

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO 1004-0137
Expires March 31, 2007

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

2007 JUN 26 AM 10:54

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

XTO Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K, Ste 1 Farmington,

3b. Phone No (include area code)

505-324-1090

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

690' FNL & 2165' FEL SEC 4B-T30N-R12W

7. If Unit or C/A Agreement, Name and/or No

210 FARMINGTON NM

8. Well Name and No

LC KELLY #3G

9. API Well No

30-045-33237

10. Field and Pool, or Exploratory Area

BASIN DAKOTA

BLANCO MESAVERDE

11. County or Parish, State

SAN JUAN

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

☐ 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 DOWNHOLECOMMINGLE

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 final site is ready for final inspection.)

XTO Energy Inc. requests permission to downhole commingle the Basin Dakota (71599) and Blanco Mesaverde (72319) pools upon completion of the well. Proposed allocations were determined by individual zone well test as per attached justification:

Basin Dakota: Gas: 69% Oil: 90% Water: 74%

Blanco Mesaverde: Gas: 31% Oil: 10% Water: 26%

Ownership in this well is diverse and notification to owners was made by certified mail, return receipt on 3/15/2007. Downhole commingling will offer an economical method of production while protecting against reservoir damage, waste of reserves & violation of correlative rights. A DHC application was submitted to NMOC on 6/25/2007.

RCVD JUL 6 '07
OIL CONS. DIV.
DIST. 3

DHC 2136AZ

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

HOLLY C. PERKINS

Title

REGULATORY COMPLIANCE TECH

Date 6/25/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Joe Hewitt

Title

Geo

Date

7-5-07

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

FFO

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

NMOC