

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised March 25, 1999

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, NM 87505

WELL API NO. 3004530665
5. Indicate Type of Lease STATE ☐ FEE ☐
6. State Oil & Gas Lease No. MSF081239
7. Lease Name or Unit Agreement Name: B.C. KELLY
8. Well No. 8
9. Pool name or Wildcat FRUITLAND COAL

SUNDRY NOTICES AND REPORTS ON WELLS RECEIVED (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 <u>H</u> : <u>1460</u> feet from the <u>NORTH</u> line and <u>1005</u> feet from the <u>EAST</u> line Section <u>03</u> Township <u>30N</u> Range <u>12W</u> NMPM County <u>SAN JUAN</u>	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 5845' GL	

11. 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: Downhole Commingle ☒

SUBSEQUENT REPORT OF:

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

12. 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 an exception to Rule 303A to remove the CIBP at 2,157' and downhole commingle production from the Basin Fruitland Coal (71629) and the Aztec Pictured Cliffs (71280) pools. These pools are included in the NMOC pre-approved pool combinations for downhole commingling. Attached is the required information for Rule 303C(b).

DHC 699A2

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Thomas DeLong TITLE Operations Engineer DATE 02/22/02

Type or print name Thomas DeLong

Telephone No. 505-324-1090

(This space for State use)

APPROVED BY Steven N. Hayden TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE FEB 25 2002

Conditions of approval, if any:

Attachment
LC Kelly #8
Request to DHC
Basin-Fruitland Coal & Aztec-Pictured Cliffs Pools

Additional information per Rule 303C(3)(b):

- (i) Division Order that established the pre-approved pool combination is R-11363.
- (ii) Basin Fruitland Coal (71629) & Aztec Pictured Cliffs (71280) Pools
- (iii) Basin Fruitland Coal perforated interval: 2,140' – 2,150'
Aztec Pictured Cliffs: 2,178' – 2,197'
- (iv) It is proposed to allocate gas sales using the subtraction method. The Pictured Cliffs has a normal decline profile. Based on production tests of the Pictured Cliffs between 9/26/01 and 10/14/01, the initial gas sales rate of the Pictured Cliffs will be 50 MCFPD. The gas rate will be declined at 10%. This is based on a typical Pictured Cliffs decline rate. Attached is a table of forecasted gas sales by month. The Pictured Cliffs forecasted gas sales will be adjusted by actual days produced over days in the month. The maximum Pictured Cliffs gas sales will be equal to the forecasted gas sales. The Fruitland Coal gas sales will be any volume in excess of the forecasted Pictured Cliffs gas sales. Condensate and water production will be allocated to each formation at the same ratio as the gas sales for each formation as determined from the above method. No condensate has been produced from either formation.
- (v) Downhole commingling will not reduce the value of the total remaining production. A longer productive life is expected due to a lower economic production limit for each pool resulting from combined production.
- (vi) Ownership is identical in both pools.
- (vii) XTO Energy, Inc has submitted a Sundry Notice Form 3160-5 concerning this proposal to the Bureau of Land Management.

LC Kelly #8
Forecasted Pictured Cliffs Gas Sales

<u>Month</u>	<u>MCF</u>	<u>Month</u>	<u>MCF</u>	<u>Month</u>	<u>MCF</u>	<u>Month</u>	<u>MCF</u>
1	1493	49	980	97	643	145	422
2	1480	50	971	98	637	146	418
3	1467	51	963	99	632	147	414
4	1455	52	954	100	626	148	411
5	1442	53	946	101	621	149	407
6	1429	54	938	102	615	150	404
7	1417	55	930	103	610	151	400
8	1404	56	921	104	605	152	397
9	1392	57	913	105	599	153	393
10	1380	58	905	106	594	154	390
11	1368	59	897	107	589	155	386
12	1356	60	890	108	584	156	383
13	1344	61	882	109	579	157	380
14	1332	62	874	110	574	158	376
15	1321	63	867	111	569	159	373
16	1309	64	859	112	564	160	370
17	1298	65	851	113	559	161	367
18	1286	66	844	114	554	162	363
19	1275	67	837	115	549	163	360
20	1264	68	829	116	544	164	357
21	1253	69	822	117	539	165	354
22	1242	70	815	118	535	166	351
23	1231	71	808	119	530	167	348
24	1220	72	801	120	525	168	345
25	1210	73	794	121	521	169	342
26	1199	74	787	122	516	170	339
27	1189	75	780	123	512	171	336
28	1178	76	773	124	507	172	333
29	1168	77	766	125	503	173	330
30	1158	78	760	126	498	174	327
31	1148	79	753	127	494	175	324
32	1138	80	746	128	490	176	321
33	1128	81	740	129	485	177	318
34	1118	82	733	130	481	178	316
35	1108	83	727	131	477	179	313
36	1098	84	721	132	473	180	310
37	1089	85	714	133	469	181	307
38	1079	86	708	134	465	182	305
39	1070	87	702	135	461	183	302
40	1060	88	696	136	456	184	299
41	1051	89	690	137	452	185	297
42	1042	90	684	138	449	186	294
43	1033	91	678	139	445	187	292
44	1024	92	672	140	441	188	289
45	1015	93	666	141	437	189	287
46	1006	94	660	142	433	190	284
47	997	95	654	143	429	191	282
48	988	96	649	144	426	192	279

LC Kelly #8
Forecasted Pictured Cliffs Gas Sales

<u>Month</u>	<u>MCF</u>	<u>Month</u>	<u>MCF</u>	<u>Month</u>	<u>MCF</u>	<u>Month</u>	<u>MCF</u>
193	277	241	182	289	119	337	78
194	274	242	180	290	118	338	77
195	272	243	178	291	117	339	77
196	270	244	177	292	116	340	76
197	267	245	175	293	115	341	75
198	265	246	174	294	114	342	75
199	263	247	172	295	113	343	74
200	260	248	171	296	112	344	74
201	258	249	169	297	111	345	73
202	256	250	168	298	110	346	72
203	253	251	166	299	109	347	72
204	251	252	165	300	108	348	71
205	249	253	163	301	107	349	70
206	247	254	162	302	106	350	70
207	245	255	161	303	105	351	69
208	243	256	159	304	104	352	69
209	240	257	158	305	104	353	68
210	238	258	156	306	103	354	67
211	236	259	155	307	102	355	67
212	234	260	154	308	101	356	66
213	232	261	152	309	100	357	66
214	230	262	151	310	99	358	65
215	228	263	150	311	98	359	64
216	226	264	148	312	97	360	64
217	224	265	147	313	96	361	63
218	222	266	146	314	96	362	63
219	220	267	145	315	95	363	62
220	218	268	143	316	94	364	62
221	216	269	142	317	93	365	61
222	215	270	141	318	92	366	61
223	213	271	140	319	92	367	60
224	211	272	138	320	91	368	60
225	209	273	137	321	90	369	59
226	207	274	136	322	89	370	59
227	205	275	135	323	88	371	58
228	204	276	134	324	88	372	57
229	202	277	132	325	87	373	57
230	200	278	131	326	86	374	56
231	198	279	130	327	85	375	56
232	197	280	129	328	85	376	56
233	195	281	128	329	84	377	55
234	193	282	127	330	83	378	55
235	191	283	126	331	82	379	54
236	190	284	124	332	82	380	54
237	188	285	123	333	81	381	53
238	186	286	122	334	80	382	53
239	185	287	121	335	80	383	52
240	183	288	120	336	79	384	52

LC Kelly #8
Forecasted Pictured Cliffs Gas Sales

<u>Month</u>	<u>MCF</u>	<u>Month</u>	<u>MCF</u>
385	51	433	34
386	51	434	33
387	50	435	33
388	50	436	33
389	50	437	32
390	49	438	32
391	49	439	32
392	48	440	32
393	48	441	31
394	47	442	31
395	47	443	31
396	47	444	31
397	46	445	30
398	46	446	30
399	45	447	30
400	45	448	29
401	45	449	29
402	44	450	29
403	44	451	29
404	43	452	28
405	43	453	28
406	43	454	28
407	42	455	28
408	42	456	27
409	42	457	27
410	41	458	27
411	41	459	27
412	40	460	27
413	40	461	26
414	40	462	26
415	39	463	26
416	39	464	26
417	39	465	25
418	38	466	25
419	38	467	25
420	38	468	25
421	37	469	25
422	37	470	24
423	37	471	24
424	36	472	24
425	36	473	24
426	36	474	23
427	35	475	23
428	35	476	23
429	35	477	23
430	35	478	23
431	34	479	22
432	34	480	22