

# FALCON CREEK RESOURCES, INC.

19

621 Seventeenth Street, Suite 1800  
Denver, CO 80293-0621

Telephone 303-675-0007  
Facsimile 303-675-0008

February 17, 2000

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, NM 87505

Re: Application of Falcon Creek Resources, Inc. for Enhanced Oil Recovery  
Project Qualification for the Recovered Oil Tax Rate for the West Teas  
(Yates-Seven Rivers) Unit, Lea County, New Mexico.

Dear Ms. Wrotenbery:

Falcon Creek Resources, Inc. hereby makes application to qualify the West Teas (Yates-Seven Rivers) Unit for the recovered oil tax rate as authorized by the Enhanced Oil Recovery Act. Falcon Creek Resources, Inc. plans to commence drilling, recompletions and conversions of wells to implement a waterflood project in this unit and is making application pursuant to the rules promulgated by Commission Order No. R-9708 entered on August 27, 1992.

In accordance with Order No. R-9789, Falcon Creek Resources provides the following information:

**A. Operator's name and address:**

Falcon Creek Resources, Inc.  
621 17<sup>th</sup> Street, Suite 1800  
Denver, CO 80293

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Case No. 12331 and 12332 Exhibit No. 19  
Submitted by:  
Falcon Creek Resources, Inc.  
Hearing Date: February 17, 2000

**B. Description of the Project Area:**

1. A plat showing the project area is attached hereto as Exhibit A.
2. Description of the Project Area:

**TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM**

Section 4: SE/4

Section 9: S/2, NE/4, S/2 NW/4, NE/4 NW/4

Section 16: N/2, N/2 SW/4, NW/4 SE/4

Section 17: E/2 NE/4, NE/4 SE/4

3. Total Acres in project area: 1,320.00
4. Name of the subject pool and formation:

West Teas (Yates-Seven Rivers) Pool  
Yates-Seven Rivers formation

**C. Status of operations in the project area:**

The area which is the subject of this application is currently being developed with primary production operations.

**D. Method of Recovery to be used:**

Injection fluids: waterflood

**E. Description of Project:**

1. List of producing wells: Exhibit B attached hereto
2. List of injection wells: Exhibit B attached hereto
3. Capital cost of additional facilities: \$ 3.4 million
4. Total project costs: \$ 3.4 million
5. Estimated total value of the additional production that will be recovered as a result of the project expansion: An additional 2.1 million barrels valued at \$ 8 million.

6. Anticipated date for commencement of injection:  
March 2000 or ASAP.
7. Type of fluid to be injected and the anticipated volume: Water will be injected at an anticipated daily rate of 3,600 barrels in the project area.

**F. Project History and Forecast:**

See the production curve marked as Exhibit C which shows the production history and forecast, respectively, for the project area.

Very truly yours,



Joe H. Cox, Jr.  
Senior Engineer  
Falcon Creek Resources, Inc.

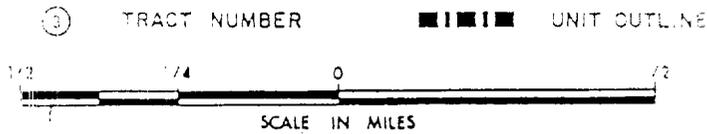
# FALCON CREEK RESOURCES, INC.

DENVER, COLORADO

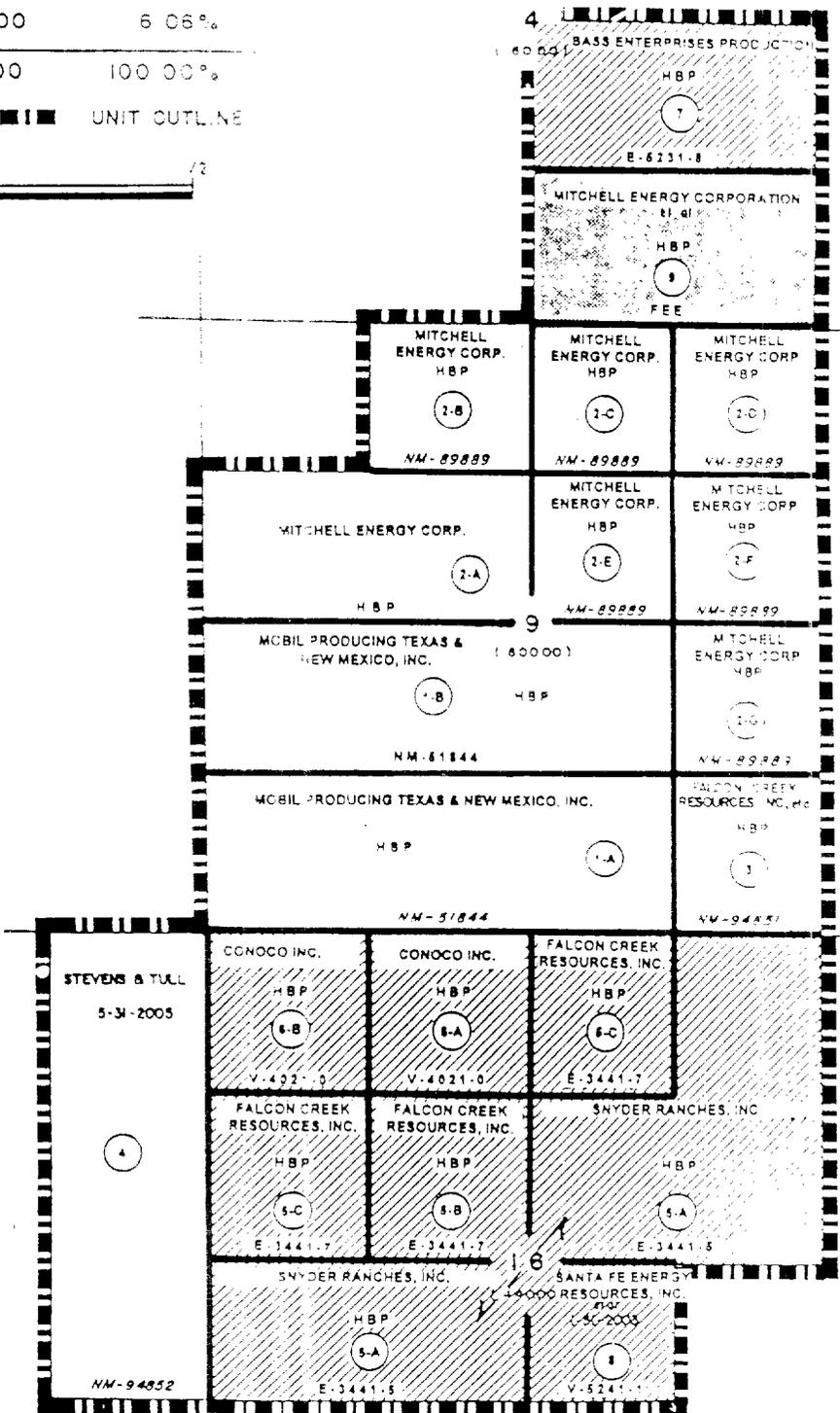
9-20-99

	ACREAGE	PERCENTAGE
FEDERAL LANDS	720.00	54.55%
STATE LANDS	520.00	39.39%
PATENTED LANDS	80.00	6.06%
<b>TOTAL</b>	<b>1,320.00</b>	<b>100.00%</b>

## R 33 E



## T 20 S



17  
(120.00)

EXHIBIT A

## WEST TEAS (YATES-SEVEN RIVERS) UNIT AREA

LEA COUNTY, NEW MEXICO

**Falcon Creek Resources, Inc.  
West Teas (Yates - Seven Rivers) Unit**

Unit	Tract	Section	spacing unit	Original Lease / Well Name	Redesignated Well		Well Status	
					Unit Name	Unit Number	Stage I	Stage II
7	4	4	J	Anasazi "4" State #3	W/TU	433	Injector	Injector
9	4	4	O	Scharbauer "4" #1	W/TU	434	Producer	Producer
9	4	4	P	Scharbauer "4" #3	W/TU	444	Injector	Injector
2-D	9	9	A	Federal "9" #5	W/TU	941	Producer	Producer
2-C	9	9	B	Federal "9" #2	W/TU	931	Producer	Producer
2-B	9	9	C	Federal "9" #3	W/TU	921	Injector	Injector
2-A	9	9	E	Barber Federal #2	W/TU	912	Injector	Injector
2-A	9	9	F	Barber Federal #1	W/TU	922	Producer	Producer
2-E	9	9	G	Federal "9" #1	W/TU	932	Producer	Producer
2-F	9	9	H	Federal "9" #6	W/TU	942	Injector	Injector
2-G	9	9	I	Federal "9" #7	W/TU	943	Producer	Producer
1-B	9	9	J	Federal #3	W/TU	933	Producer	Producer
1-B	9	9	K	Federal #1	W/TU	923	Producer	Producer
1-B	9	9	L	Federal #2	W/TU	913	Producer	Producer
1-A	9	9	N	New well to be drilled in Stage II	W/TU	924	Producer	Producer
1-A	9	9	M	New well to be drilled in Stage II	W/TU	914	Injector	Injector
3	9	9	P	Federal "9" #8	W/TU	944	Producer	Injector
5-A	16	16	A	State "BF" #4 (SI)	W/TU	641	Injector	Injector
6-A	16	16	C	Conoco St. #1	W/TU	621	Producer	Producer
6-B	16	16	D	Conoco St. #2	W/TU	611	Producer	Injector
5-B	16	16	F	Arco "886 State #1	W/TU	622	Producer	Producer
5-A	16	16	G	State "BF" #1 (TA)	W/TU	632	Shut in	Producer
5-A	16	16	G	Anasazi "16" State #1 (SWD)	W/TU	600	SWD	SWD
5-A	16	16	L	State "BF" #3	W/TU	613	Producer	Producer
5-C	16	16	B	New well to be drilled in Stage II	W/TU	631	Producer	Producer
5-C	16	16	E	New well to be drilled in Stage II	W/TU	612	Producer	Producer
5-A	16	16	H	New well to be drilled in Stage II	W/TU	642	Injector	Injector
8	16	16	J	New well to be drilled in Stage II	W/TU	633	Producer	Producer
5-A	16	16	K	New well to be drilled in Stage II	W/TU	623	Injector	Injector
4	17	17	H	New well to be drilled in Stage II	W/TU	742	Injector	Injector