

DHC

~~12/24/98~~
1-4-98

FALCON CREEK RESOURCES, INC.

621 17th Street, Suite 1800, Denver, Colorado 80293-0621 (303) 675-0007 (303) 675-0008 Facsimile

December 10, 1998

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87505-6429

DEC 14 1998

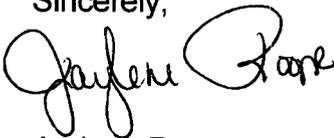
RE: Federal 24 #6
"1" Section 24, T20S, R38E
1830' FSL, 660' FEL,
Lea County, New Mexico

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 monthly 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,



Jaylene Roope
Sr. Operations Technician

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 87505-6429

Form 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
Federal 24 6 I, Sec 24, T20S, R38E Lea
Lease Well No. Unit Ltr. - Sec - Twp - Rge County
Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 169415 Property Code 23401 API NO. 30-025-34200 Federal State (and/or) Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	East Warren - Subb 87085		Dk - Abo 15200
2. Top and Bottom of Pay Section (Perforations)	6584'-6736'		7346'-7476'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) 1700 psi	a. psi	a. 1700 psi
	b. (Original) Unknown	b.	b. Unknown
6. Oil Gravity (^o API) or Gas BTU Content	37.3		36.4
7. Producing or Shut-In?	Producing		Shut In
Production Marginal? (yes or no)	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: Rates:	Date: 10-10-98 Rates: 10 BOPD 15 MCFD 10 BWPD
	Date: 12-4-98 Rates: 10 BOPD 15 MCFD 6 BWPD	Date: Rates:	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 50% Gas: 50%	Oil: % Gas: %	Oil: 50% Gas: 50%

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 No
11. 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 No
13. 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 Mgr of Operations DATE December 10, 1998

TYPE OR PRINT NAME Oscar L. Peters TELEPHONE NO. (303) 675-0007

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

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

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34200	Pool Code 15200	Pool Name DK-Abo
Property Code 23401	Property Name FEDERAL "24"	Well Number 6
OGRID No. 169415	Operator Name FALCON CREEK RESOURCES	Elevation 3569'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	24	20 S	38 E		1830	SOUTH	660	EAST	LEA

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	Joint or Infill	Consolidation Code	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>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Oscar L. Peters</i> Signature</p> <p>Oscar L. Peters Printed Name</p> <p>Mgr. of Operations Title</p> <p>Dec. 10, 1998 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>SEPTEMBER 23 1997 Date Surveyed</p> <p>Signature & Seal of Professional Surveyor <i>Garrett J. Edson</i></p> <p>3239 11-1560 PROFESSIONAL SURVEYOR</p> <p>Certificate No. 3239 GARRETT EDSON 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 30-025-34200	Pool Code	Pool Name Tubb
Property Code 23401	Property Name FEDERAL "24"	Well Number 6
OGRID No. 169415	Operator Name FALCON CREEK RESOURCES	Elevation 3569'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	24	20 S	38 E		1830	SOUTH	660	EAST	LEA

Bottom Hole Location If Different From Surface

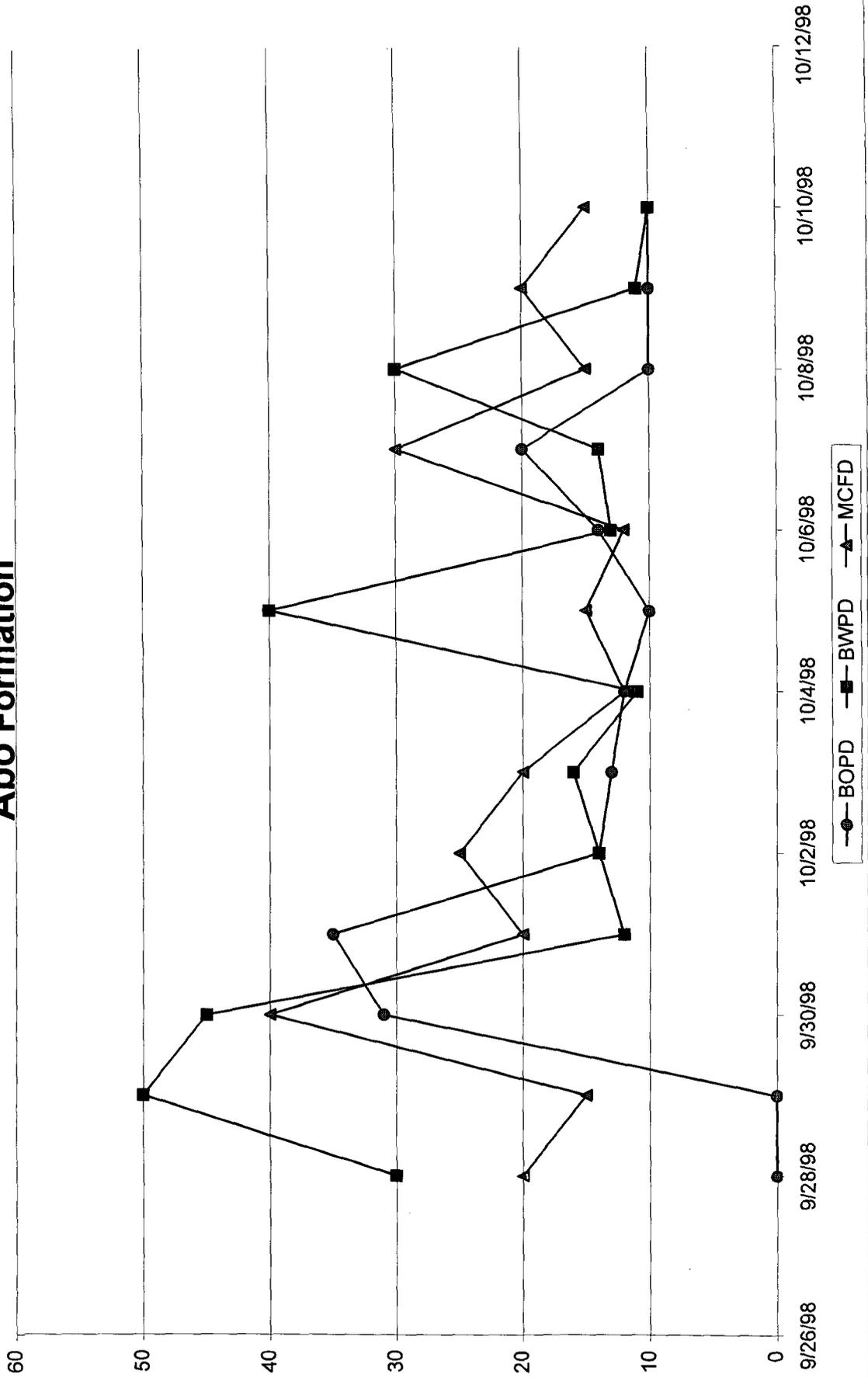
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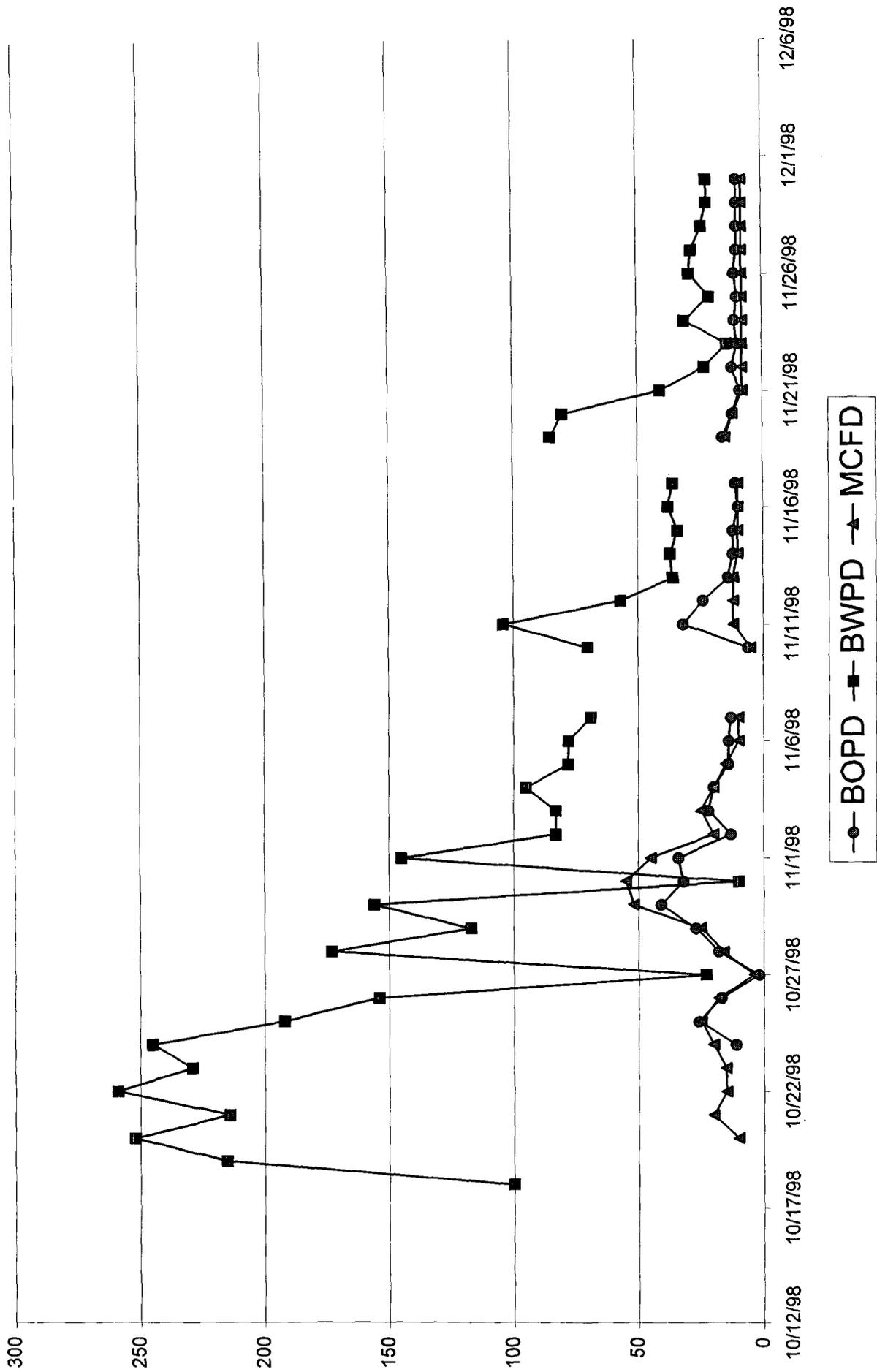
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Federal #24-6 Abo Formation



Federal #24-6 Tubb Formation



**Federal #24-6
"I" Section 24, T20S, R38E
Lea County, New Mexico**

Offset Operator

Collins & Ware
508 W. Wall Ave #1200
Midland, TX 79701-5078