

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. L C KELLY 5M
2. Name of Operator XTO ENERGY INC		9. API Well No. 30-045-30761-00-X1
3a. Address 2700 FARMINGTON AVE., BLDG K, SUITE 1 FARMINGTON, NM 87401		10. Field and Pool, or Exploratory BASIN DAKOTA BLANCO MESAVERDE
3b. Phone No. (include area code) Ph: 505.324.1090 Ext: 4020 Fx: 505.564.6700		11. County or Parish, and State SAN JUAN COUNTY, NM
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T30N R12W NENE 1060FNL 660FEL		

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

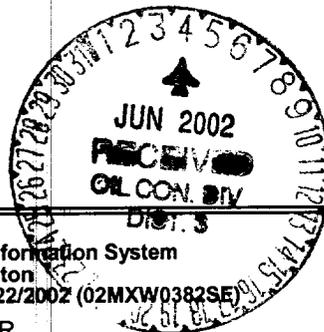
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Subsurface Commi ng
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

SL

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 recomplate 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 recompletion 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. plans to remove the CIBP @ 5,330' and downhole commingle the Basin Dakota & Blanco Mesaverde formations. Interests are common in both formations. Attached is information being submitted to the NMOCD for their approval.

0 H C 784 A Z



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

**Electronic Submission #11413 verified by the BLM Well Information System
For XTO ENERGY INC, sent to the Farmington
Committed to AFMSS for processing by Matthew Warren on 05/22/2002 (02MXW0382SE)**

Name (Printed/Typed) THOMAS DELONG	Title ENGINEER
Signature (Electronic Submission)	Date 05/21/2002

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>/s/ Jim Lovato</u>	Title	Date <u>MAY 31</u>
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

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.

**** REVISED ** REVISED ****

RECEIVED

LC Kelly #5M
Section 3, T30N, R12W
Mesaverde & Dakota Allocation Table

	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPD</u>
Dakota	2.0	49.0	225.0
Mesaverde	1.5	2.7	515.0
	3.5	51.7	740.0
Dakota	57.6%	94.8%	30.4%
Mesaverde	42.4%	5.2%	69.6%
	100.0%	100.0%	100.0%

Attachment

LC Kelly #5M

Request to DHC
Blanco Mesaverde & Basin Dakota Pools

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

- (i) Division Order that established the pre-approved pool combination is R-11363.
- (ii) Blanco Mesaverde (72319) & Basin Dakota (71599) Pools.
- (iii) Basin Basin Dakota perforated interval: 6,718' – 6,945'
Blanco Mesaverde perforated interval: 4,552' – 4,809' .
- (iv) It is proposed to allocated production on a percentage basis. The producing rate for each formation used in the allocation calculation is an average rate after the initial steep decline of that formation. See attached allocation table and daily production curve. The LC Kelly #5M produced from the Dakota only from February 6, 2002 to March 11, 2002 and from the Mesaverde only since March 15, 2002. Decline rates of the Mesaverde and Dakota are forecasted to be similar. Oil and water rates used in the allocation calculations are based on average production in February 2002 for the Dakota and April 2002 for the Mesaverde.
- (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 #5M (DK)

—○— MSRP —□— MSRP

