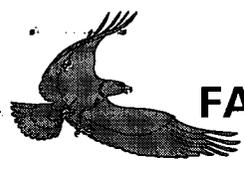


DHC 12/28/99



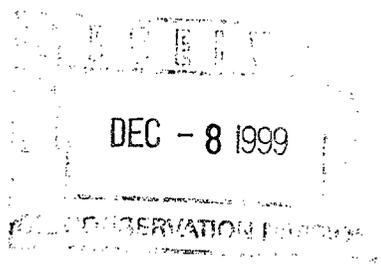
**FALCON CREEK RESOURCES, INC.**

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

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

2588

December 6, 1999



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

RE: Application for Downhole Commingling  
Federal 24-1  
"N" Section 24, T20S-R38E  
Lea County, New Mexico

X134

Gentlemen:

Please find enclosed an Application for Downhole Commingling. As required, we have enclosed a Form C-102 for each zone, production curves, and a list of uncommon interest owners and offset operators. Percentage allocations are based on current and past production. All affected parties have been notified of this application by certified mail.

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

Sincerely,

April J. Carlson  
Operations Technician

cc: Hobbs District Office

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: Federal 24, 38E  
Lease: Federal 24, 38E  
Well No.: 1  
Unit Ltr. - Sec - Twp - Rge: M 24 20S, 38E  
Address: Lea  
County: Lea

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 026102 Property Code 23401 API NO. 30-025-33182 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
2. Top and Bottom of Pay Section (Perforations)	6,032'-6,070', 6,117'-6,130', 6,181'-6,202', 6,270'-6,276'		6,520'-6,530', 6,581'-6,777'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	a. (Current) psi	a. psi	a. psi
	b. (Original) N/A	N/A	N/A
6. Oil Gravity (°API) or Gas BTU Content			API 36.1
7. Producing or Shut-In?	New Zone		Producing
Production Marginal? (yes or no)	NO		NO
* If Shut-In, give date and oil/gas/water rates of last production <small>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data</small>	Date: Rates:	Date: Rates:	Date: Rates:
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: Rates: See Attached	Date: Rates:	Date: 9/30/99 Rates: OIL 14.93 Gas -175.43 Water - 11.33
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 73% Gas: 25% Water: 84%	Oil: % Gas: %	Oil: 27% Gas: 75% Water: 16%

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 Joe H. Cox Jr. TITLE Senior Engineer DATE December 6, 1999

TYPE OR PRINT NAME Joe H. Cox Jr. TELEPHONE NO. ( 303 ) 675-0007

GOR-scf/bbl

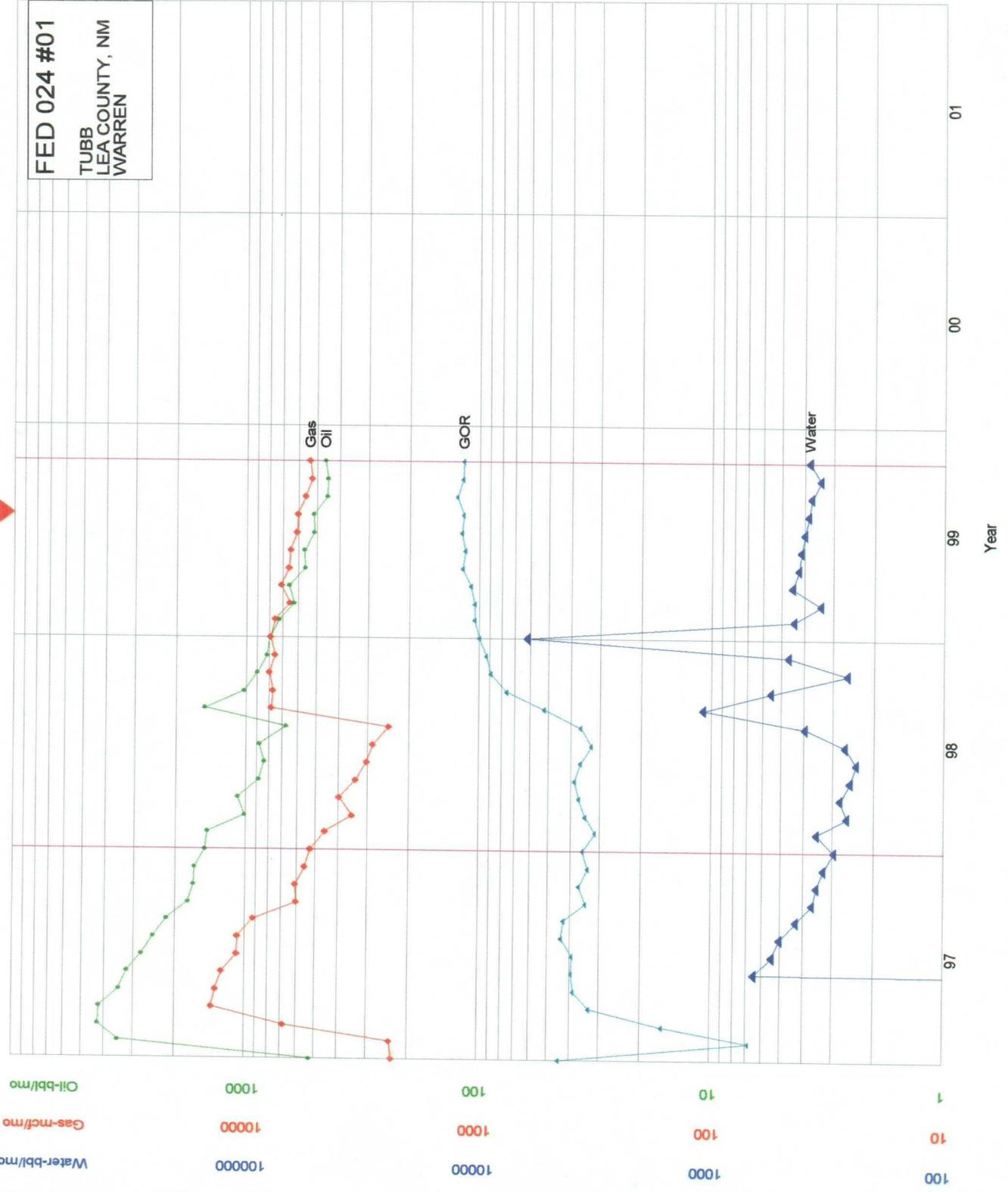
100000

10000

1000

100

FED 024 #01  
TUBB  
LEA COUNTY, NM  
WARREN



Oil	Ref=	8/1999	61372.0
Gas	Ref=	8/1999	357250.0
Water	Ref=	8/1999	17233.0
GOR	Ref=	8/1999	0.0
	Cum=		

Year

01

00

99

98

97

100000  
10000  
1000  
100  
1

Gas

Oil

GOR

Water

Oil-bbl/mo  
Gas-mcf/mo  
Water-bbl/mo

100000  
10000  
10000

10000  
1000  
100

1000  
100  
1

**Federal 24 #1**  
Tested Commingled Production

	<b>Oil</b>	<b>Gas</b>	<b>Water</b>
11/22/1999	63	154	104
11/23/1999	77	190	100
11/24/1999	70	210	127
11/25/1999	62	241	80
11/26/1999	60	245	49
11/27/1999	50	248	75
11/28/1999	62	248	70
11/29/1999	43	244	62
11/30/1999	58	252	53
12/1/1999	25	234	32
12/2/1999	60	252	79
12/3/1999	40	259	59
Total	670	2777	890
Total Days	12		
Total Daily Avg.	56	231	74

**Federal 24 #1 Tubb Formation**  
Last Months Production

Monthly Volumes			Daily Average		
Oil	Gas	Water	Oil	Gas	Water
460	5372	379	14.84	173.29	12.23

**Tested Commingled Production**

Total Production			Daily Average		
Oil	Gas	Water	Oil	Gas	Water
670	2777	890	56	231	74

The Difference between Actual Daily Tubb Production and Tested Commingled Production = Blinebry Production

Oil	Gas	Water
41	58	62

**Tubb Allocations**

Oil	Gas	Water
27%	75%	16%

**Blinebry Allocations**

Oil	Gas	Water
73%	25%	84%

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0710

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		DK ABO, Warren Tubb - Blinebry Oil & Gas
Property Code	Property Name	Well Number
	24 FEDERAL	1
OGRID No.	Operator Name	Elevation
021602	STEVENS & TULL	3569

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	24	20 S	38 E		660	SOUTH	660	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Michael G. Mooney</i> Signature</p> <p>Michael G. Mooney Printed Name</p> <p>Engineer Title</p> <p>10-23-95 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>OCTOBER 5, 1995</p> <p>Date Surveyed</p> <p><i>Ronald J. Eidson</i> Signature &amp; Seal Professional Surveyor</p> <p>NEW MEXICO RONALD J. EIDSON No. 06-95 P.O. Num. 95-112524</p>
	<p>SEE DETAIL</p>

Certificate No. JOHN W. WEST 676  
RONALD J. EIDSON 3239  
PROFESSIONAL SURVEYOR 12641

**Federal 24-1**  
"M" Section 24, T20S, R38E  
Lea County, New Mexico

**Offset Operator**

Collins & Ware  
508 W. Wall Ave #1200  
Midland, TX 79701-5078

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

**Working Interest Owners in Tubb Formation not identical with Blinebry Formation**

Sheehy & Richardson  
1408 Washington  
Waco, TX 76701

Sid Cowan  
1010 S. Main St.  
P.O. Box 1448  
Del Rio, TX 78841

*All parties owning an interest  
in well were notified as  
per Paul Carlson  
1-11-00  
PC*