

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 19

2. Name of Operator

XTO ENERGY INC

Contact: HOLLY C PERKINS

E-Mail: HOLLY_PERKINS@XTOENERGY.COM

9. API Well No.

30-045-32422-00-X1

3a. Address

2700 FARMINGTON AVE., BLDG K, SUITE 1
FARMINGTON, NM 87401

3b. 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 SESE 660FSL 660FEL

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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other
Subsurface Commingling

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 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 #19. 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 ~~42%~~ 30%
Blanco Mesaverde (72319) Oil 42% Water 5% Gas ~~30%~~ 90%

- Per Holly w/XTO 12-15-04

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 common; therefore no notification was done. The NMOCD has been notified of our intent to downhole

DN 1711 AZ

CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Adhere to previously issued stipulations Submission #50814 verified by the BLM Well Information System

For XTO ENERGY INC, sent to the Farmington

Committed to AFMSS for processing by MATTHEW HALBERT on 12/09/2004 (05MXH0206SE)

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

Joe Harnett

Title

Acting Team Lead

Date

12-15-04

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

FDO

NMOCD

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.

.Additional data for EC transaction #50814 that would not fit on the form

32. Additional remarks, continued

commingle. Downmhole 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 # 19

Basin Dakota (71599) & Blanco Mesaverde (72319)

San Juan County, NM

660 FSL - 660 FEL

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 # 19 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

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-045-32422
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NMSF081239
7. Lease Name or Unit Agreement Name L.C. KELLY
8. Well Number ^P 19
9. OGRID Number 167067
10. Pool name or Wildcat BASIN DAKOTA & BLANCO MESAVERDE

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

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

2. Name of Operator
XTO ENERGY INC.

3. Address of Operator
2700 FARMINGTON AVE, SUITE K-1, FARMINGTON, NM 87401

4. Well Location
Unit Letter P : 660 feet from the SOUTH line and 660 feet from the EAEST line
Section 3 Township 30N Range 12W NMPM County SAN JUAN

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5799' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: DOWNHOLE COMMINGLE

X

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

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 #19. 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)	58% Oil	95% Water	30% Gas
Blanco Mesaverde (72319)	42% Oil	5% Water	70% Gas

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 common; therefore no notification was done. The BLM 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 reserved, and violation of correlative rights.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 11/8/04
Type or print name HOLLY C. PERKINS E-mail address: Holly_perkins@xtoenergy.com Telephone No. 505-324-1090
For State Use Only

APPROVED BY:

TITLE

DATE

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
W. Grand Ave., Artesia, N.M. 88210

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

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-32422		*Pool Code 72319 & 71599		*Pool Name BLANCO MESA VERDE & BASIN DAKOTA	
*Property Code .		*Property Name L. C. KELLY		*Well Number 19	
*OGRID No. 167067		*Operator Name XTO ENERGY INC.		*Elevation 5799	

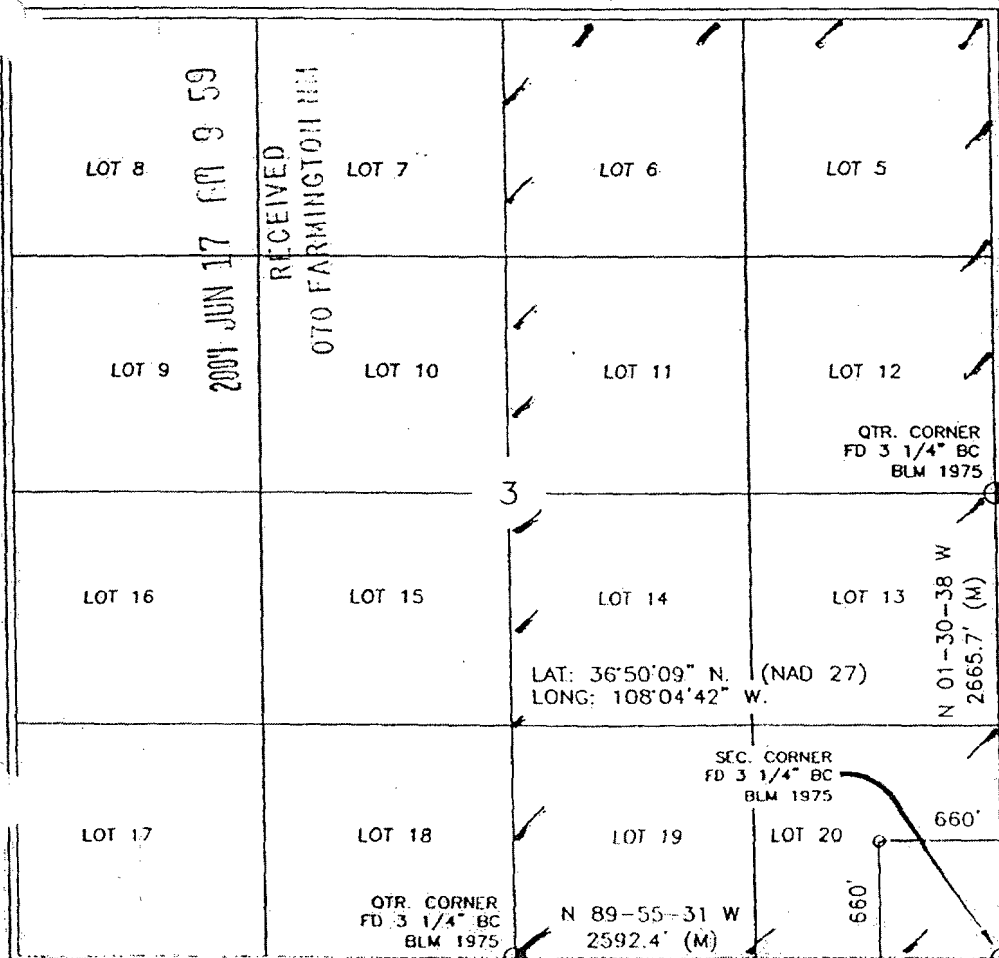
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	3	30-N	12-W	.	660	SOUTH	660	EAST	SAN JUAN

¹¹ 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
*Dedicated Acres E/2 319.67-DK E/2 319.67-MV					*Joint or Infill		*Consolidation Code		*Order No.

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

Brian Wood

Signature

BRIAN WOOD

Printed Name

CONSULTANT

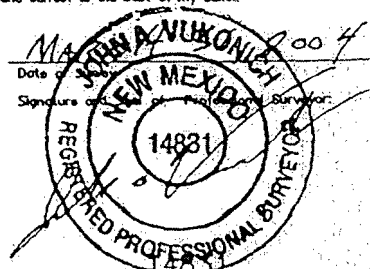
Title

JUNE 11, 2004

Date

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.



Certificate Number