

DHC

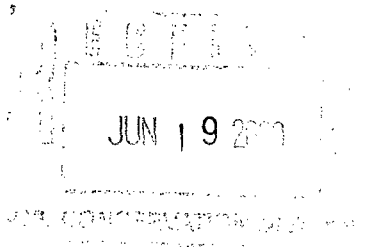
7/10/00



FALCON CREEK RESOURCES, INC

621 Seventeenth Street
Suite 1800
Denver, Colorado 80293
Office 303-675-0007
Fax 303-675-0008

June 15, 2000



Oil Conservation Division
2040 South Pacheco St.
Santa Fe, New Mexico 87505

RE: Application for Downhole Commingling
Kyte #9
"C"Section 23, T20S-R38E
Lea County, New Mexico

Gentlemen:

Please find enclosed an Application for Downhole Commingling. Percentage allocations are based on current and past production. All affected parties have been notified of this application by certified mail.

Please advise if you have any questions, or need additional information. We appreciate your prompt attention with this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "April J. Carlson".
April J. Carlson
Operations Technician

cc: Hobbs District Office

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

Kyte

9

C 23 20S 38E

Lea

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 026102 Property Code 23402 API NO. 30-025-34457 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		Abo
2. Top and Bottom of Pay Section (Perforations)	5918'-6332'		7342'-7745'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
5. Bottomhole Pressure	a. (Current) psi	a. psi	a. psi
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original)	b.	b.
6. Oil Gravity (^o API) or Gas BTU Content	40.1		40.1
7. Producing or Shut-In?	Producing		New Zone
Production Marginal? (yes or no)			
* If Shut-In, give date and oil/gas/water rates of last production	Date: Rates:	Date: Rates:	Date: Rates:
Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data			
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: 2-2000 Rates: 10 oil, 40 gas, 35 water	Date: Rates:	Date: 5-2000 Rates: 38 oil, 72 gas, 33 water (See Attached)
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 21% Gas: 36% H2O: 51%		Oil: 79% Gas: 64% H2O: 49%

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 Gerald Lucero TITLE Manager of Operations DATE June 15, 2000TYPE OR PRINT NAME Gerald Lucero TELEPHONE NO. (303) 675-0007
Prepared By: April J. Carlson TELEPHONE NO. (303) 675-0007 Ext. 134

Falcon Creek Resources, Inc.
 Kyte #9 Commingling Allocations

Kyte #9 Blinebry Daily Production in March 00		
Oil	Gas	Water
10	40	35

**Kyte #9 Daily Production #'s
after Testing Commingling w/
Abo**

	Oil	Gas	Water
5/13/00	38	142	48
5/14/00	40	150	50
5/15/00	57	143	55
5/16/00	51	140	40
5/17/00	50	126	90
5/18/00	47	118	53
5/19/00	50	101	80
5/20/00	52	101	68
5/21/00	42	130	165
5/22/00	54	115	80
5/23/00	45	91	64
5/24/00	45	86	64
5/25/00	45	100	59
5/26/00	48	111	50
5/27/00	50	100	60
5/28/00	50	100	60
5/29/00	49	90	80
5/30/00	51	96	70
5/31/00	54	96	63
Total	918	2136	1299
Daily Avg.	48	112	68

**Kyte #9 Abo Production Avg.
(New Prod. # minus Blinebry
Prod. #'s)**

Oil	Gas	Water
38	72	33

Kyte #9 Blinebry Commingling Allocations		
Oil	Gas	Water
21%	36%	51%
Kyte #9 Abo Commingling Allocations		
Oil	Gas	Water
79%	64%	49%

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

ADP Number 30-025-34457	Pool Code 06660	Pool Name Blinebry Oil & Gas (Oil)
Property Code 23402	Property Name KYTE	Well Number 9
OGRID No. 169415	Operator Name FALCON CREEK RESOURCES	Elevation 3567

Surface Location

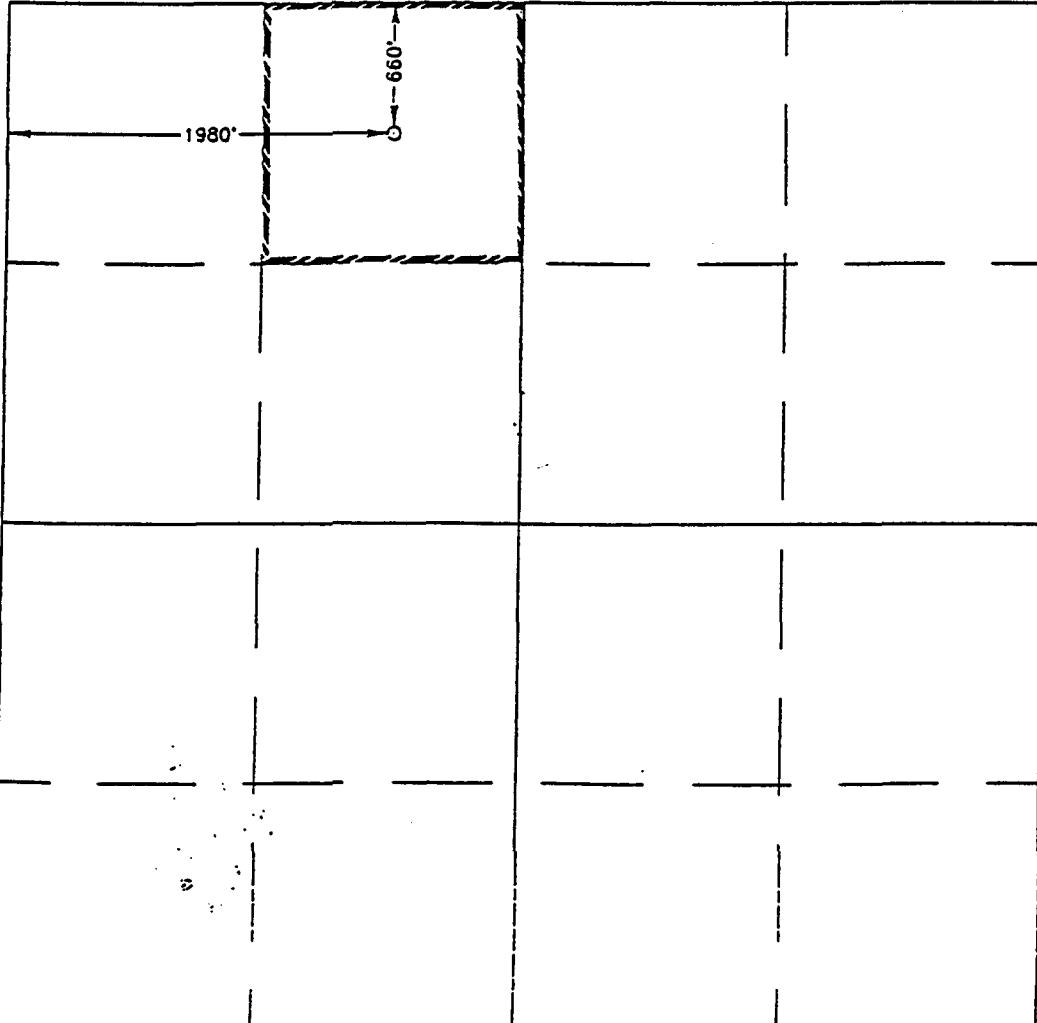
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	23	20 S	38 E		660	NORTH	1980	WEST	LEA

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.
40			

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 hereto is true and complete to the best of my knowledge and belief.</p> <p><u>Gerald Lucero</u> Signature</p> <p><u>Gerald Lucero</u> Printed Name</p> <p><u>Manager of Operations</u> Title</p> <p><u>June 15, 2000</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><u>JUNE 29, 1998</u> Date Surveyed</p> <p><u>Ronald J. Eason</u> Signature & Seal of Professional Surveyor</p> <p><u>7-02-98</u> Date</p> <p>7-02-98 198-11-09-98</p> <p>Certificate No. RONALD J. EASON 3239 GARY EASON 1264 WESLEY MCCONALD 12185</p>

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

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1000 Rio Brazos Rd., Aztec, NM 87410

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

☐ AMENDED REPORT

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Property Code 23402	Property Name KYTE	Well Number 9
OGRID No. 169415	Operator Name FALCON CREEK RESOURCES	Elevation 3567

Surface Location

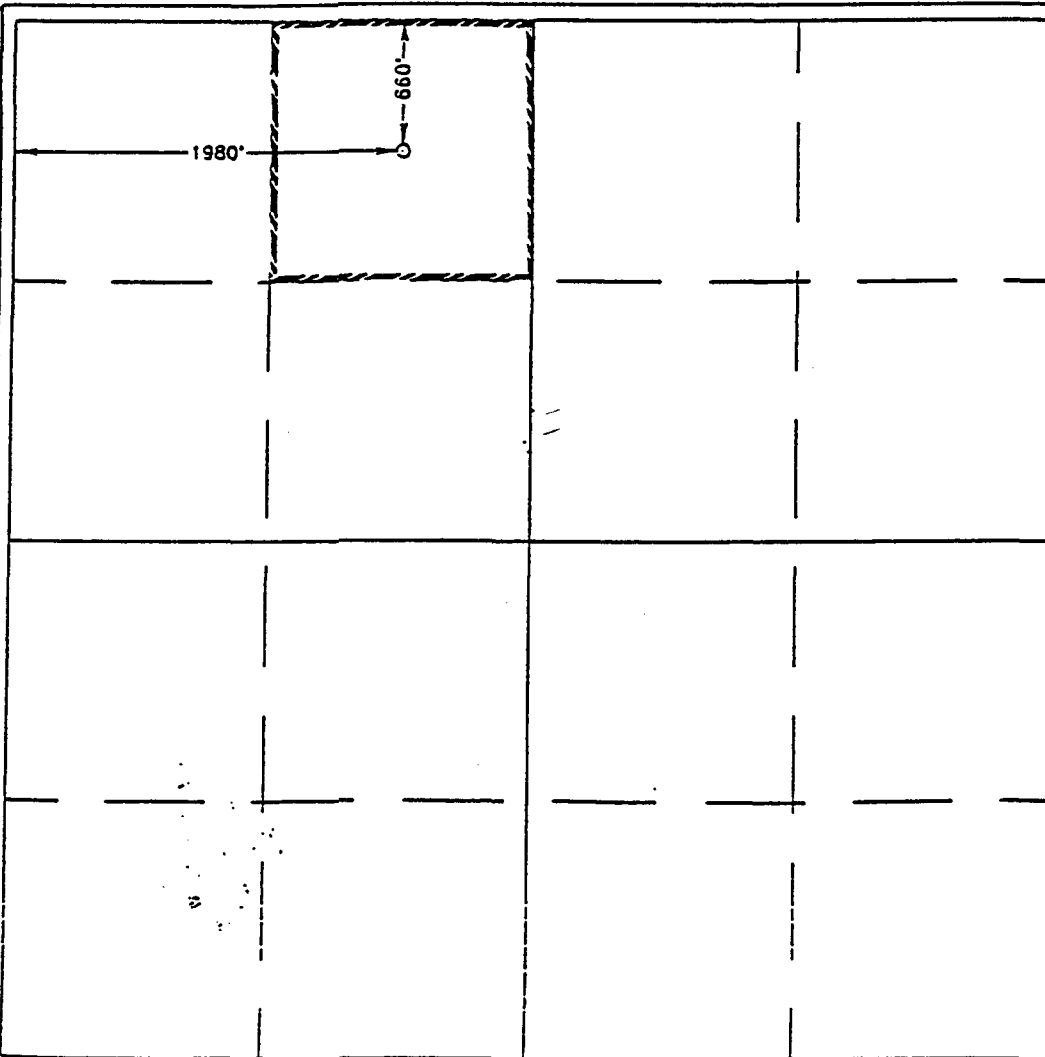
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature

Printed Name

Joe H. Cox Jr.

Title

Senior Engineer

Date May 1, 2000

SURVEYOR CERTIFICATION

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.

JUNE 29, 1998

Date Surveyed

DMCC

Signature & Seal of
Professional Surveyor

Ronald J. Eason 7-02-98
198-11-09-98

Certificate No. RONALD J. EASON 3239
GARY EASON 1264
MASON MCCONALC 12145

Property Kyte #9
Working Interest Owners

Patco Ltd
7977 Caruth Court
Dallas, TX 75225

Rodney L. Seale
6932 Alyssa Ct.
Farmington, NM 87402

TRANSMITTAL COVER SHEET

**OIL CONSERVATION DIVISION
ENGINEERING BUREAU
(505) 827-7131 (OFFICE)
(505) 827-1389 (FAX)**

PLEASE DELIVER THIS FAX TO:

TO: April Carlson, FCR
FROM: Kathy Valdes
SUBJECT: DHC-2775
DATE: 9/6/00
PAGES: 2

**IF YOU HAVE ANY PROBLEMS RECEIVING THIS FAX, PLEASE CALL THE
OFFICE NUMBER ABOVE.**