

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr , Hobbs, NM 87240
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. 30-045-33238
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. SF081239
7. Lease Name or Unit Agreement Name: LC KELLY
8. Well Number 3F
9. OGRID Number 167067
10. Pool name or Wildcat BASIN DAKOTA / BLANCO MESAVERDE

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5952' 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 _____

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., Bldg. K. Ste 1 Farmington, NM 87401

4. Well Location
Unit Letter **D** : **665** feet from the **NORTH** line and **665** feet from the **WEST** line
Section **04** Township **30N** Range **12W** NMPM County **SAN JUAN**

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5952' 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 COMPLETION ☐

OTHER: **CORRECTED ALLOCATIONS** ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OTHER: **DIST. 3** ☐

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.

Proposed gas allocations for DHC2637AZ were determined by individual zone well test per attached justification & gas allocations were reported incorrectly. Adjustment of gas allocations are:

Basin Dakota	Gas	69%	Oil	90%	Water	74%
Blanco Mesaverde	Gas	31%	Oil	10%	Water	26%

An application for DHC was submitted to BLM on 6/25/2007 and approved on 7/5/2007 with appropriate gas allocations. XTO requests approval of change.

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 well constructed or closed according to NMOC guidelines ☐ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Holly C. Perkins TITLE REGULATORY COMPLIANCE TECH DATE 8/10/2007

Type or print name **HOLLY C. PERKINS**

E-mail address: **Regulatory@xtoenergy.com**

Telephone No. **505-324-1090**

For State Use Only

APPROVED BY [Signature]

Deputy Oil & Gas Inspector,
District #3

DATE **AUG 17 2007**

Conditions of Approval, if any:

L C Kelly # 3F

The DHC allocation percentages were determined by individual zone well test. The test production data was gathered for both the Basin Dakota and Blanco-Mesaverde approximately two and a half months after opening to sales. The Dakota formation average test rate was 63 MCFD prior to recompletion to the Mesaverde formation. The average test rate for the Mesaverde formation was 28 MCFD. Based on these test rates, the calculated gas allocation percentages are 69% for the Dakota and 31% for the Mesaverde. Oil allocation percentages were calculated to be 90% for the Dakota and 10% for the Mesaverde based on our test rates. Water allocation will be 74% to the Dakota and 26% to the Mesaverde based on the same well test. (See attached spreadsheet.)

Pool	Gas	Oil	Water
DK	69%	90%	74%
MV	31%	10%	26%