



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

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

ADMINISTRATIVE ORDER DHC-2425

Falcon Creek Resources, Inc.
621 17th Street, Suite 1800
Denver, Colorado 80293-0621

Attention: Ms. April J. Carlson

*Kyte No. 4
API No. 30-025-33683
Unit H, Section 23, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico.
Blinebry Oil & Gas (Oil - 6660) and
East Warren-Tubb (Oil - 87085) Pools*

Dear Ms. Carlson:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the well are hereby established as follows:

Oil 107 B/D

Gas 428 MCF/D

Water 214 B/D

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blinebry Oil & Gas Pool	Oil-34%	Gas-81%
East Warren-Tubb Pool	Oil-66%	Gas-19%

Administrative Order DHC-2425

Falcon Creek Resources, Inc.

August 18, 1999

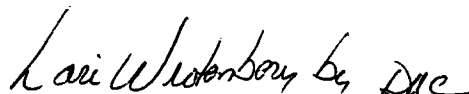
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REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 18th day of August, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery by DHC".

LORI WROTENBERY
Director

S E A L

LW/MWA/kv

cc: Oil Conservation Division - Hobbs