gas (mcfpd)
LC Kelly 1E	None - Plunger Lift	0	Y	9.1	0.0
LC Kelly 16	Arrow C-46	2.6	Y	2.3	0.0



382 CR 3100  
Aztec, NM 87410

October 9, 2014

Dear Interest Owner

Subject: Notice to Working and Royalty Interest Owners  
Application to Surface Commingle Gas Production  
San Juan County, New Mexico

XTO Energy Inc. is applying to the New Mexico Oil Conservation Division (NMOCD) for approval to surface commingle gas production from the LC Kelly #16 Gas Well and LC Kelly #1E Gas Well. NMOCD requires that all interest owners be notified of plans to surface commingle when ownership is different between wells.

Produced gas from the LC Kelly #1E will be equipped with an allocation meter that will be maintained by XTO Energy in accordance with State and Federal Regulations. Another allocation meter will be set downstream of the LC Kelly #16 CDP. Production volumes from the LC Kelly #16 will be calculated by subtracting the CDP volume from the LC Kelly #1 E volume. Produced liquids will not be surface commingled. In the future, additional wells, pools, and acreage may be added to this surface commingle or this gathering system.

If you need additional information, or have any questions, please contact me at (505) 333-3206. If you have an objection to our application, you must file a protest in writing to the NMOCD Santa Fe office at 1220 South Saint Francis Drive, Santa Fe, NM 87505 within 20 days from the date of this letter. If there are no objections raised, an application will be submitted to NMOCD at that time.

Sincerely,

A handwritten signature in black ink that reads 'Kristen Babcock'.

Kristen Babcock  
Regulatory Analyst

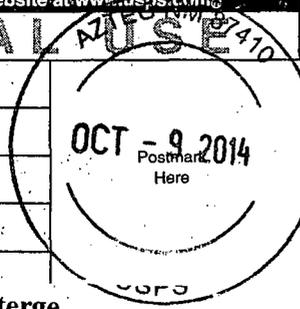
Xc: Well Files  
FW Land Department

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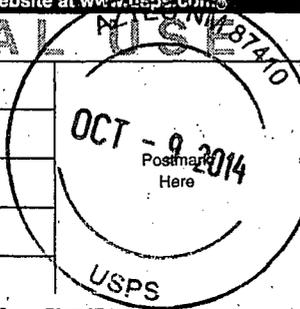
Sent To: **John C Sterge**  
 4 Alexander Dr  
 Yarmouth Port, MA 02675  
 LC Kelly #16 & LC Kelly #1E KDB

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Total Postage & Fees	\$



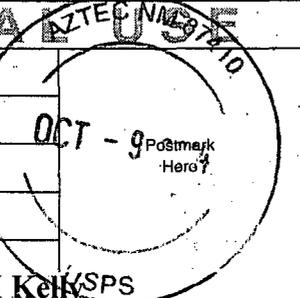
Sent To: **Douglas E Miller TTEE**  
 2040 Waterfall Court  
 Modesto, CA 95355  
 LC Kelly #16 & LC Kelly #1E KDB

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Total Postage & Fees	\$



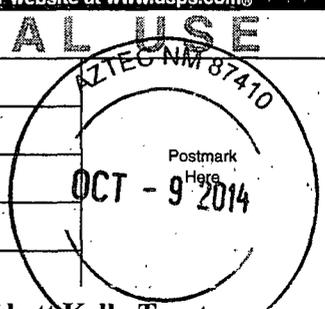
Sent To: **Rosalie H Kelly**  
 C/O Douglas L. Thompson  
 PO Box 1255  
 Armherst, VA 24521  
 LC Kelly #16 & LC Kelly #1E KDB

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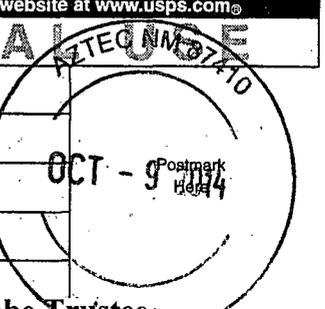
Sent To: **Laurence Corbett Kelly Trust**  
 Steve Coldwell  
 3239 N Verdugo Rd  
 Glendale, CA 91208-1633  
 LC Kelly #16 & LC Kelly #1E KDB

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Total Postage & Fees	\$



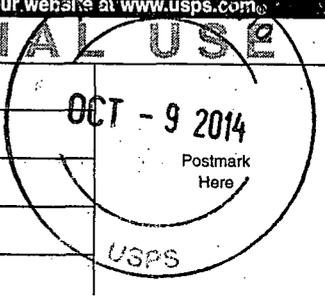
Sent To: **Nancy O. Mabe Trustee**  
 PP Box 229  
 Liberty, MO 64069  
 LC Kelly #16 & LC Kelly #1E KDB

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$



Sent To: **M R Schalk LLC**  
 PO Box 25825  
 Albuquerque, NM 87125-0825  
 LC Kelly #16 & LC Kelly #1E KDB

7012 1010 0002 9430 0361  
7012 1010 0002 9430 0161  
7012 1010 0002 9430 0204  
7012 1010 0002 9430 0204

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To  
**Mark J Westervelt**  
**PO Box 685**  
**Camp Verde, AZ 86322**  
 LC Kelly #16 & LC Kelly #1E KDB

Street, Apt. or PO Box  
 City, State

PS Form Instructions

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Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To  
**Jane W Herion**  
**PO Box 3103**  
**Hayden, ID 83835-3103**  
 LC Kelly #16 & LC Kelly #1E KDB

Street, Apt. or PO Box  
 City, State

PS Form Instructions

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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To  
**Scott G Rogers**  
**210 Scenic Dr**  
**Ashland, OR 97520-2622**  
 LC Kelly #16 & LC Kelly #1E KDB

Street, Apt. or PO Box  
 City, State

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Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To  
**Mary E. Enright**  
**2129 Campo Alegre**  
**Tempe, AZ 85281**  
 LC Kelly #16 & LC Kelly #1E KDB

Street, Apt. or PO Box  
 City, State

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Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To  
**Shriners Hospital for Children**  
**PO Box 226270**  
**Dallas, TX 75222-6270**  
 LC Kelly #16 & LC Kelly #1E KDB

Street, Apt. or PO Box  
 City, State

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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To  
**Donna Tillman**  
**17943 Boxwood Cir**  
**Fountain Valley, CA 92708**  
 LC Kelly #16 & LC Kelly #1E KDB

Street, Apt. or PO Box  
 City, State

PS Form Instructions

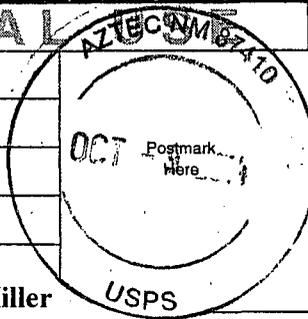
9226 0330 9430 0228  
7012 1010 0002 2000 0101 2102

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Postage \$  
Certified Fee  
Return Receipt Fee (Endorsement Required)  
Restricted Delivery Fee (Endorsement Required)



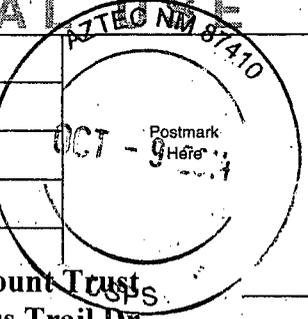
To: Jeffrey Miller  
3083 Delcado Ave  
Newbury Park, CA 91320  
LC Kelly #16 & LC Kelly #1E KDB

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Postage \$  
Certified Fee  
Return Receipt Fee (Endorsement Required)  
Restricted Delivery Fee (Endorsement Required)



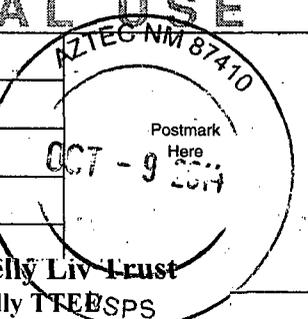
Total Postage & Fees \$  
Sent To: Rose M Blount Trust  
284 Cypress Trail Dr  
Grand Rapids, MI 49546  
LC Kelly #16 & LC Kelly #1E KDB

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Postage \$  
Certified Fee  
Return Receipt Fee (Endorsement Required)  
Restricted Delivery Fee (Endorsement Required)



Total Postage & Fees \$  
Sent To: Laurence B Kelly Liv Trust  
Hope S Kelly Trust  
839 Summit Rd  
Santa Barbara, CA 93108-2321  
LC Kelly #16 & LC Kelly #1E KDB

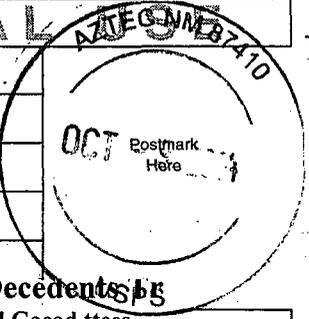
0920 0640 2000 0100 2102 7012

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Postage \$  
Certified Fee  
Return Receipt Fee (Endorsement Required)  
Restricted Delivery Fee (Endorsement Required)



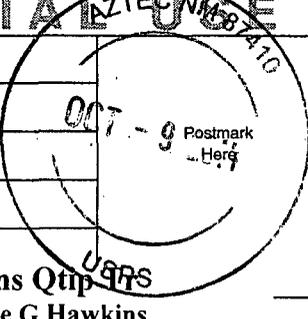
Total Postage & Fees \$  
The Kelly Family Decedents  
Gregory Kelly & Karol Gacac ttees  
3526 Bayberry Ln  
Malibu, CA 90265  
LC Kelly #16 & LC Kelly #1E KDB

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Postage \$  
Certified Fee  
Return Receipt Fee (Endorsement Required)  
Restricted Delivery Fee (Endorsement Required)



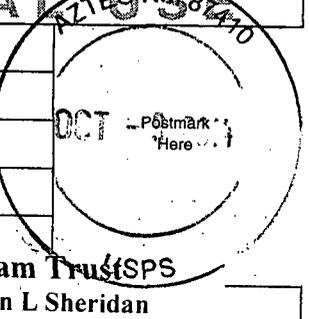
Total Postage & Fees \$  
Sent To: Hawkins Qtip  
Constance G Hawkins  
205 Austin Ave  
Atherton, CA 94027  
LC Kelly #16 & LC Kelly #1E KDB

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Postage \$  
Certified Fee  
Return Receipt Fee (Endorsement Required)  
Restricted Delivery Fee (Endorsement Required)



Total Postage & Fees \$  
Sent To: Sheridan Fam Trust  
Vincent A & Ann L Sheridan  
447 E Lilac Dr  
Tempe, AZ 85281  
LC Kelly #16 & LC Kelly #1E KDB

0300 0300 9430 2000 0100 2102 7012

0327 0327 9430 2000 0100 2102 7012

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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To  
**Anne Hollinger Lindley**  
 PO Box 1866  
 Lakeville, CT 06039  
 LC Kelly #16 & LC Kelly #1E KDB

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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To  
**Kristina J Miller**  
 3791 Joppa Bypass  
 Metropolis, IL 62960  
 LC Kelly #16 & LC Kelly #1E KDB

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Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To  
**Daniel D Miller**  
 61 N 58<sup>th</sup> St  
 Mesa, AZ 85205  
 LC Kelly #16 & LC Kelly #1E KDB

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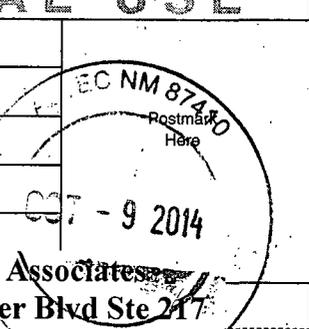
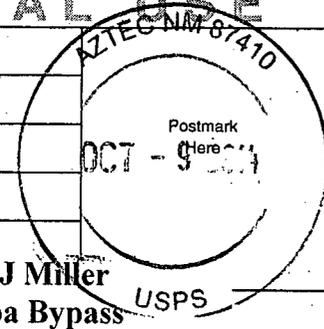
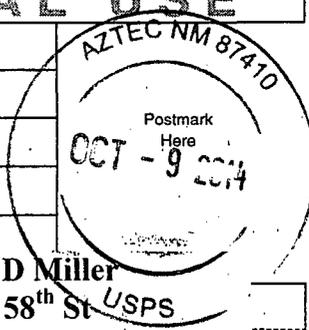
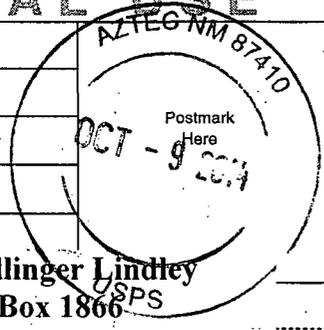
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To  
**Vanacore & Associates**  
 4359 Town Center Blvd Ste 217  
 El Dorado, CA 95762  
 LC Kelly #16 & LC Kelly #1E KDB

PS Form Instructions

7012 1010 0000 9496 0341

7012 1010 0000 9496 0341



## **McMillan, Michael, EMNRD**

---

**From:** Dean, David <David\_Dean@xtoenergy.com>  
**Sent:** Friday, October 17, 2014 12:53 PM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Babcock, Kristen; Kardos, Kelly  
**Subject:** L.C. Kelly #16 & LC Kelly #1E

Mr. McMillian,

After reviewing ownership for the LC Kelly #16 (FC) and the LC Kelly #1E (DK), it is my determination that ownership is diverse. Both wells are spaced for the west 285.92 acres, but ownership slightly varies between the two zones. Should you have any questions, please advise.

Sincerely,

**D. Jackson Dean**

Associate Landman – Rockies Division (San Juan)

XTO Energy Inc.

810 Houston Street

Fort Worth, Texas 76102

Phone: 817.885.6676 | Fax: 817.885.1938 | Mobile: 682.215.7065

[david\\_dean@xtoenergy.com](mailto:david_dean@xtoenergy.com)

An **ExxonMobil** Subsidiary

LC KELLY 01E

Daily Production Readings

	Net Gas	Net Oil	Water
10/15/2014			
10/1/2014			
<b>AVERAGE</b>	<b>32.3</b>	<b>0.0</b>	
9/30/2014			
9/1/2014			
<b>AVERAGE</b>	<b>33.2</b>	<b>0.0</b>	
8/31/2014			
8/1/2014			
<b>AVERAGE</b>	<b>27.9</b>	<b>0.0</b>	
7/31/2014			
7/1/2014			
<b>AVERAGE</b>	<b>23.4</b>	<b>0.0</b>	
6/30/2014			
6/1/2014			
<b>AVERAGE</b>	<b>28.7</b>	<b>0.0</b>	
5/31/2014			
5/1/2014			
<b>AVERAGE</b>	<b>31.1</b>	<b>0.0</b>	
4/30/2014			
4/16/2014			
<b>AVERAGE</b>	<b>33.6</b>	<b>0.0</b>	

LC KELLY 16

Daily Production Readings

	Net Gas	Net Oil	Water
10/15/2014			
10/1/2014			
<b>AVERAGE</b>	<b>99.5</b>	<b>0.0</b>	
9/30/2014			
9/1/2014			
<b>AVERAGE</b>	<b>101.3</b>	<b>0.0</b>	
8/31/2014			
8/1/2014			
<b>AVERAGE</b>	<b>99.9</b>	<b>0.0</b>	
7/31/2014			
7/1/2014			
<b>AVERAGE</b>	<b>80.5</b>	<b>0.0</b>	
6/30/2014			
6/1/2014			
<b>AVERAGE</b>	<b>109.9</b>	<b>0.0</b>	
5/31/2014			
5/1/2014			
<b>AVERAGE</b>	<b>117.1</b>		
4/30/2014	121.8	0.0	0.0
4/16/2014	119.8	0.0	0.0
<b>AVERAGE</b>	<b>118.5</b>	<b>0.0</b>	