



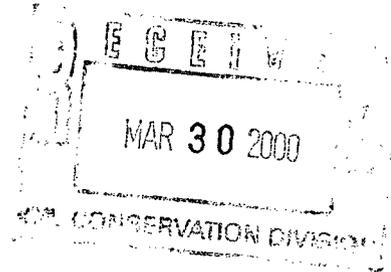
FALCON CREEK RESOURCES, INC.

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

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

March 27, 2000

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



RE: Application for Downhole Commingling
Federal 24-6
"I" Section 24, T20S-R38E
Lea County, New Mexico

Attention: David Catnack

Please find enclosed a corrected C-107 with a detail sheet attached. I sent you a revised C-107 early last week to include the new formations, but I was using the production numbers for this well. I have corrected the allocations and attached a detail sheet to the C-107 to show how we got our new allocation percentages. Thank you for your prompt attention to this matter and please contact me at the number above if you have any questions or comments.

Sincerely,

April J. Carlson
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	Blinebry	Tubb	<i>Und. Dt.</i> Drinkard
2. Top and Bottom of Pay Section (Perforations)	6458'-6106'	6584'-6736'	7000'-7086'
3. Type of production (Oil or Gas)	Oil	Oil	Oil
4. Method of Production (Flowing or Artificial Lift)	Pumping	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)	a. psi	a.
	b. (Original) Unknown	b.	b. Unknown
6. Oil Gravity (^o API) or Gas BTU Content			
7. Producing or Shut-In?	New	Shut-In	Producing
Production Marginal? (yes or no)			
* If Shut-In, give date and oil/gas/water rates of last production 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: 02-2000 Rates: 27 BOPD, 46 MCFD, 39 BWPD See Attached	Date: 12-1998 Rates: 10 BOPD, 14 MCF, 6 BWPD	Date: Rates:
	Date: Rates:	Date: Rates:	Date: 1-2000 Rates: 33 BOPD, 56 MCFD, 36 BWPD
8. Fixed Percentage Allocation Formula -% for each zone (total of %'s to equal 100%)	Oil: 34% Gas: 35% Water: 43%	Oil: 12% Gas: 11% Water: 11%	Oil: 41% Gas: 43% Water: 40%

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 Gerald Lucero TITLE Mgr of Operations DATE March 23, 2000

TYPE OR PRINT NAME Gerald Lucero TELEPHONE NO. (303) 675-0007

Please see attached sheets for an additional zone. We need the commingling permit to include four zones.

Falcon Creek Resources, Inc.
Federal 24-6 Downhole Commingling Allocations

Drinkard Test Period 1-15-00 thru 1-25-00

	BOPD			Total of Well Test		
	BOPD	BWPD	MCFD	BOPD	BWPD	MCFD
1/15/00	15	50	20	80	90	132
1/16/00	40	60	50			
1/17/00	40	44	55			
1/18/00	36	35	60			
1/19/00	30	33	61			
1/20/00	36	30	60			
1/21/00	30	23	50			
1/22/00	27	20	50			
1/23/00	28	24	55			
1/24/00	25	20	44			
1/25/00	25	18	58			
Total	332	357	563			
Total/ 10days	33.2	35.7	56.3			

Allocations			
↓2			
Drinkard			
BOPD	BWPD	MCFD	
41%	40%	43%	
Blinebry			
BOPD	BWPD	MCFD	
34%	43%	35%	
Abo			
BOPD	BWPD	MCFD	
12%	11%	11%	
Tubb			
BOPD	BWPD	MCFD	
12%	7%	11%	

Blinebry Test Period 2-19-00 thru 2-29-00

	BOPD	BWPD	MCFD
2/19/00	60	60	50
2/20/00	32	70	85
2/21/00	30	70	70
2/22/00	43	60	70
2/23/00	38	40	80
2/24/00	26	40	30
2/25/00	30	30	40
2/26/00	10	15	30
2/27/00	0	0	0
2/28/00	0	0	0
2/29/00	0	0	0
Total	269	385	455
Total/ 10days	26.9	38.5	45.5

Abo Before Shut-In 10-1998

BOPD	BWPD	MCFD
10	10	15

Tubb Before Shut-In 12-1998

BOPD	BWPD	MCFD
10	6	15



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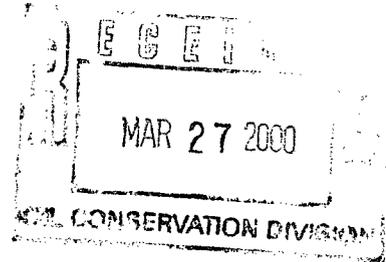
Telephone 303-675-0007
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AMEND DHC 4/17/00

March 23, 2000

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

RE: Application for Downhole Commingling
Federal 24-6
"I" Section 24, T20S-R38E
Lea County, New Mexico



Attention: David Catnack

Please find enclosed a corrected C-107 with a detail sheet attached. This well was originally commingled in the Tubb and Abo we have now added the Drinkard and Blinebry. The approved commingling permit is DHC-2166 (approved January 4, 99). The corrected production allocations are attached to the new C-107.

Please contact me at the number above if you have any questions or comments regarding the application or the corrections. Thank you in you prompt attention to this matter.

Sincerely,


April J. Carlson
Operations Technician

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	b. (Original) Unknown	b.	b. Unknown
6. Oil Gravity (°API) or Gas BTU Content			
7. Producing or Shut-In?	New	Shut-In	Producing
Production Marginal? (yes or no)			
* If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	Date: 03-2000 Rates: 1 BOPD, 2 MCFD, 29 BWPD See Attached	Date: 12-1998 Rates: 10 BOPD, 14 MCF, 6 BWPD	Date: Rates:
	Date: Rates:	Date: Rates:	Date: 1-2000 Rates: 19 BOPD, 70 MCFD, 34 BWPD
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)			
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 7% Gas: 10% Water: 2%	Oil: 30% Gas: 1% Water: 44%	Oil: 63% Gas: 89% Water: 54%

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.

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SIGNATURE Gerald Lucero TITLE Mgr of Operations DATE March 23, 2000

TYPE OR PRINT NAME Gerald Lucero TELEPHONE NO. (303) 675-0007

Please see attached sheets for an additional zone. We need the commingling permit to include four zones.

Falcon Creek Resources, Inc.

Federal 24-6

Test period 3-11-00 thru 3-20-00

Commingled Daily Averages

Oil	Gas	Water
40	100	79

	Abo	
Oil	Gas	Water
10	14	10

	Tubb	
Oil	Gas	Water
10	14	6

	Drinkard	
Oil	Gas	Water
19	70	34

Total of Actual Daily Estimates

Oil	Gas	Water
39	98	50

	Blinebry	
Oil	Gas	Water
1	2	29

Commingled Allocations		
Abo		
Oil	Gas	Water
25%	14%	13%
Blinebry		
Oil	Gas	Water
3%	2%	37%
Drinkard		
Oil	Gas	Water
49%	71%	68%
Tubb		
Oil	Gas	Water
25%	14%	8%

Blinebry is figured by subtracting the actual daily estimates from the commingled daily estimates

Falcon Creek Resources, Inc.

Federal 24 #6
 Warren Field
 "J" Section 24, T20S, 38E
 1980' FSL, 1980' FEL
 Lea County, New Mexico
 GR: 3577'

Initial Completion

Spud well: 8-8-98
 Perf Lower Abo Formation: 7,510'-7,530'
 Acidize w/ 9000 gal Xlink gel acid
 Set CIBP @ 7,500'
 Perf Upper Abo Formation: 7346'-50, 7360'-62',
 7364'-66', 7368'-70', 7378'-80', 7382'-84', 7386'-
 88', 7401'-14', 7418'-24', 7435'-39', 7464'-66',
 7472'-76' w/ 2jspf
 Acidize w/ 3000 gal 15% NeFe acid @ 3.9bpm
 Pump 10-10-98 (after 12 days) 10 BO + 15 MCF +
 10 BW.
 Set CIBP @ 7010'

10/13/98

Perf Tubb Formation: 6584'-6588', 6676'-6684',
 6728'-6736' w/ 2 jspf Total 43 holes
 Acidize w/ 3500 gal 15% NeFe @ 6 bpm
 Frac w/ 72,877 gal Borate gel & 22,500# 100
 mesh sd, 156,000# 16/30 Ottawa sd.
 12-4-98 Pump 10 BO + 15 MCF + 6 BW.

1/7/00

Drillout CIBP at 7010'
 Perf Abo (Skaggs) 7245-7255 2 spf
 Formation broke at 4200 psi switch to 20% acid
 pump 825 gallons then pump 700 gallons 28% SXE
 when well locked down. Re-acidize, formation broke
 at 5000 psi. pump 1750 gallons of 20% breakdown at
 5 bpm, 6100 psi. switch 28% SXE, pump 1000 gallons
 at 6.5 bpm at 5300 psi, flush with 45 bbls 2% KCl.
 ISIP 2307 psi, 15 min 2000 psi. Swab well next day.
 5th and final hour FL 6400' rec. 8 bbls light gas with
 40% oil cut.

1/12/00 Perf Drinkard 7000-12, 7020-28, 7036-42,
 7080-86. Breakdown at 2500 psi., pump 1500 gals.
 15% NEFE at 2900 psi., pump 1000 gals. 28% SXE
 at 7 bpm at 3800 psi., pump 3000 gals. 28% SXE
 with 108 balls at 8 bpm at 4100 psi., pump 1760 gals.
 28% SXE at 4000 psi. flush with 44 bbls. 2% KCl
 ISIP 2330 psi., 15 min. 2179 psi. Swab well next day
 rec. 199 bbls water (total load was 250 bbls) plus 104
 bbls oil. Put well on pump.

2/7/00 Perf Blinebry B-5 6458-6464, B-4 6311-6322
 6326-6330, B1L 6070-6087, 6096-6106.

Isolate B-5 perfs, formation broke at 3700 psi. pump 175
 gals. 15% acid then pump 1050 gals. 28% SXE with 21
 balls ave. rate 6 bpm at 3500 psi. ISIP 2138 psi, 15 min. 1831 psi.
 Isolate B-4 perfs, formation broke at 2680 psi., pump 425 gals.
 15% then pump 2550 gals. 28% SXE with 51 balls. Ave rate
 8 bpm at 3500 psi. ISIP 2300 psi. 15 min 2092 psi.
 Isolate B-1L perfs, formation broke at 2700 psi pump 725 gals.
 15% then pump 4350 gals. 28% SXE with 87 balls. Ave rate
 8 bpm at 3800 psi. ISIP 2200 psi., 15 min. 1630 psi. Isolated
 B-4 and B-1L for swab test. 2/18/00 put Blinebry on pump.

Blinebry Perfs
 B-5 6458-6464
 B-4 6311-6330
 B-1L 6070-6106

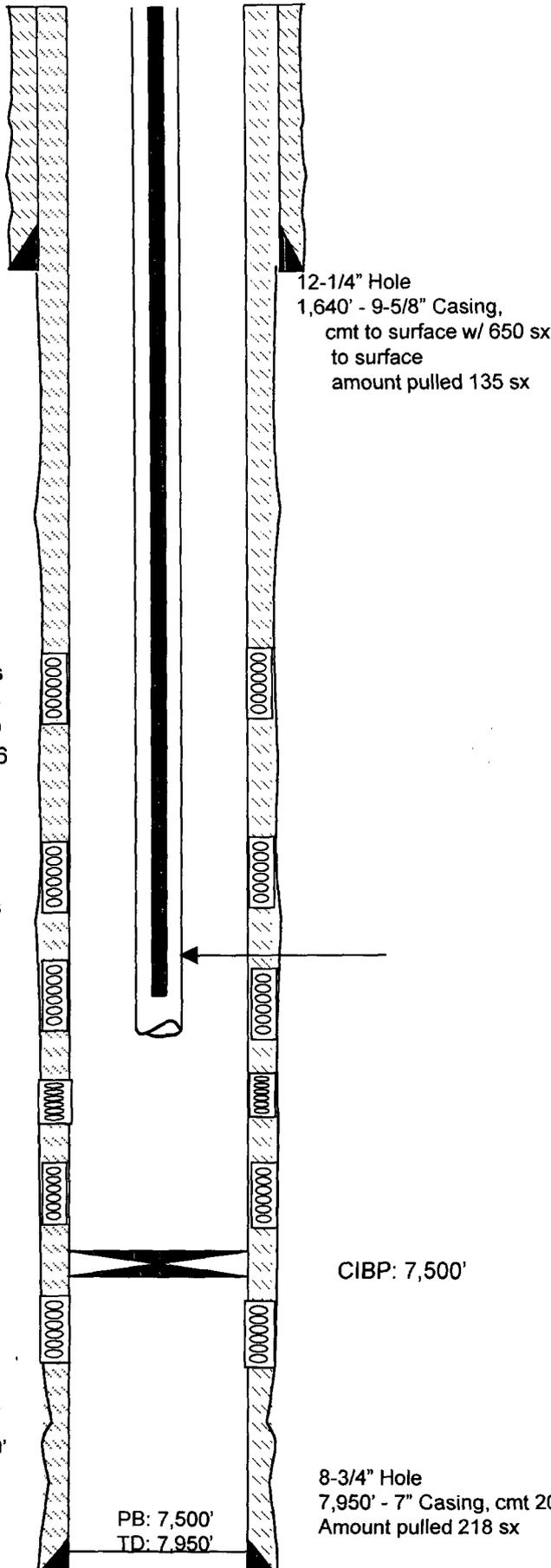
Tubb Perfs:
 6,584'-6,736'
 Total 43 holes

Drinkard Perfs
 7000-7086

Abo Perfs
 7245-7455

Upper Abo Perfs:
 7,346'-7,476'
 2 jspf

Lower Abo Perfs:
 7,510'-7,530'
 4 jspf



12-1/4" Hole
 1,640' - 9-5/8" Casing,
 cmt to surface w/ 650 sx
 to surface
 amount pulled 135 sx

CIBP: 7,500'

8-3/4" Hole
 7,950' - 7" Casing, cmt 2040' sx to surface
 Amount pulled 218 sx

Updated 3/1/00