

DHC 8/27/98
2088

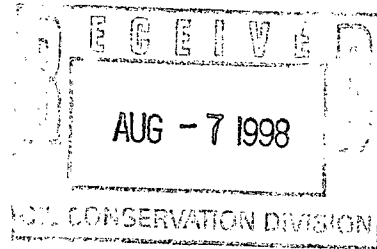
FALCON CREEK RESOURCES, INC.

621 17th Street, Suite 1800, Denver, Colorado 80293-0621

(303) 675-0007 (303) 675-0008 Facsimile

August 5, 1998

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505



RE: Terry #1
"G" Section 24, T20S, R38E
1880' FNL, 1980' FEL,
Lea County, New Mexico

To Whom It May Concern:

Please find the enclosed Application for Downhole Commingling for the captioned well. All zones of interest have common interest owners. Also attached are the currently daily production curves for all formations. This information goes back to the first day of production. All allocations were based on a percentage basis of past history.

If you have any questions or need additional information, please call me at the letterhead number. Thank you for your prompt attention.

Sincerely,

A handwritten signature in cursive script that reads "Jaylene Roope".

Jaylene Roope
Sr. Operations Technician

cc: District I - Hobbs NM

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

811 South First St., Artesia, NM 88210-2835

DISTRICT III

1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505-6429Form C-107-A
New 3-12-96

APPROVAL PROCESS:

☐ Administrative ☐ Hearing

EXISTING WELLBORE

☐ YES ☐ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Falcon Creek Resources, Inc.

621 17th St., Suite 1800, Denver, CO 80293-0621

Operator

Address

Terry

1

G

Sec. 24, T20S, R38E

Lea

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 026102 Property Code 21685 API NO. 30-025-34157 Federal , State , (and/or) Fee X

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blinebry Oil & Gas 66660	East Warren-Tubb (NAB)	D-K Abo 15800
2. Top and Bottom of Pay Section (Perforations)	5,990'-6,086'	6,663'-6,674' 6,712'-6,728' 6,794'-6,810'	7,258'-7,495'
3. Type of production (Oil or Gas)	Oil	Oil	Oil
4. Method of Production (Flowing or Artificial Lift)	Rod Pump	Rod Pump	Rod Pump
5. Bottomhole Pressure	a. (Current) 1800 psi	a. 1800 psi	a. 1800 psi
Oil Zones - Artificial Lift: Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original) Unknown	b. Unknown	b. Unknown
6. Oil Gravity (°API) or Gas BTU Content	38.5	36.7	37.3
7. Producing or Shut-In?	Producing	SI	SI
Production Marginal? (yes or no)	Yes	Yes	Yes
* If Shut-In, give date and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date: Rates:	Date: 7/7/98 Rates: 25 BOPD 70 BWPD 18 MCFD	Date: 6/23/98 Rates: 5 BOPD 12 BWPD 12 MCFD
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: 7/31/98 Rates: 7 BOPD 70 BWPD 220 MCFD	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 18.9 % Gas: 88%	Oil: 67.6 % Gas: 7.2 %	Oil: 13.5 % Gas: 4.8%

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and/or explaining method and providing rate projections or other required data.

10. Are all working, overriding, and royalty interests identical in all commingled zones? ☒ Yes ☐ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ☐ Yes ☐ No
Have all offset operators been given written notice of the proposed downhole commingling? ☒ Yes ☐ No11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations not be damaged, will any cross- flowed production be recovered, and will the allocation formula be reliable. ☐ Yes ☐ No (If No, attach explanation)12. Are all produced fluids from all commingled zones compatible with each other? ☒ Yes ☐ No13. Will the value of production be decreased by commingling? ☐ Yes ☒ No (If Yes, attach explanation)14. If this well is on, or communitized with, state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application. ☐ Yes ☐ No

15. NMOCD Reference Cases for Rule 303(D) Exceptions: ORDER NO(S) _____

16. ATTACHMENTS:

- * C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- * Production curve for each zone for at least one year. (If not available, attach explanation.)
- * For zones with no production history, estimated production rates and supporting data.
- * Data to support allocation method or formula.
- * Notification list of all offset operators.
- * Notification list of working, overriding, and royalty interests for uncommon interest cases.
- * Any additional statements, data, or documents required to support commingling.

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

SIGNATURE Oscar L. Peters TITLE Engineer DATE August 5, 1998TYPE OR PRINT NAME Oscar L. Peters TELEPHONE NO. (303) 675-0007

Offset Operators
Terry #1
SWNE Sec 24-20S-38E
Lea County, NM

Collins & Ware
508 W. Wall Ave #1200
Midland, X 79701-5076

Xeric Oil & Gas
P. O. Box 3040
110 N. Marionfield, #400
Midland, TX 79701

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RECEIVED OCT 15 1997

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <u>30-025-34157</u>	Pool Code 15200	Pool Name DK ABO
Property Code <u>216 85</u>	Property Name TERRY	Well Number 1
OGRID No. <u>21602</u>	Operator Name STEVENS & TULL	Elevation 3576

Surface Location

UL or lot No. C	Section 24	Township 20 S	Range 38 E	Lot Idn	Feet from the 1880	North/South line NORTH	Feet from the 1980	East/West line EAST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill I	Consolidation Code N/A	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Jesse Lawson</u> Signature</p> <p><u>JESSE LAWSON</u> Printed Name</p> <p><u>PETROLEUM ENGINEER</u> Title</p> <p><u>10/16/97</u> Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 9, 1997</p> <p>Date Surveyed Signature & Seal of Professional Surveyor <u>Ronald J. Eidson</u> Professional Surveyor 10-14-97 67-11-164</p> <p>Certified by: JOHN W. WEST 676 PROFESSIONAL J. EIDSON 3239 GARY EIDSON 12641</p>
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Energy, Minerals and Natural Resources Department

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OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34157	Pool Code	Blinebry	Pool Name
Property Code 21685	Property Name TERRY		Well Number 1
OGRID No. 21602	Operator Name STEVENS & TULL		Elevation 3576

Surface Location

UL or lot No. G	Section 24	Township 20 S	Range 38 E	Lot Idn	Feet from the 1880	North/South line NORTH	Feet from the 1980	East/West line EAST	County LEA
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Dedicated Acres 40	Joint or Infill I	Consolidation Code		Order No.					

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				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature</p> <p>Oscar L. Peters</p> <p>Printed Name</p> <p>Engineer</p> <p>Title</p> <p>Aug. 3, 1998</p> <p>Date</p>	
<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 9, 1997</p> <p>Date Surveyed</p> <p>Signature & Seal</p> <p>Professional Surveyor</p> <p>NEW MEXICO</p> <p>10-14-97</p> <p>67-11-1843</p> <p>Certificate No. JOHN W. WEST 676</p> <p>RONALD E. EIDSON 3239</p> <p>EDSON 12641</p>					

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OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34157	Pool Code	Pool Name Tubb
Property Code 21685	Property Name TERRY	Well Number 1
OGRID No. 21602	Operator Name STEVENS & TULL	Elevation 3576

Surface Location

UL or lot No. G	Section 24	Township 20 S	Range 38 E	Lot Idn	Feet from the 1880	North/South line NORTH	Feet from the 1980	East/West line EAST	County LEA
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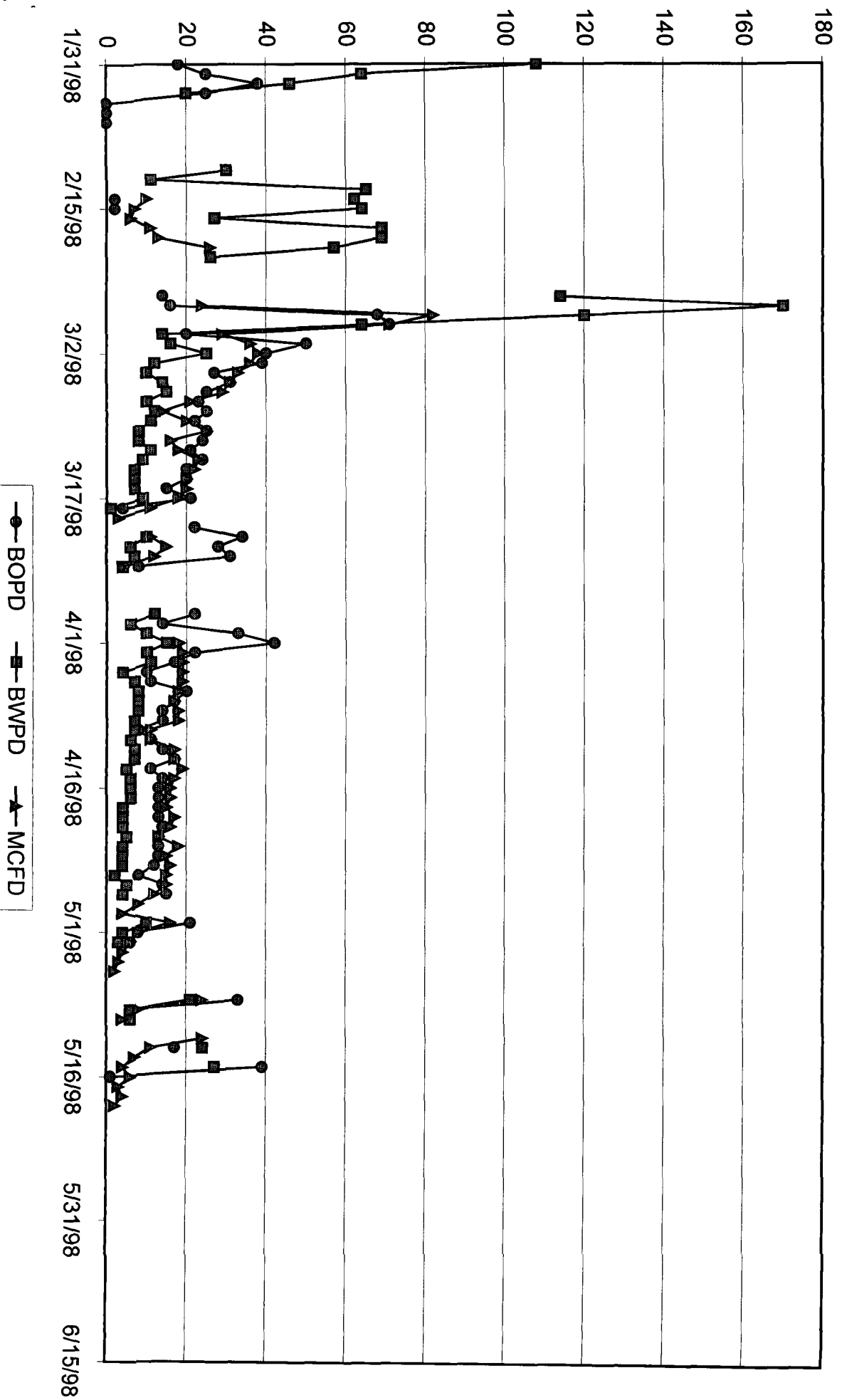
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Dedicated Acres 40	Joint or Infill I	Consolidation Code	Order No.						

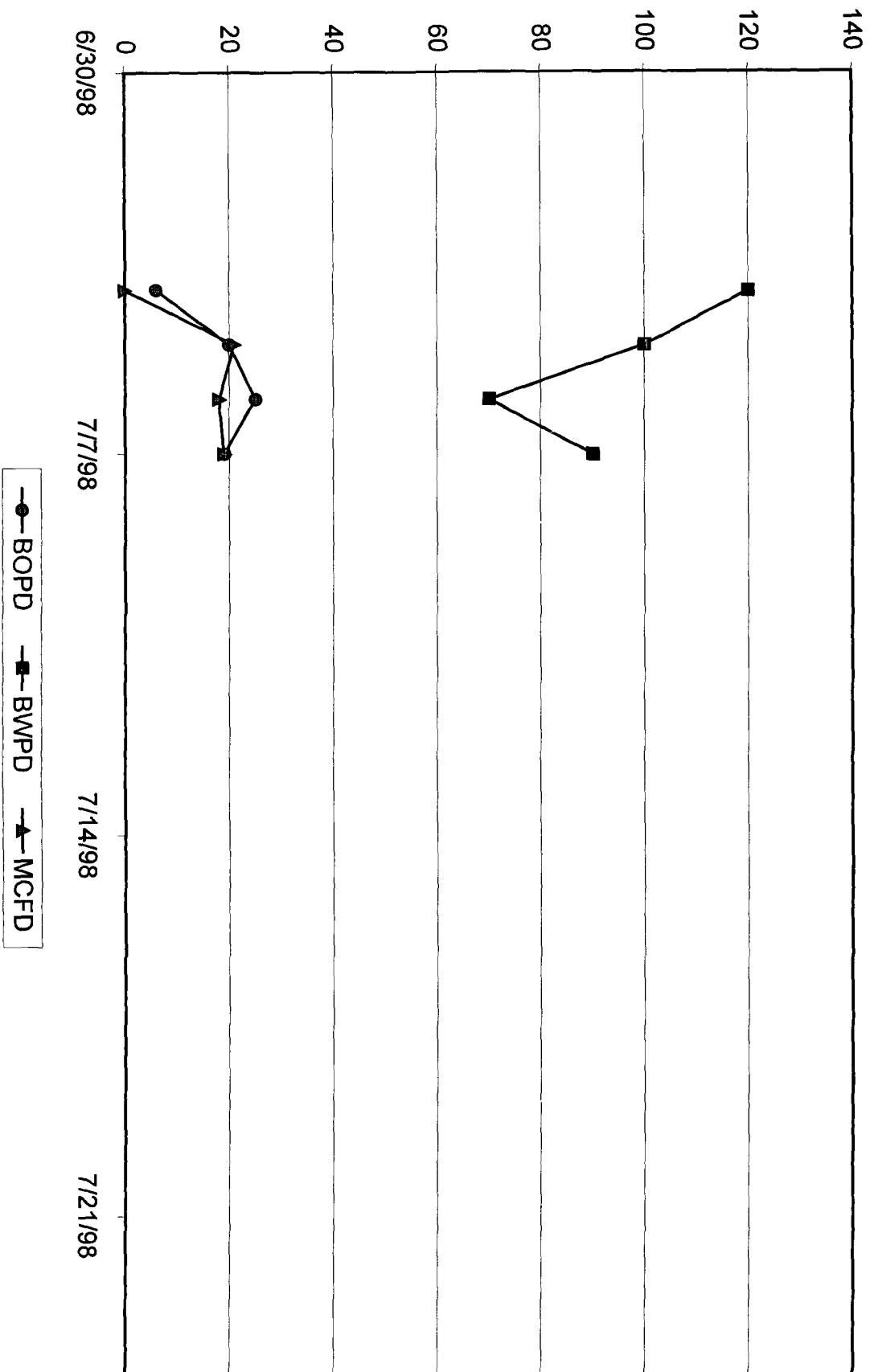
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature Oscar L. Peters Printed Name Engineer Title August 3, 1998 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 9, 1997</p> <p>Date Surveyed Signature & Seal Professional Surveyor RONALD W. EIDSON 10-14-97 67-11-16425</p> <p>Certificate No. JOHN W. C. 676 RONALD W. EIDSON 3239 EIDSON 12641</p>
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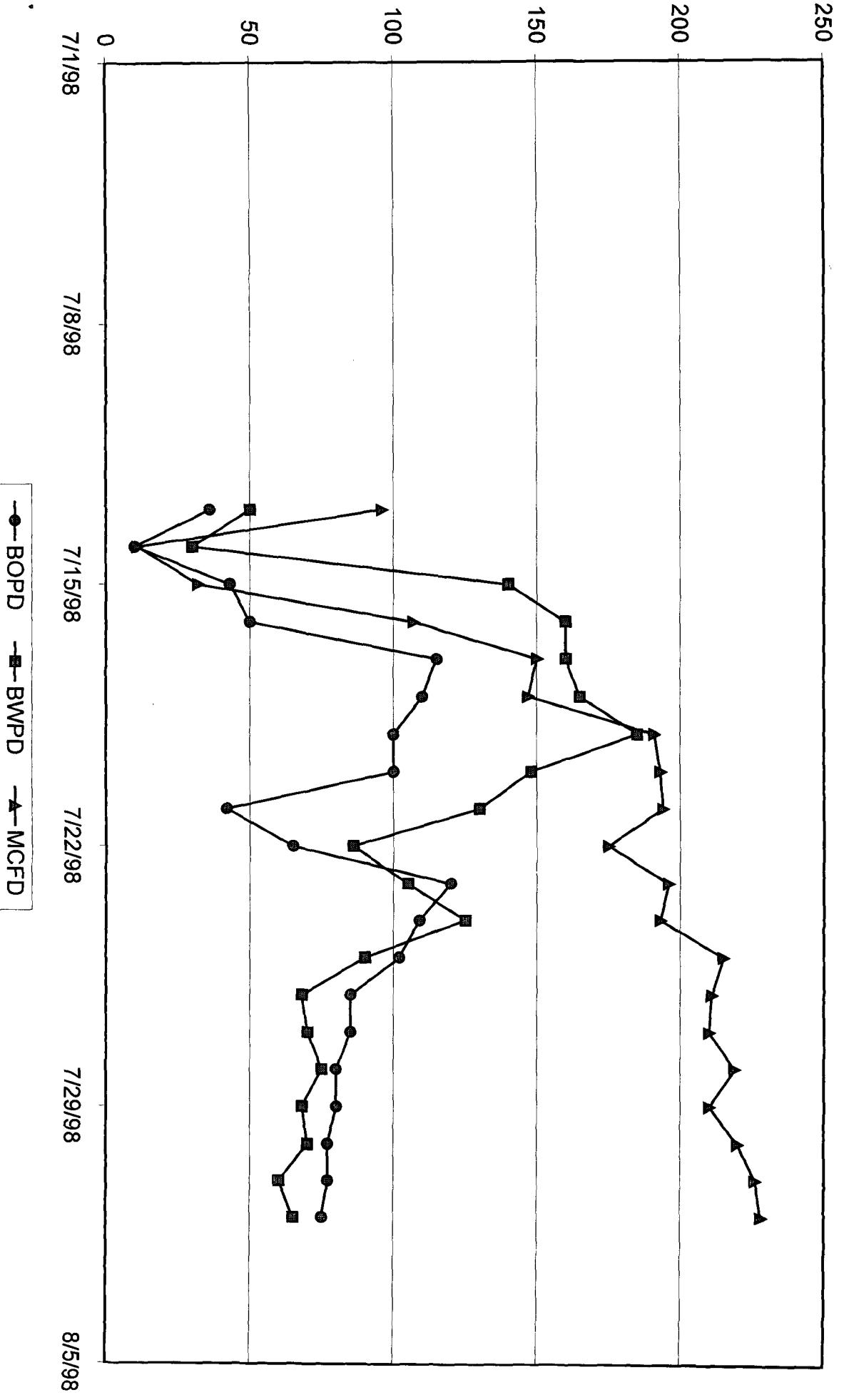
Terry #1 Daily Abo Production



Terry #1 Daily Tubb Production



Terry #1 Daily Blinebry Production





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

8/21/98

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

GOVERNOR

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC	_____
DHC	_____X_____
NSL	_____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

<i>Falcon Creek Res. Inc.</i>	<i>Terry</i>	<i>#1-G-24-205-38e</i>
Operator	Lease & Well No. Unit	S-T-R

and my recommendations are as follows:

Recommend approval.

Yours very truly,

Chris Williams
Supervisor, District 1

/ed