

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau 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

8. Well Name and No.

L.C. KELLY #17

9. API Well No.

30-045-31625

10. Field and Pool, or Exploratory Area

BLANCO MESAVERDE
BASIN DAKOTA

11. County or Parish, State

SAN JUAN NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

XT0 Energy Inc.

3a. Address

2700 Farmington Ave., Bldg. K. Ste 1 Farmington, NM 87401505-324-1090

3b. PhoneNo. (include area code)

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

660' FNL & 1965' FWL, NENW, SEC 03, T30N, R12W

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

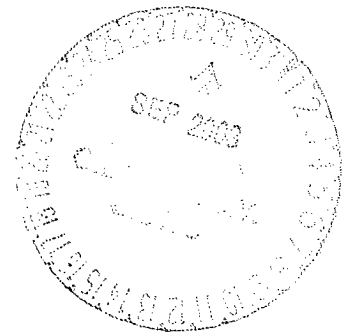
TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other <u>DOWNHOLE</u> |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | <u>COMMINGLE</u> |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximated duration thereof. If the proposal is to deepen directionally or recompleate 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 recompleation 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.)

XT0 Energy Inc. proposes to downhole commingle this well per the attached documents.

DHC 1314 AZ



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

RAY MARTIN

Ray Martin

Title

OPERATIONS ENGINEER

Date 9/16/03

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jim Lovato

Title

Date

SEP 26 2003

Office

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.

Title 18 U.S.C. Section 1001, 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.

Attachment
C-103 NOI Sundry to DHC
L. C. Kelly #17
Sec 3C, T30N, R12W
API #30-045-31625
9/16/03

The proposed gas, oil and water production allocation percentages are based on actual production from each pool from a nearby offset well. This well is the L. C. Kelly #5M located in Unit Letter A, Section 3, T30N, R12W approximately 2,500' east of the L. C. Kelly #17. XTO Energy Inc. drilled the L. C. Kelly #5M in late 2001. It was initially completed in and produced from the Basin Dakota pool. After the Dakota production stabilized, it was recompleted to the Blanco Mesaverde pool. It produced from the Mesaverde pool until production stabilized. The Dakota and Mesaverde were downhole commingled in the #5M using the production allocations listed below in July 2002. The production rates used in the calculation of the allocation percentages are the stabilized rates from each pool after the initial steep decline. See the allocation table below and the attached production curve.

Proposed Allocation Percentages:

Pool	Oil	Water	Gas
Basin Dakota	57.6%	94.8%	30.4%
Blanco Mesaverde	42.4%	5.2%	69.6%
Total	100%	100%	100%

Stabilized production rates used in calculation of the allocation percentages:

Pool	BOPD	BWPD	MCFD
Basin Dakota	2.0	49.0	225
Blanco Mesaverde	1.5	2.7	515
Total	3.5	51.7	740

LC Kelly #5M (DK)

