

SWD 9/29/98

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NEED UGA NOTICE

FALCON CREEK RESOURCES, INC.

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

(303) 675-0007 (303) 675-0008 Facsimile

September 10, 1998

SEP 14 1998

OIL CONSERVATION DIVISION

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

RE: Application for Authorization to Inject
NMF State #1
660' FNL, 660' FWL
Section 36, T20S, R38E
Lea County, New Mexico

Gentlemen:

Please find enclosed for your review Falcon Creek Resources, Inc.'s Application for Authorization to Inject covering the captioned well. As required, we have notified all offset leasehold owners of this application and put same in the Hobbs Star Sun newspaper. A letter from Xeric Oil & Gas Corporation is also enclosed showing permission to use the existing wellbore for salt water disposal.

We propose to inject up to 1500 bbls. of produced water per day from the Abo, Tubb, Blinebry and Seven Rivers formations back into the Glorieta formation which is a known productive hydrocarbon formation. The proposed system will be a closed system. Our estimated injection pressure will be 1,100 psi or less. We have found no evidence of open faults or any other hydrologic connection between the Glorieta and any underground source of drinking water.

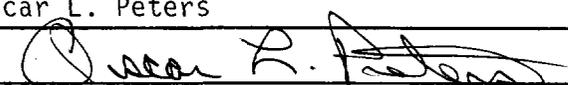
Please advise if you have any questions, or need additional information. We appreciate your prompt attention with this matter.

Sincerely,



Oscar L. Peters
Manager of Operations

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 St., Suite 1800, Denver, CO 80293-0621
CONTACT PARTY: Oscar Peters PHONE: (303) 675-0007
- III. WELL DATA: Complete the data required on the reverse side of this form for each well processed 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 _____
- 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/1 or less) overlying the proposed injection zone as well as any such sources 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: Oscar L. Peters TITLE: District Operations Engineer
SIGNATURE:  DATE: Sept. 9, 1998
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstance of the earlier submittal. _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Xeric Oil & Gas Corporation
200 N. Loraine, Suite 1000 P.O. Box 352
Midland, Texas 79702
(915) 683-3171 Fax: (915) 683-3152

September 3, 1998

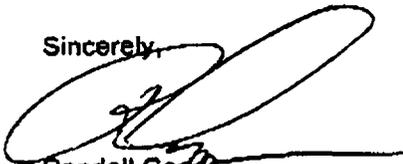
Falcon Creek Resources, Inc.
Attn: Mr. R.L. Millet
Manager of Operations
621 17th St., Suite 1800
Denver, Colorado 80293

Re: Sec. 36, T-20-S, R-38-E
Mobil #1-F, Location
680' FNL & 680' FWL
Lea County, New Mexico

Gentlemen:

This letter serves as notice that Falcon Creek Resources, Inc. has Xeric Oil & Gas Corporation's permission to re-enter and use for salt water disposal the referenced well which is presently plugged and abandoned.

Sincerely,



Randall Capps
Chairman & CEO

RLC/sr

INJECTION WELL DATA SHEET

Operator: Falcon Creek Resources, Inc.

Lease: NMF State

Well No.: 1

Footage Location: 660' FNL, 660' FWL, Section 36, T20S, R38E

County and State: Lea, New Mexico

WELL CONSTRUCTION DATA

Original Completion:

Surface Casing

Set @ 364', 10-3/4", 32.75#

Cement with 275 sx

TOC @ Surface

Hole Size: 15"

Intermediate Casing

Set @ 3,170', 7-5/8", H-40, 24#

Cement with 1,700 sx

TOC @ Surface

Hole Size: 9-7/8"

Liner

Set @ 2,945' - 7,447', 5-1/2", 15.5# & 17#

Cement with 775 sx

TOC @ Surface

Hole Size: 6-3/4"

Plugs Set:

10 sx Cement Plug @ Surface

100' Plug @ 1,500' - 1,600'

100' Plug @ 4,100' - 4,200'

CIBP @ 4,500'

CIBP @ 6,150'

CIPB @ 7,100'

Proposed Completion:

Drill out cement plugs and CIBP to 6,150'. Set new CIBP @ 5,900'. Squeeze San Andres Perfs w/ 150 sx Class "C" cement.

Injection Interval

Perforate Glorieta from 5,570' to 5,670'

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8" J-55, Plastic Coated
Set in R3 Double Grip Packer at approximately 5500'.

Other Data

1. Is this a new well drilled for injection? No
2. Name of Injection Formation: Glorieta
3. Name of Field or Pool: Unknown
4. Has the well ever been perforated in any other zones? Yes
 - San Andres Perfs: 4,281'-4,355'
 - Blinebry: 6,052'-6,069'
 - Drinkard: 6,495'-7,000'
 - Abo: 7,265'-7,315'
 - 7,328'-7,362'
 - 7,396'-7,434'

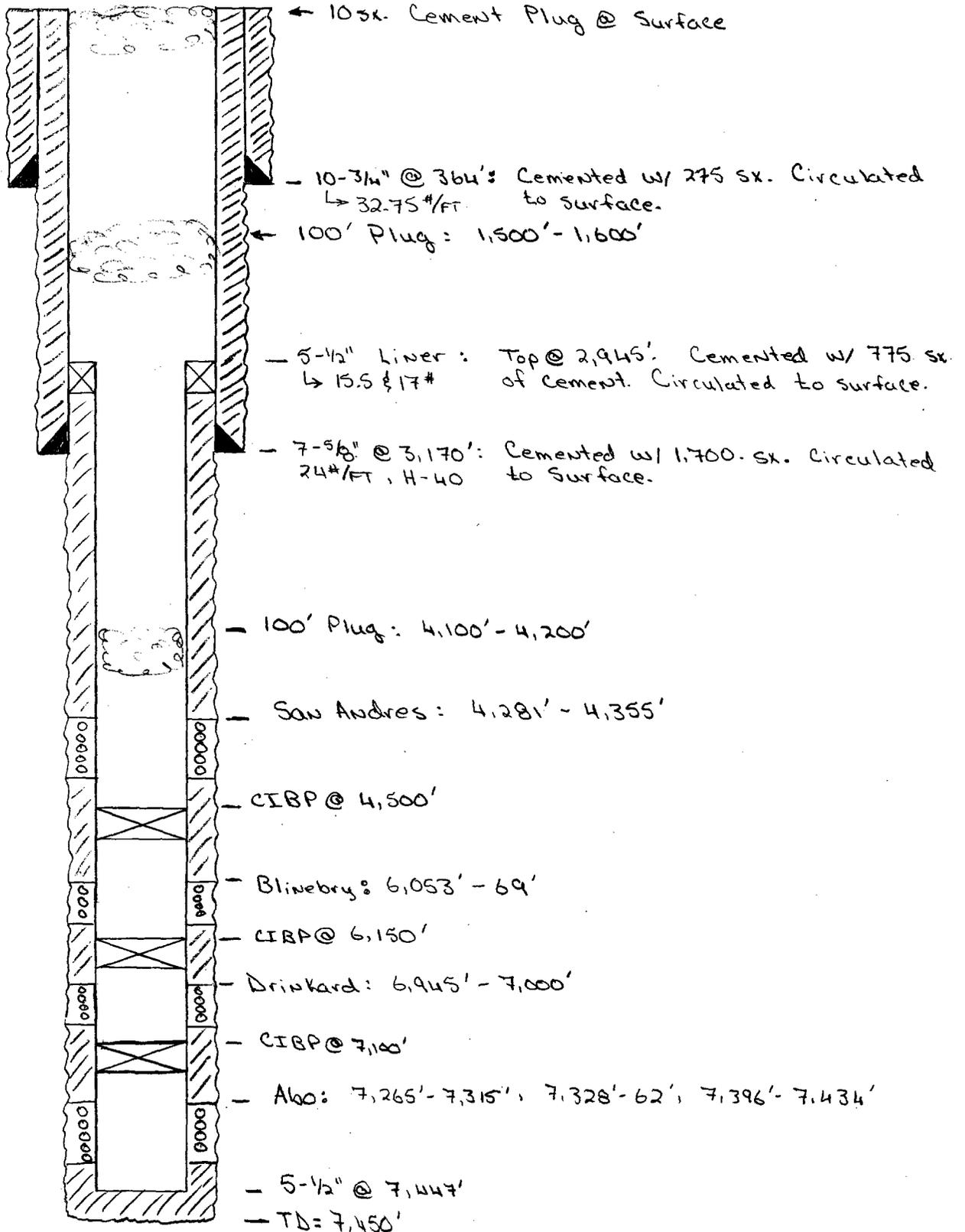
The perforations of the Blinebry, Drinkard, and Abo have been isolated under CIBP's.

5. No other underlying zones exist.

N.M. F. State #1
 NWNW, "A", Sec. 36, T20S - R38E
 660' FNL - 660' FWL
 Lea County, New Mexico

GL = 3,563'
 DF = 3,576'

22-141 50 SHEETS
 22-142 100 SHEETS
 22-144 200 SHEETS



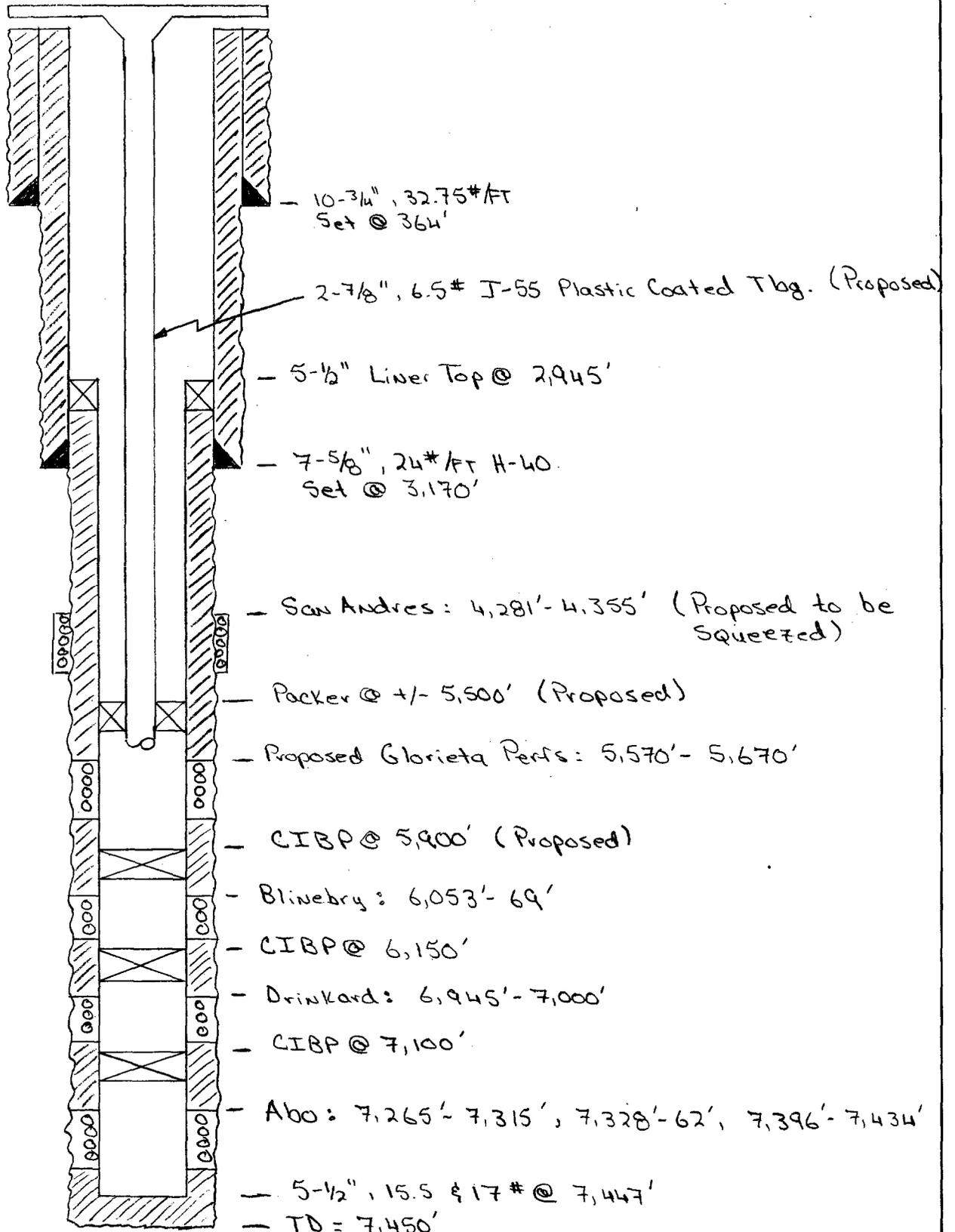
9-2-98/OLP

Scale: NTS

N.M.F. State #1
 NWNW (D) Sec. 36, T20S-R38E
 Lea County, New Mexico

Proposed SWD
 Well bore
 Configuration

22-141 50 SHEETS
 22-142 100 SHEETS
 22-144 200 SHEETS



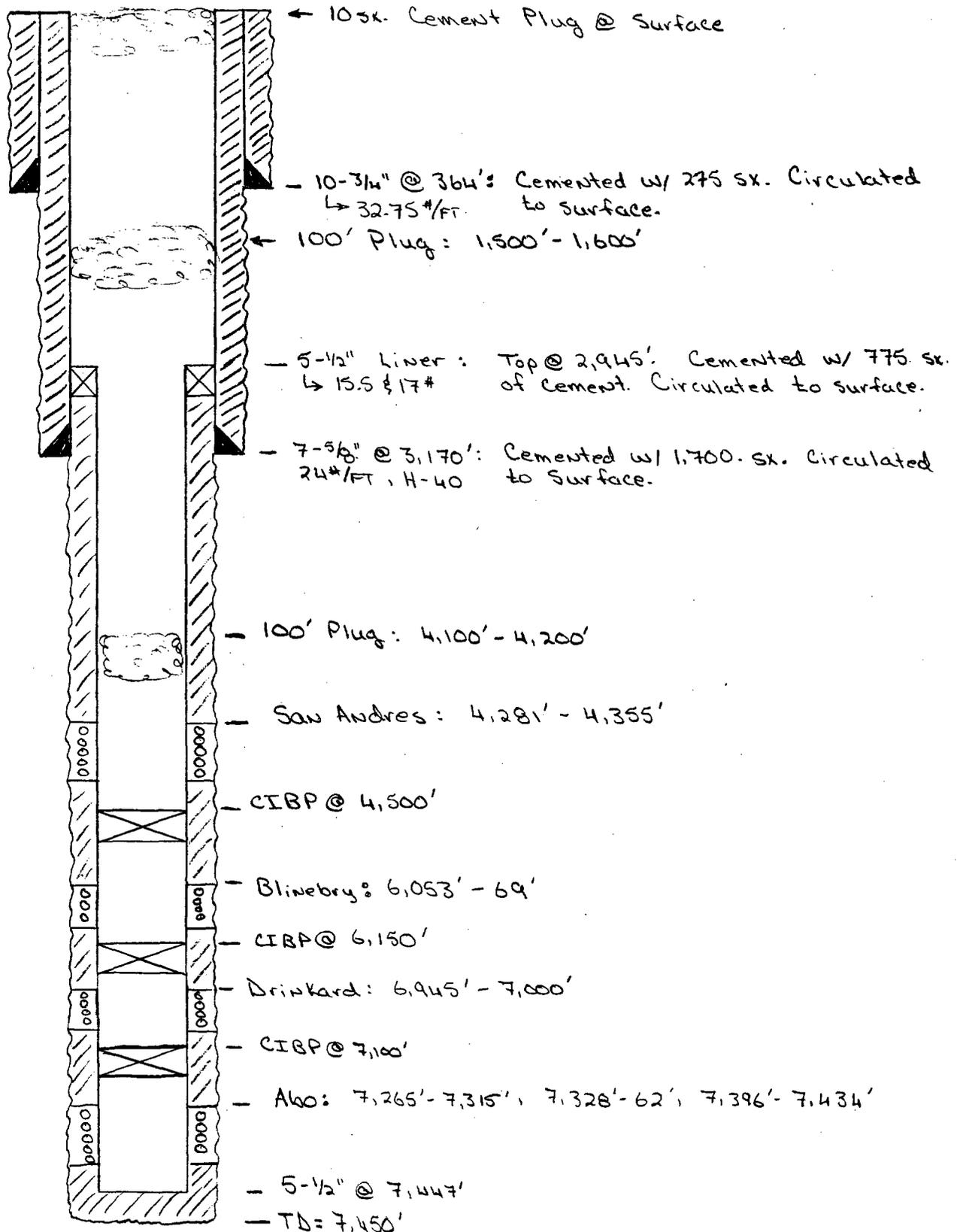
Scale: NTS

9-2-98 / OLP

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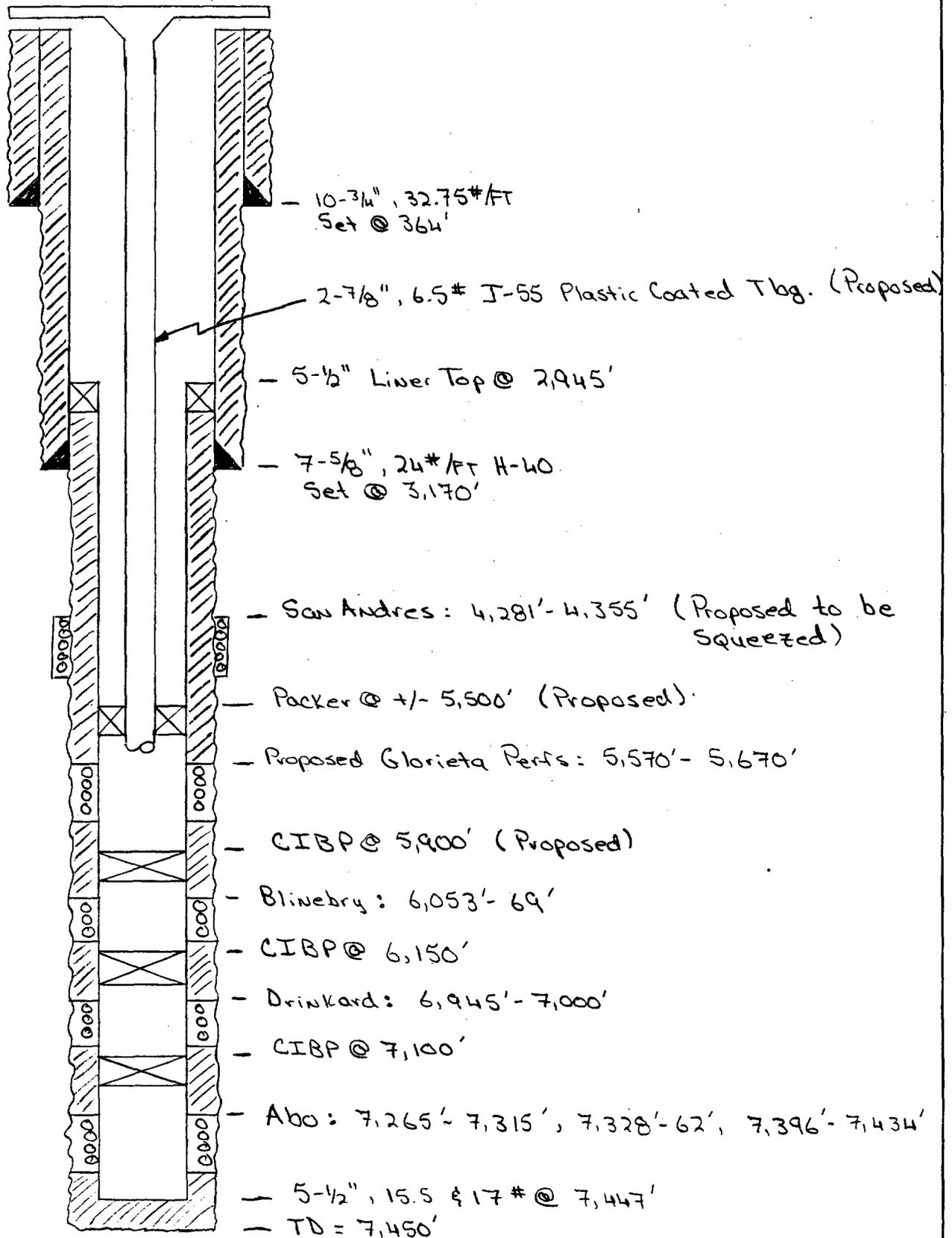
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 NWNW (D) Sec. 36, T20S-R38E
 Lea County, New Mexico

Proposed SWD
 Well bore
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22-141 50 SHEETS
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Scale: NTS

9-2-98 / OLP

LEASEHOLD OWNERSHIP-1/2 MILE SURROUNDING
N.M.F. STATE #1 WELL

Township 20 South, Range 38 East

Section 25: SW

Section 26: E/2SE, SWSE

Section 35: NE, NESE

Section 36: SWNW

Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705

Chevron Oil Co., USA
P.O. Box 1150
Midland, TX 79702

ARCO
P.O. Box 1610
Midland, TX 79702

Amoco Production Co.
P.O. Box 3092
Houston, TX 77253

Township 20 South, Range 38 East

Section 36: NWNE

John H. Hendrix Corporation
110 N. Marienfeld, Suite 400
Midland, TX 79701

James C. Ray
4350 E. Camelback Road, Suite 100E
Phoenix, AZ 85018

Dr. F. Palmer Weber
P.O. Box 33
Ivy, VA 22945

Township 20 South, Range 38 East

Section 36: N/2NW, SENW, N/2SW, SWNE

Xeric Oil and Gas Corp.
200 North Loraine, Suite 1000
Midland, TX 79702

Township 20 South, Range 38 East

Section 25: SWSE

Falcon Creek Resources, Inc.
621 17th Street, Suite 1800
Denver, CO 80293

V.H. Gourley, II, Trustee
P.O. Box 2215
Ardmore, OK 73402

Roy G. Barton, Jr., individually and as Trustee
Of the Roy G. Barton, Sr. and Opal Barton
Revocable Trust
P.O. Box 9789
Hobbs, NM 88241

FALCON CREEK RESOURCES, INC.

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

September 10, 1998

Conoco, Inc.
10 Desta Dr., Suite 100W
Midland, TX 79705

RE: Application for Authorization to Inject
NMF State #1
660' FNL, 660' FWL
Section 36, T20S, R38E
Lea County, New Mexico

To Whom It May Concern:

Please find enclosed for your review a copy of our Application for Authorization to Inject in the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico 87505. Thank you for your cooperation in this matter.

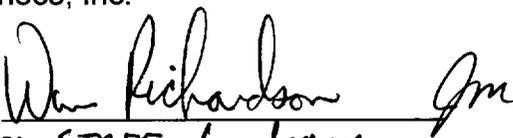
Sincerely,



Jaylene Roope
Sr. Operations Technician

We hereby waive any objection to Falcon Creek Resources, Inc.'s Application for Authorization to Inject into the NMF State #1 well at the captioned location.

Conoco, Inc.

By: 
Title: STAFF Landman
Print Name: Warren Richardson
Date: 9/16/98

FALCON
9-24-98

FALCON CREEK RESOURCES, INC.

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

September 10, 1998

Roy G. Barton, Jr
Individually & as Trustee of the
Roy G. Barton, Sr & Opal Barton Revocable Trust
P.O. Box 9789
Hobbs, NM 88241

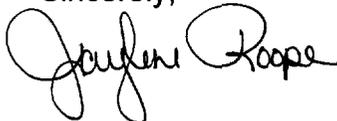
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Sincerely,



Jaylene Roope
Sr. Operations Technician

We hereby waive any objection to Falcon Creek Resources, Inc.'s Application for Authorization to Inject into the NMF State #1 well at the captioned location.

Roy G. Barton, Jr

By: Roy G. Barton, Jr
Title: Owner
Print Name: _____
Date: 10/7/98



SEAPORT90

Begin New File

SEAPORT IMAGING

Ensign™

Scanner Type: ALL

Function: Begin New File

This is used only with multi-image file formats.



CHECKLIST for ADMINISTRATIVE INJECTION APPLICATIONS

Operator: FALCON CREEK Well: NMF STATE No. 1
Contact: OSCAR PETERS Title: CPS. MGR. Phone: 305 675 0008
DATE IN 9-14-98 RELEASE DATE 9-29-98 DATE OUT 10-13-98

Proposed Injection Application is for: WATERFLOOD Expansion Initial
Original Order: R- Secondary Recovery Pressure Maintenance
SENSITIVE AREAS SALT WATER DISPOSAL Commercial Well

WIPP Capitan Reef

Data is complete for proposed well(s)? YES Additional Data Req'd _____

AREA of REVIEW WELLS

2 Total # of AOR # of Plugged Wells
YES Tabulation Complete Schematics of P & A's
NO Cement Tops Adequate AOR Repair Required

INJECTION FORMATION

Injection Formation(s) GLORIEDA Compatible Analysis YES

Source of Water or Injectate AREA PRODUCTION

PROOF of NOTICE

Copy of Legal Notice Information Printed Correctly
 Correct Operators Copies of Certified Mail Receipts
NO Objection Received Set to Hearing _____ Date

NOTES: _____

APPLICATION QUALIFIES FOR ADMINISTRATIVE APPROVAL? YES

COMMUNICATION WITH CONTACT PERSON:

1st Contact:	<input checked="" type="checkbox"/> Telephoned	<input type="checkbox"/> Letter	<u>10-13-98</u> Date	Nature of Discussion <u>COPY OF LEGAL</u>
2nd Contact:	<input type="checkbox"/> Telephoned	<input type="checkbox"/> Letter	_____ Date	Nature of Discussion _____
3rd Contact:	<input type="checkbox"/> Telephoned	<input type="checkbox"/> Letter	_____ Date	Nature of Discussion _____