

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

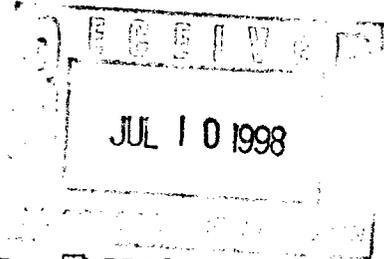
 NSL NSP DD SD

Check One Only for [B] and [C]

[B] Commingling - Storage - Measurement

 DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

 WFX PMX SWD IPI EOR PPR[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply[A] Working, Royalty or Overriding Royalty Interest Owners[B] Offset Operators, Leaseholders or Surface Owner[C] Application is One Which Requires Published Legal Notice[D] Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,[F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Oscar L. Peters
Print or Type NameOscar L. Peters
SignatureDistrict Engineer
TitleJuly 7, 1998
Date

KELLAHIN AND KELLAHIN
ATTORNEYS AT LAW
EL PATIO BUILDING
117 NORTH GUADALUPE
POST OFFICE BOX 2265
SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

July 10, 1998

HAND DELIVERED

Mr. David R. Catanach
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87501

RE: **Anasazi "16" State Well No. 1**
Unit G, Section 16, T20S, R33E
Administrative Application of
Falcon Creek Resources Inc. to amended
injection interval authorized by
Administrative Order SWD-663
Lea County, New Mexico

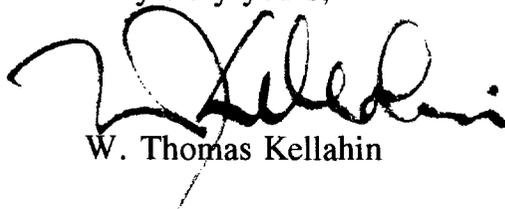
JUL 10 PM 2:07

OIL CONSERVATION DIV

Dear Mr. Catanach:

On behalf of Falcon Creek Resources, Inc. the successor operator to Stevens & Tull, Inc., please find enclosed our administrative application in which we seek to amend the injection intervals for this salt water disposal well previously approved by Division Administrative Order SWD-663 issued May 7, 1997 and as amended on April 20, 1998

Very truly yours,



W. Thomas Kellahin

cfx: Falcon Creek Resources, Inc.
Attn: Oscar L. Peters

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE ADMINISTRATIVE
APPLICATION OF FALCON CREEK RESOURCES, INC.
TO AMEND ADMINISTRATIVE ORDER SWD-663
LEA COUNTY, NEW MEXICO**

ADMINISTRATIVE APPLICATION

Comes now Falcon Creek Resources, Inc., by and through its attorneys, Kellahin and Kellahin, and in accordance with Division General Rule 701.C and 701.E, applies to the New Mexico Oil Conservation Division to amend Administrative Order SWD-663 to change the approved injection interval in its Anasazi "16" State Well No 1, located 1730 feet from the North line and 1980 feet from the East line of Section 16, T20S, R33E, Lea County New Mexico, from the current perforations from 7,720 feet to 7,886 feet being within the Delaware formation to the proposed perforations from 5,554 feet to 5,684 feet being within the Delaware formation, and in support states:

(1) Stevens & Tull, Inc. was the operator of the subject well which was approved for disposal of water produced from the Yates formation into the Bone Springs formation. **See Division Administrative Order SWD-66 dated May 7, 1997 attached as Exhibit "A"**.

(2) Stevens & Tull, Inc. pressured up the Bone Springs formation to 1,500 pounds and was only able to disposal of water at the rate of 60 BWPD into that formation.

(3) Stevens & Tull, Inc. requests authority to attempt to utilize the Delaware formation in this wellbore for disposal through perforations from 7,720 feet to 7,736 feet and from 7,872 feet to 7,886 feet. **See Division Amended Administrative Order SWD-633 dated April 20, 1998 attached as Exhibit "B"**.

(4) Falcon Creek Resources, Inc. has acquired this wellbore and is now the operator and submits herewith its Division Form C-108. **See Exhibit "C"**.

**Administrative Application of
Falcon Creek Resources Inc.
Page 2**

(5) Falcon Creek Resources, Inc. has studied the available data and has determined that another interval in the Delaware between 5,554 feet and 5,684 feet may be suitable for water disposal. Based upon log calculations, the interval is water bearing and is not productive of hydrocarbons within at least one mile radius. **See Exhibit "D" attached.**

(4) The subject well is offset by those operators listed on Exhibit "E" attached.

WHEREFORE, Falcon Creek Resources, Inc. requests that this matter be approved administratively by the Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', with a stylized flourish at the end.

W. Thomas Kellahin
Kellahin and Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

AMENDED ADMINISTRATIVE ORDER SWD-663

*APPLICATION OF STEVENS & TULL, INC. FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.*

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

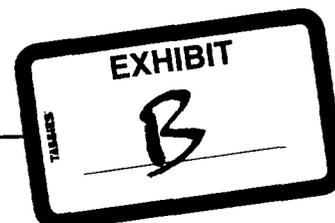
Under the provisions of Rule 701(B), Stevens & Tull, Inc. made application to the New Mexico Oil Conservation Division on March 13, 1998, for permission to complete for salt water disposal its Anasazi '16' State Well No.1 located 1730 feet from the North line and 1980 feet from the East line (Unit G) of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, is hereby authorized to complete its Anasazi '16' State Well No.1 located 1730 feet from the North line and 1980 feet from the East line (Unit G) of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Delaware formation at approximately 7,720 feet to 7,886 feet through 2 7/8-inch plastic-lined tubing set in a packer located at approximately 7,620 feet.



IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than **1544 psi**.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the **Delaware** formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, and in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

Amended Administrative Order SWD-663

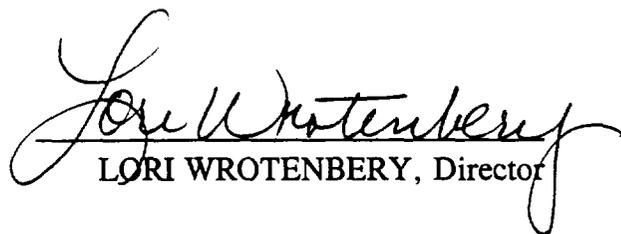
Stevens & Tull, Inc.

April 20, 1998

Page 3

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 20th day of April, 1998.


LORI WROTENBERY, Director

S E A L

LW/BES/kv

cc: Oil Conservation Division - Hobbs
NM State Land Office - Oil & Gas Division



ADMINISTRATIVE ORDER SWD-663

*APPLICATION OF STEVENS & TULL, INC. FOR SALT WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.*

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Stevens & Tull, Inc. made application to the New Mexico Oil Conservation Division on May 7, 1997, for permission to complete for salt water disposal its Anasazi '16' State Well No.1 located 1730 feet from the North line and 1980 feet from the East line (Unit G) of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, is hereby authorized to complete its Anasazi '16' State Well No.1 located 1730 feet from the North line and 1980 feet from the East line (Unit G) of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Bone Spring formation at approximately 9,306 feet to 9,352 feet through 2 7/8-inch plastic-lined tubing set in a packer located at approximately 9,206 feet.



IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1861 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Bone Spring formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

Administrative Order SWD-663

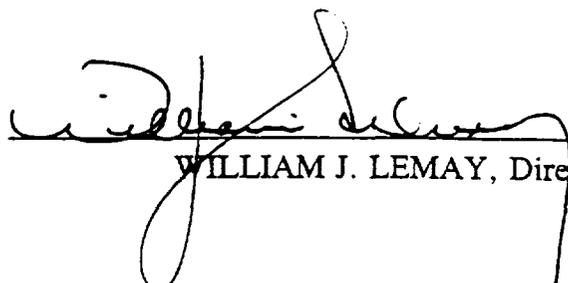
Stevens & Tull, Inc.

July 2, 1997

Page 3

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 2nd day of July, 1997.


WILLIAM J. LEMAY, Director

S E A L

WJL/BES

xc: Oil Conservation Division - Hobbs
NM State Land Office - Oil & Gas Division

APPLICATION FOR AUTHORIZATION TO INJECT

I. Purpose: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No

II. Operator: Falcon Creek Resources, Inc.

Address: 621 17th Street, Suite 1800 Denver, Co 80293-0621

Contact party: Oscar L. Peters Phone: (303) 675-0007

III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project Amended SWD-663

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)

XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: W. Thomas Kestabin Title Attorney

Signature: [Handwritten Signature] Date: 7/10/98

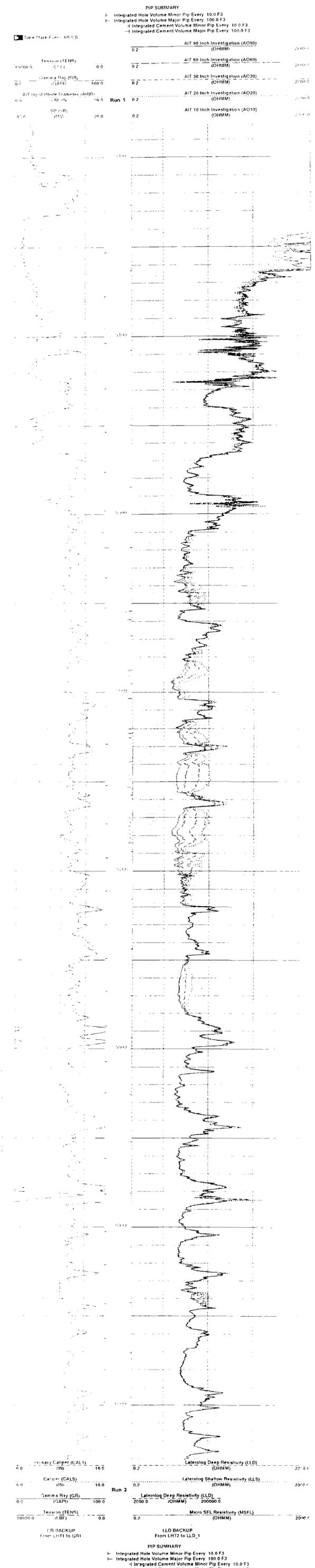
If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the original submission. See SWD-663



Send one copy to Santa Fe with one copy to the appropriate Division

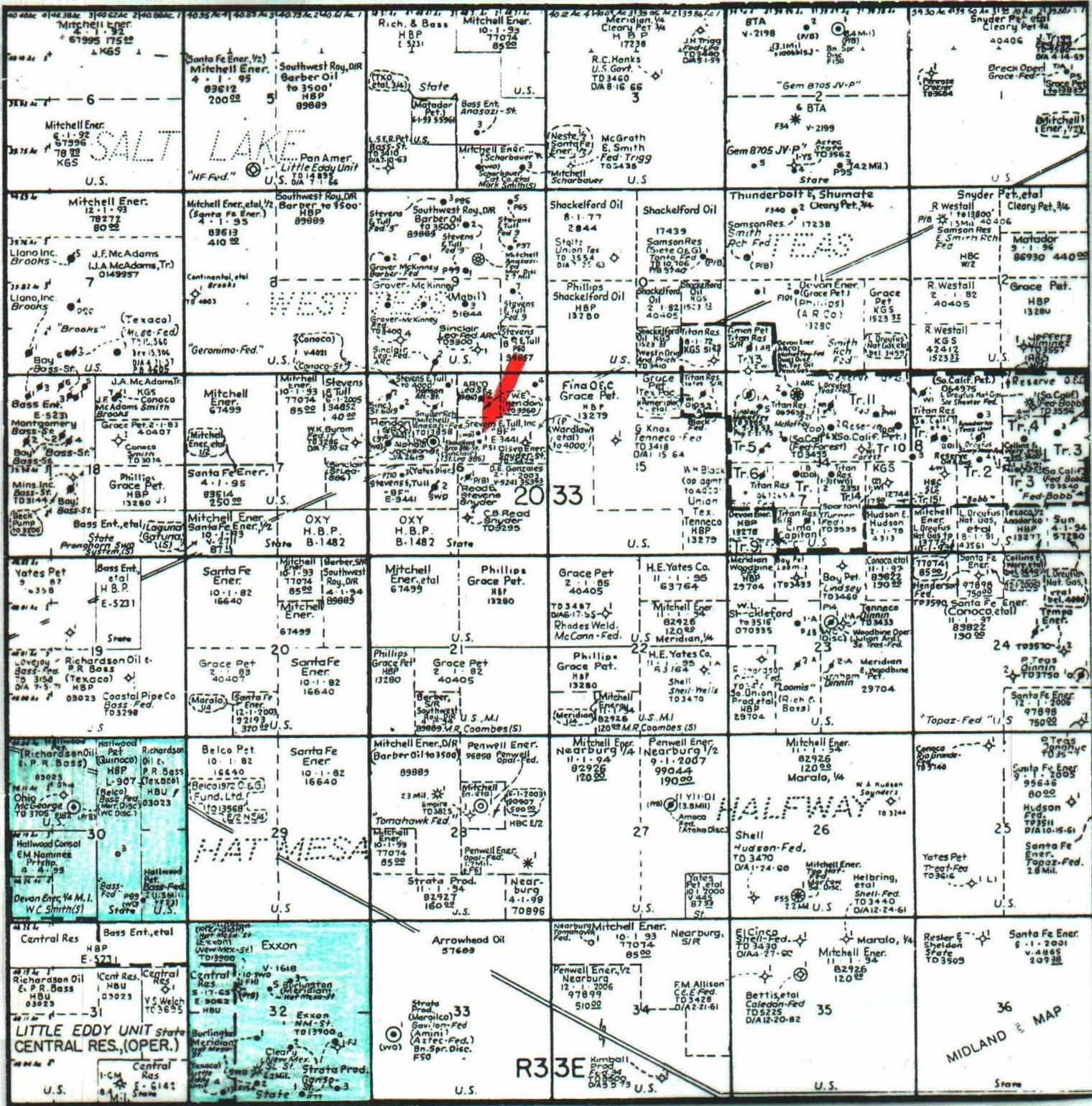
Schlumberger ARRAY INDUCTION IMAGER AND DUAL LATEROLOG/ MICRO-SFL		FINAL COMPOSITE	
Company: MITCHELL ENERGY CORPORATION Well: ANASAZI 116 STATE COM #1 Field: WEST TEAS (MORROW) County: LEA State: NEW MEXICO		Location: 1307 PNL & 1800 FEL Well: ANASAZI 116 STATE COM #1 Company: MITCHELL ENERGY CORP	
Date: 11 JUN 93 Time: 1:00 Operator: J. J. ... Recorder: ... Plotter: ... Printer: ... Plot Size: ... Plot Speed: ... Plot Resolution: ... Plot Orientation: ... Plot Scale: ... Plot Units: ... Plot Color: ... Plot Font: ... Plot Title: ... Plot Footer: ... Plot Header: ... Plot Legend: ... Plot Annotations: ... Plot Margins: ... Plot Orientation: ... Plot Scale: ... Plot Units: ... Plot Color: ... Plot Font: ... Plot Title: ... Plot Footer: ... Plot Header: ... Plot Legend: ... Plot Annotations: ... Plot Margins: ...	Run No.: 1 Run Name: ... Run Date: ... Run Time: ... Run Operator: ... Run Recorder: ... Run Plotter: ... Run Printer: ... Run Plot Size: ... Run Plot Speed: ... Run Plot Resolution: ... Run Plot Orientation: ... Run Plot Scale: ... Run Plot Units: ... Run Plot Color: ... Run Plot Font: ... Run Plot Title: ... Run Plot Footer: ... Run Plot Header: ... Run Plot Legend: ... Run Plot Annotations: ... Run Plot Margins: ...	Log No.: ... Log Name: ... Log Date: ... Log Time: ... Log Operator: ... Log Recorder: ... Log Plotter: ... Log Printer: ... Log Plot Size: ... Log Plot Speed: ... Log Plot Resolution: ... Log Plot Orientation: ... Log Plot Scale: ... Log Plot Units: ... Log Plot Color: ... Log Plot Font: ... Log Plot Title: ... Log Plot Footer: ... Log Plot Header: ... Log Plot Legend: ... Log Plot Annotations: ... Log Plot Margins: ...	Log No.: ... Log Name: ... Log Date: ... Log Time: ... Log Operator: ... Log Recorder: ... Log Plotter: ... Log Printer: ... Log Plot Size: ... Log Plot Speed: ... Log Plot Resolution: ... Log Plot Orientation: ... Log Plot Scale: ... Log Plot Units: ... Log Plot Color: ... Log Plot Font: ... Log Plot Title: ... Log Plot Footer: ... Log Plot Header: ... Log Plot Legend: ... Log Plot Annotations: ... Log Plot Margins: ...

Bottom Temperature (BHT): 125.000 DEG
 Form Factor Numerator: 1.000
 Form Factor Denominator: 2.500
 AIT Ancillary Profile Control Parameters:
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 Radial Profile On: Radial Profile On
 Radial Parameterization On: Radial Parameterization On
 AIT Radial Mode (ARPM): 0_One



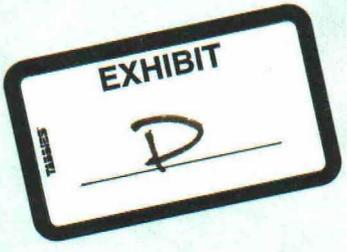
OP System Version: 5C0-423
 BSP 55423K 146

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Output DLIS Files						



ANASAZI # 16 State Com # 1

Delaware Production within T20S - R33E



SWD-663
Falcon Creek Resources, Inc.

Notification list

Offset Operators:

Reliance Operating
P. O. Box 10946
Midland, Texas 79702

Fina Oil & Chemical Company
6 Desta Drive, Ste 4400
Midland, Texas 79705

Wilbur Shackleford
512 New Mexico Drive
Roswell, New Mexico 88201

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

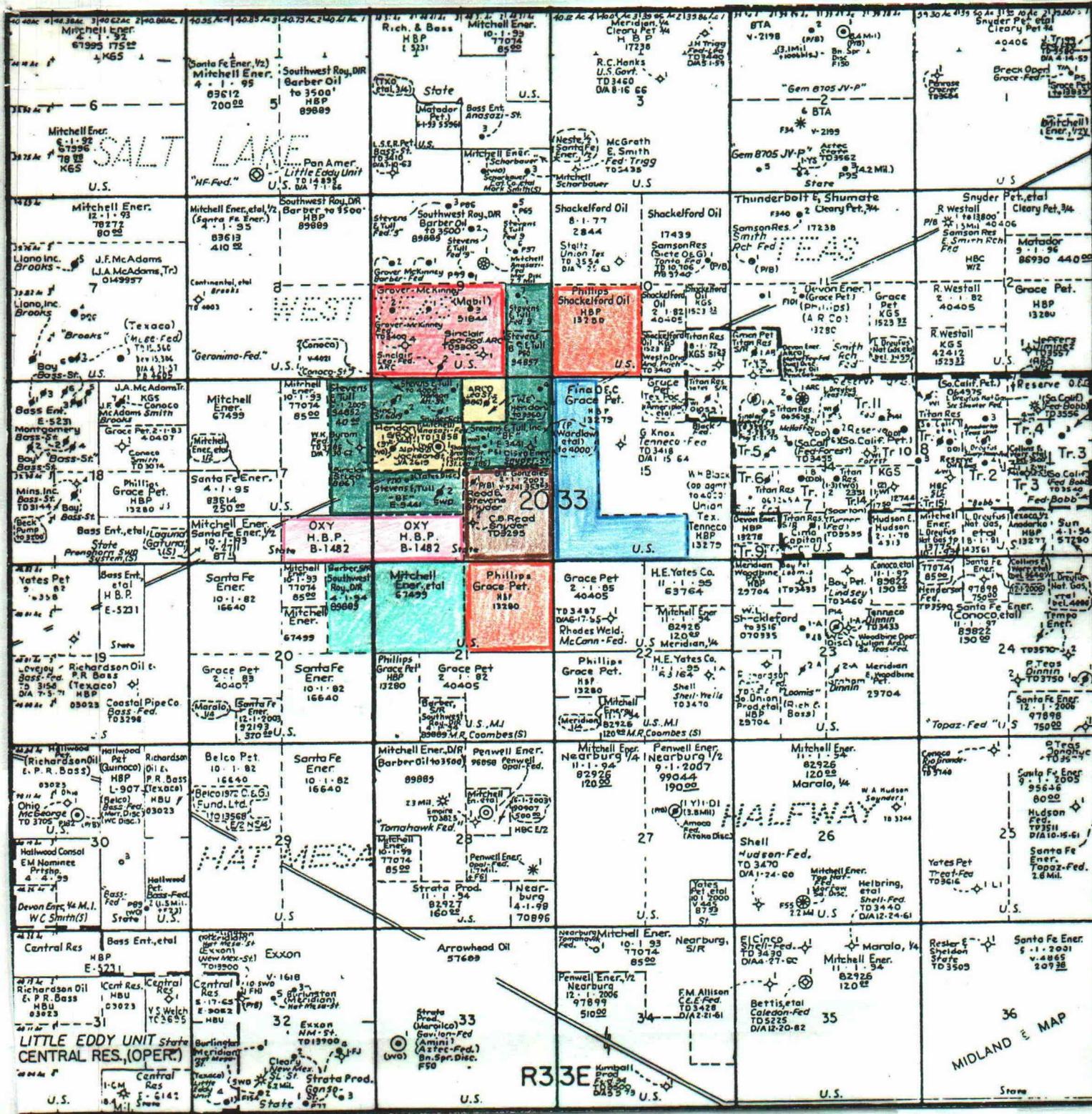
OXY USA Inc.
P. O. Box 50250
Midland, Texas 79710

Conoco Inc.
10 Desta Drive, Ste 100W
Midland, Texas 79705-4500
Attn; Carl Sherrill

Surface Owner:

Commissioner of Public Lands
State of New Mexico
P. O. Box 1148
Santa Fe, New Mexico 87504





Falcon Creek Resources, Inc.
State Lease No's: NM-94852, NM-89889 & NM-94851



Phillips Petroleum; NM-13280



Shackleford Oil Company; State E-3441



Oxy U.S.A., Inc.; State B-1482



Reliance Operating; NM-51844



Conoco ; State V-2022



Mitchell Energy; NM-67499 & NM-57280



Fina Oil Company ; NM-13279

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

FACSIMILE COVER SHEET

DATE: August 3, 1998
TIME: 2:00 PM (Santa Fe time)

NUMBER OF PAGES: -6-

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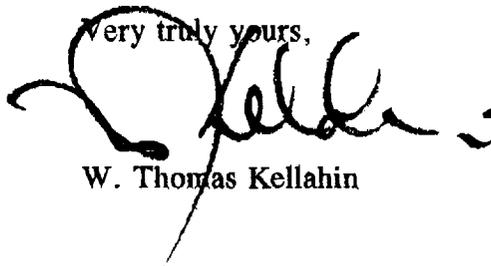
TO: Ben Stone
OF: Oil Conservation Division
FAX NO: (505) 827-8177

REF: **Falcon Creek Resources, Inc.**
SWD-633
Anasazi "16" State Com Well No 1.

Dear Mr. Stone:

In accordance with your request, please find attached a written summary of the proposed recompletion procedures to isolate the current Delaware perforations from the proposed new Delaware perforations. Also attached is a current wellbore schematic.

Please call me if you have any questions.

Very truly yours,

W. Thomas Kellahin

cfx: Falcon Creek Resources, Inc.
Attn: Oscar Peters

This information contained in this Facsimile Message and Transmission is **ATTORNEY PRIVILEGED AND CONFIDENTIAL** information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, or the employee or agent responsible to deliver it to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this Facsimile in error, please immediately notify us by telephone and return the original message to us at the above address via the U.S. Postal Service. Thank you.

Workover Procedure**Anasazi # 16 State Com # 1****West Teas Field**

SWNE (1730' FNL-1,980' FEL) Sec. 16, T20S-R33E

Lea County, New Mexico

Discussion

The Anasazi # 16-1 was originally drilled as a Morrow well in 1993 by Mitchell Energy. The well was initially completed in the Bone Springs. An attempt to make a Delaware disposal well (7,720' to 7,886') in May of this year was unsuccessful due to mechanical problems.

The attached procedure is to spot a 100 sx cement plug below a CICR to isolate the Lower Delaware perforations and a casing split. Pump a squeeze job from 6,000' to 5,100', and complete as a SWD well in the Delaware Formation. The gross Delaware interval will be from 5,554' to 5,684', with 56 ft. of net sand (density porosity greater than 16%).

The justification for this expenditure is that we currently have 120 bopd shut-in in the West Teas Field due to lack of water disposal capability. The estimated expenditure for this project, including funds spent on the Lower Delaware interval, is \$300M.

Your approval is recommended.

Elevations: GL = 3,539' / KB = 3,557'
Spud Date: 5-28-93
Completion Date: 11-5-94

Casing Detail

<u>Hole Size</u>	<u>Csg. Size</u>	<u>Weight & Depth</u>	<u>Sx. of Cement</u>
26"	20"	94 #/Ft @ 497'	900 sx.
17-1/2"	13-3/8"	68 #/Ft @ 2,964'	2,100 sx.
12-1/4"	8-5/8"	32 #/Ft @ 5,299'	1,150 sx.
7-7/8"	5-1/2"	17 #/Ft @ 13,858'	1,200 sx.

Well Bore Configuration: See attached diagram.

Tubular Capacities / Volumes

8-5/8" x 5-1/2" Annulus:	0.03090 bbls/ft	0.17330 ft ³ /ft
5-1/2" 17 #/ft Casing:	0.02320 bbls/ft	0.13050 ft ³ /ft
2-7/8" 6.5 #/ft Tubing:	0.00579 bbls/ft	0.03250 ft ³ /ft
5-1/2" x 2-7/8" Annulus:	0.01520 bbls/ft	0.08540 ft ³ /ft

Procedure

1. MIRU workover rig. Unload +/- 7,200' of 2-7/8" L-80 tubing from the Warren Field as a work string.
2. ND wellhead, NU 3M BOP's. Strap OOH with the 2-7/8" plastic coated tubing. Leave +/- 5,500' in derrick, LD remaining joints.
3. PU 5-1/2" CICR, and the 2-7/8" work string. TIH and set CICR at +/- 7,150'.
4. RU Service Company. Establish injection rate. Spot cement to retainer. Squeeze 100 sx. of Class "C" below the CICR. Sting out of CICR, reverse hole clean, TOH.
5. Fill hole with produced water. Test casing to 1,000 psi.
6. RU WL unit. RIH and run a GR/CCL/CBL/VDL from the CICR to surface under no pressure, POH. RIH and perforate the 5-1/2" casing at 6,000' to 6,002' and 5,000' to 5,002' with 4 jspf, POH. RD WL unit.

NOTE: The 8-5/8" x 5-1/2" annulus is estimated to have cement from surface to 3,650'. If cement is lower than this, the final placement of the perfs at 5,000' to 5,002' may need to be lowered. But, stay above the base of the 8-5/8" casing (5,299') if at all possible.

7. PU 5-1/2" R-3 DG packer and TIH. Set packer at +/- 5,950'. RU Service Company, and try to establish circulation through perfs at 5,000'-02'. If necessary, spot acid in an attempt to break circulation.
8. Circulate hole until returns clean up or a rate of 2 BPM is reached. Release packer, TOH.

Procedure (cont.)

9. PU 5-1/2" CICR, and TIH. Set CICR at +/- 5,100'. RU Service Company and establish rate. Pump a 25 bbl Mud Flush followed by 350 cubic feet of Class "C". Displace cement to +/- 5,800'. (OH Caliper indicates annular volume from 6,000' to 5,000' to be +/- 290 ft³). Sting out of retainer, reverse out and TOH. Pressure casing to 500 psi. RD Service Company. SWI for 24 hours.
10. PU 4-3/4" bit and 5-1/2" casing scraper. TIH and clean out to top of CICR at 5,100'. Test squeeze to 750 psi with water. Re-squeeze holes at 5,000'-5,002' if necessary.
11. Drill out CICR and clean out to a PBTD of 5,800'. TOH, LD bit and scraper.
12. RU WL unit. RIH and run a GR/CCL/CBL/VDL from the PBTD to surface under no pressure. If bond is questionable, re-run under 500 psi. Consult with Denver Office if bond quality is too poor to proceed.
13. RIH and perforate the Delaware Formation as follows:

5,554' to 5,559',	5,587' to 5,603',	5,620' to 5,625'
5,638' to 5,653',	5,669' to 5,684'	

All intervals to be shot at 4 jspf, 90 degrees phasing using largest charges available. Correlate to Schlumberger CNL/LDT/GR/CAL dated June 13, 1993.
14. TIH with the R-3 packer and the 2-7/8" tubing. Swab the Delaware interval to obtain a good water sample for the NMOCD. Send water sample to lab for analysis.
15. RU BJ Services. Acidize the Delaware with 3,500 gallons of 15% NEFE acid with ball sealers. Try to achieve maximum rate and pressure allowable, if necessary
~~-----~~ ~~backside. Release packer, TIH and knock off balls. TOH and report~~

Procedure (cont.)

- 20. Release packer, TOH and LD 2-7/8" work string. PU redressed R-3 packer and TIH with the plastic coated 2-7/8" tubing. Roll backside to inhibited packer fluid. Set packer at +/- 5,500'. Test backside to 500 psi. ND BOP's. NU wellhead.
- 21. RDMO workover rig. Send tubing to Eunice yard. Clean up location.
- 22. Contact NMOCD to witness a mechanical integrity test and a step rate test (Johns West Engineering). Set injection pump with filters and tie into battery. Turn well over to pumper.



Oscar L. Peters
District Operations Engineer

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1 weeks.

Beginning with the issue dated July 15 1998

and ending with the issue dated July 15 1998

Kathi Bearden
Publisher

Sworn and subscribed to before me this 14th day of

July 1998

Godi Benson
Notary Public.

My Commission expires
October 18, 2000
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE
July 15, 1998

NOTICE

Falcon Creek Resources, Inc. 621 17th Street, Suite 1800, Denver, Colorado 80293-0621 has submitted an application to the New Mexico Oil Conservation Division to amended Administrative Order SWD-633 to change the approved injection interval in its Anasazi "16" State Well No. 1 located 1730 feet from the north line and 1980 feet from the east line, Section 16, T20S, R33E, Lea County, New Mexico from the current perforations from 7,720 feet to 7,736 feet and 7,872 feet to 7,886 feet begin within the Delaware formation to proposed perforations from 5,554 feet to 5,684 feet also being within the Delaware formation. Any party desiring to file an objection or request a hearing must file a written objection within 15 days of this notice with the New Mexico Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505. For any additional information, you may contact Oscar Peters at (303) 675-0007.
#16047

01100038000 01524411
Kellahin & Kellahin
117 North Guadalupe
a/c 442105
SANTA FE, NM 87504

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I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:

Conoco Inc.
 10 Desta Drive, Ste. 100W
 Midland, TX 79705-4500
 Attn: Carl Sherrill

4a. Article Number
 P 378 176 672

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
 7-15-98

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Print Name of Addressee or Agent)
 X *Carl Sherrill*

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

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3. Article Addressed to:

Wilbur Shackelford
 512 New Mexico Drive
 Roswell, NM 88201

4a. Article Number
 P 378 176 669

4b. Service Type
 Registered Certified
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7. Date of Delivery
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P 378 176 670

US Postal Service
Receipt for Certified Mail
 No Insurance Coverage Provided.
 Do not use for International Mail (See reverse)

Sent to
 Phillips Petroleum Company
 4001 Penbrook
 Odessa, TX 79762

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom	

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Falcon Creek
 Anasazi 16
 7/10/98

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Falcon Creek
Anasazi 16
7/10/98

1. Complete
2. Attach to card to permit Write Fee
3. The Return delivered.

I also wish to receive the following services (for an extra fee):
1. Addressee's Address
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3. Article Addressed to:
Commissioner of Public Affairs
State of New Mexico
P.O. Box 1148
Santa Fe, NM 87504

4a. Article Number: **P 378 176 673**

4b. Service Type:
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

5. Received By: (Print Name)
[Signature]

6. Signature: (Addressee or Agent)
[Signature]

7. Date of Delivery: **13 1998**

8. Addressee's Address (Only if requested and fee is paid)

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Anasazi 16
7/10/98

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1. Addressee's Address
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3. Article Addressed to:
OXY USA Inc.
P.O. 50250
Midland, TX 79710

4a. Article Number: **P 378 176 671**

4b. Service Type:
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
[Signature]

7. Date of Delivery: **7-14**

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Anasazi 16
7/10/98

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I also wish to receive the following services (for an extra fee):
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2. Restricted Delivery
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3. Article Addressed to:
Reliance Operating
P.O. Box 10946
Midland, TX 79702

4a. Article Number: **P 378 176 667**

4b. Service Type:
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
[Signature]

7. Date of Delivery: **13 1998**

8. Addressee's Address (Only if requested and fee is paid)

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Falcon Creek
Anasazi 16
7/10/98

1. Complete
2. Attach to card to permit Write Fee
3. The Return delivered.

I also wish to receive the following services (for an extra fee):
1. Addressee's Address
2. Restricted Delivery
Consult postmaster for fee.

3. Article Addressed to:
Fina Oil & Chemical Company
6 Desta Drive, Ste. 4400
Midland, TX 79705

4a. Article Number: **P 378 176 668**

4b. Service Type:
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)
[Signature]

7. Date of Delivery: **7-13-98**

8. Addressee's Address (Only if requested and fee is paid)

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