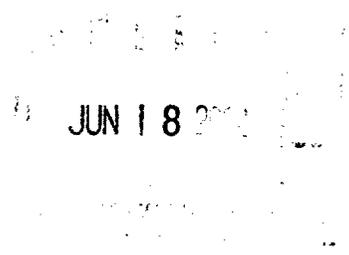




June 11, 2002

Ms. Lori Wrotenbery  
New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505



Re: Administrative Approval to Surface Commingle  
LC Kelly #2 and LC Kelly #12  
Section 5, T30N, R12W  
San Juan County, New Mexico

Dear Ms. Wrotenbery,

XTO Energy Inc requests administrative approval to surface commingle the referenced wells. Surface commingling will allow the use of a single compressor to produce both wells. Oil production will not be commingled.

The gas line pressures in this area are high and compression is required to maximize recoveries. The installation of a single compressor will reduce operating expenses, minimize surface use impact, extend the life of the wells and increase ultimate recoveries. The LC Kelly #2 and LC Kelly #12 will share a common well pad. The LC Kelly #12 is in the permitting process and has not been drilled. It is scheduled to be drilled this year.

The following is enclosed for you review of the proposed commingling:

- 1. Well Information Table
- 2. Gas Allocation Method
- 3. Well Location Map
- 4. Battery schematic of proposed commingling

The LC Kelly #2 and LC Kelly #12 are located on a federal lease and have common interest. If you need additional information or have any questions, please feel free to contact me at (505)-324-1090.

Sincerely,

Thomas DeLong  
Operations Engineer

CC: NMOCD – District III (Aztec)

**LC Kelly #2 and LC Kelly #12**  
**Well Information**

	<b>LC Kelly #2</b>	<b>LC Kelly #12</b>
<b>Location</b>	B, Sec 5, T30N, R12W	A, Sec 5, T30N, R12W
<b>Formation</b>	Dakota	Fruitland Coal & Pictured Cliffs
<b>API#</b>	30-045-09986	NA
<b>Pool Name</b>	Basin Dakota	Basin Fruitland Coal & Aztec Pictured Cliffs
<b>Pool Code</b>	71599	71629 (FC) 71280 (PC)
<b>Gas Gravity</b>	0.691	0.580 (estimated)
<b>Gas Rate (MCFPD)</b>	19	NA
<b>Oil Gravity</b>	51 (estimated)	NA
<b>Oil Rate (BPD)</b>	0.12	NA
<b>Water Rate (BPD)</b>	0.29	NA

T-30-N, R-12-W

XTO  
L C KELLY 1E  
3 451  
1 69  
8209-0105  
DKOT

XTO  
L C KELLY 2  
6 1274  
0 75  
6405-0164  
DKOT

BURLINGTON  
HOLDER A 1E  
2/2 269/359  
0/0 0/70  
8202-9312/8202-0104  
DKTA/GLLP

MIDDLE BAY OIL  
NMEX FEDN 6E  
10 3 512  
XAKOMA FEDERAL 6 2 LOC 0 43  
TEXAKOMA OIL&GAS CRP 8106-0104  
DKOT

XTO  
L C KELLY 1  
10 1528  
0 44  
6404-0104  
DKOT

XTO  
L C KELLY 2E  
2 455  
0 52  
8209-0104  
DKOT

XTO  
L C KELLY 3  
29/8 4827/346  
2/0 195/0  
6407-0104/8407-0104  
GLLP/DKOT

XTO  
L C KELLY 7  
0 9  
0 283  
0104-0104  
FRLDC

XTO  
J SCHUMACHER 1E FEDERAL 8 3  
4 680 LOC  
0 122 TEXAKOMA OIL&GAS CRP  
8311-0104  
DKOT

TEXAKOMA O&G  
FEDERAL 8 FC 1  
0/0 1/126  
0/0 6/169  
0010-0105/8304-0105  
FRLD/FRLDC

MIDDLE BAY OIL  
NMEX FEDN 4  
15 2674  
0 56  
6011-0104  
TEXAKOMA O&G DKOT  
TEXAKOMA FED 7 1  
0/0 11/55  
0/0 31/160  
0008-0105/0008-0105  
FRLD/FRLDC

XTO  
J SCHUMACHER 1  
9 2090  
0 60  
5912-0104  
DKOT

NORTHWEST PROD  
BLANCO D 11  
0 116  
0 0  
5703-UNION  
PCCF

4

5

8

9

TENNECO OIL

NORTH  
BLAN  
0 0  
0 0  
570

MC  
LOC

CROSS TIN

# XTO ENERGY INC.

Lease: LC KELLY #2 & LC KELLY #12

Location: NW4 NE/4 SEC. 05, T30N, R12W

Federal Lease #: NMSF-081239

