

FALCON CREEK RESOURCES, INC.

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

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

March 23, 2000

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

RE: Application for Downhole Commingling
Federal 24-5
"J" Section 24, T20S-R38E
Lea County, New Mexico

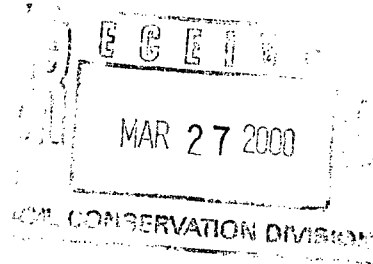
Attention: David Catnack

Please find enclosed a correct C-107 with the detail sheet attached. On March 22, 2000 I sent you an application to commingle but the allocations were wrong. The C-107 enclosed has the correct production allocations.

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

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 87505-6429Form 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

5

Sec. 24 T20S R38E

Lea

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 026102 Property Code 23401 API NO. 30-025-34199 Federal ___ State ___ (and/or) Fee X

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blinebry	East Warren - Tubb	DK - Abo
2. Top and Bottom of Pay Section (Perforations)	5948'-6422'	6684'-6548'	7322'-7552'
3. Type of production (Oil or Gas)	Oil	Oil	Oil
4. Method of Production (Flowing or Artificial Lift)	Pumping	Pumping	Pumping
5. Bottomhole Pressure	a. (Current) psi	a. psi	a. psi
Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	b. (Original)	b.	b.
6. Oil Gravity (^o API) or Gas BTU Content		36.7	37.0
7. Producing or Shut-In?	New	Producing	Shut-In
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: Rates:	Date: Rates:	Date: 7-1998 Rates: 24 BOPD, 20 MCFD, 2 BWPD
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: 01-2000 Rates: 24 BOPD, 53 MCFD, 5 BWPD	Date: 12-30-99 Rates: 15 BOPD, 111 MCFD, 21 BWPD	Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 38% Gas: 29% Water: 18%	Oil: 24% Gas: 60% Water: 75%	Oil: 38% Gas: 11% Water: 7%

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? ___x___ Yes ___ No
If not, have all working, overriding, and royalty interests been notified by certified mail? ___x___ Yes ___ No
Have all offset operators been given written notice of the proposed downhole commingling? ___x___ Yes ___ No
11. Will cross-flow occur? ___ Yes ___x___ 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. ___x___ Yes ___ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? ___x___ Yes ___ No
13. Will the value of production be decreased by commingling? ___ Yes ___x___ 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. ___x___ 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 Manager of Operations DATE March 23, 2000TYPE OR PRINT NAME Gerald Lucero TELEPHONE NO. (303) 675-0007

Falcon Creek Resources, Inc.
Federal 24-5 Allocated Production

	Tubb		December 1999 Daily Production Estimates
Oil	Gas	Water	
15	111	21	

	Abo		July 1998 Daily Production Estimates
Oil	Gas	Water	
24	20	2	

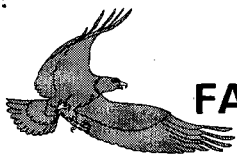
Total of Commingled Production	Total of Commingled Production (Test Period)		
Oil	Gas	Water	
63	184	28	

Est. Blinebry Production	Difference between Commingled Test Period and Actual Daily Production Estimates		
Oil	Gas	Water	
24	53	5	

	Tubb	
Oil	Gas	Water
24%	60%	75%

	Abo	
Oil	Gas	Water
38%	11%	7%

	Blinebry	
Oil	Gas	Water
38%	29%	18%



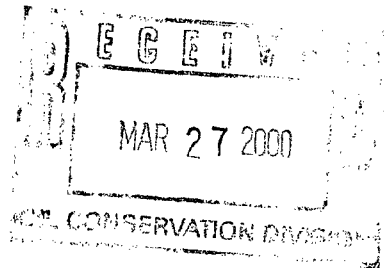
FALCON CREEK RESOURCES, INC.

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Denver, Colorado 80293-0621

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

March 22, 2000

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



RE: Application for Downhole Commingling
Federal 24-5
"J" Section 24, T20S-R38E
Lea County, New Mexico

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

P.O. Drawer 110, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 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 30-025-34199	Pool Code	Pool Name Blinebry
Property Code 23401	Property Name FEDERAL "24"	Well Number 5
OGRID No. 169415	Operator Name Falcon Creek Resources, Inc.	Elevation 3577

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	24	20 S	38 E		1980	SOUTH	1980	EAST	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.

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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Gerald Lucero Printed Name Manager of Operations Title March 21, 2000 Date
	SURVEYOR CERTIFICATION 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. SEPTEMBER 23, 1997 Date Surveyed Signature of Ronald J. Eidson Professional Surveyor No. 97-1559 Certificate No. RONALD J. EIDSON, 3239 EIDSON, 12641

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

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

DISTRICT II
P.O. Drawer 88, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34199	Pool Code	Pool Name Abo
Property Code 23401	Property Name FEDERAL "24"	Well Number 5
OGRIID No. 169415	Operator Name Falcon Creek Resources, Inc.	Elevation 3577

Surface Location

UL or lot No. J	Section 24	Township 20 S	Range 38 E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 1980	East/West line EAST	County LEA
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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.						

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

				OPERATOR CERTIFICATION			
				<p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Gerald Lucero</i> Signature Gerald Lucero Printed Name Manager of Operations Title March 21, 2000 Date</p>			
				SURVEYOR CERTIFICATION			
				<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>SEPTEMBER 23, 1997</p> <p>Date Surveyed J. Eidson JLP Signature & Seal of Professional Surveyor Professional Surveyor No. Num. 97-1559 Certificate No. RONALD J. EIDSON, 3239 PROFESSIONAL SURVEYOR EIDSON, 12841</p>			

DISTRICT I
P.O. Box 1960, Hobbs, NM 88241-1960

DISTRICT II
P.O. Drawer ED, Artesia, NM 88211-0719

DISTRICT III
1000 Elv Brazos Rd., Artesia, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 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 30-025-34199	Pool Code	Pool Name Tubb
Property Code 23401	Property Name FEDERAL "24"	Well Number 5
OCRD No. 169415	Operator Name Falcon Creek Resources, Inc.	Elevation 3577

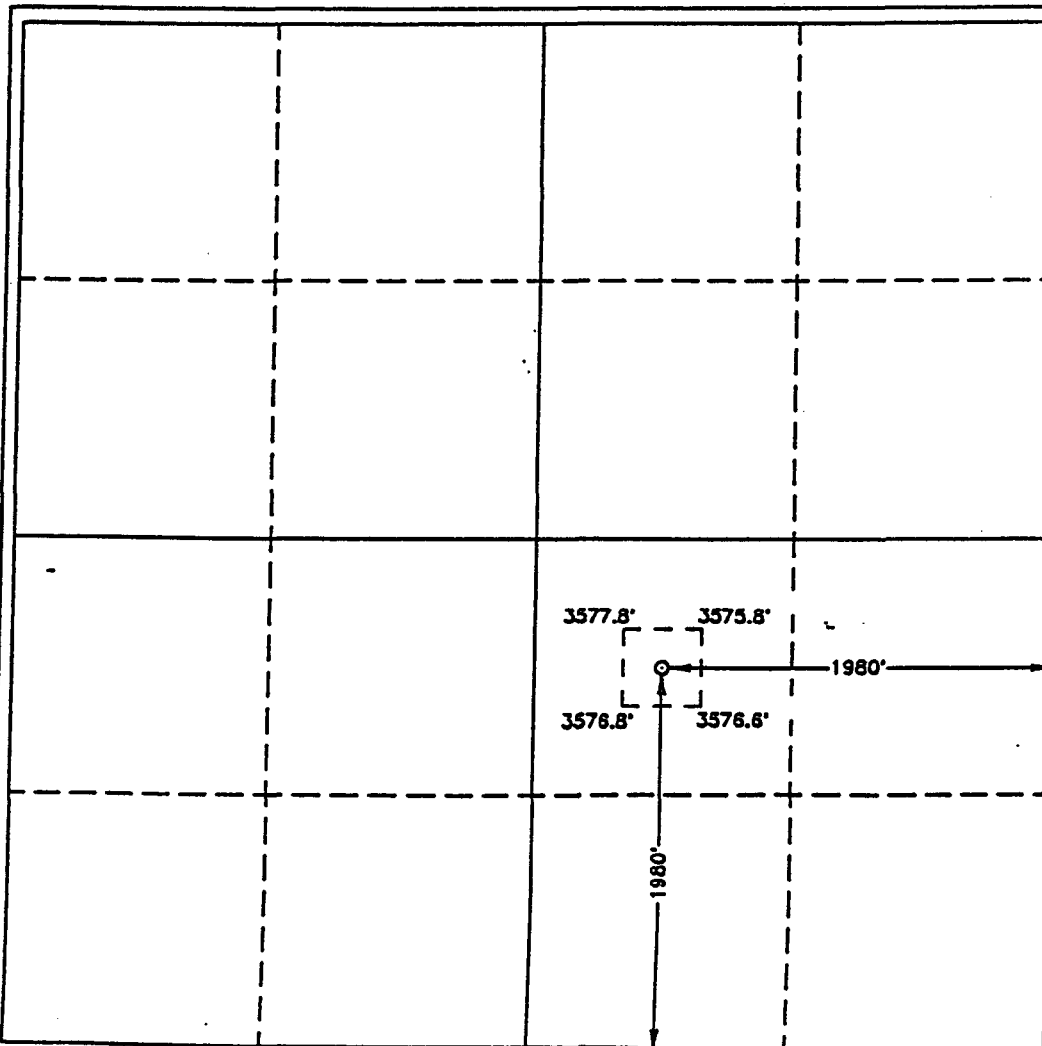
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	24	20 S	38 E		1980	SOUTH	1980	EAST	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.						

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



OPERATOR CERTIFICATION

I hereby certify the the information
contained herein is true and complete to the
best of my knowledge and belief.

Gerald Lucero
Signature

Gerald Lucero
Printed Name

Manager of Operations
Title

March 21, 2000
Date

March 21, 2000
Date

SURVEYOR CERTIFICATION

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.

SEPTEMBER 23, 1997

Date Surveyed J. EIDSON JLP
Signature of Sect. of
Professional Surveyor

Ronald E. Eidson
No. 97-1559
5-08-97

Certified to RONALD EIDSON, 3239
PROFESSIONAL SURVEYOR, 12841

Falcon Creek Resources, Inc.
Federal 24-5 Allocated Production

Blinebry figures are based on a sister well the Federal 24-1 formation Blinebry

	Blinebry	
Oil	Gas	Water
21	55	30

	Tubb	
Oil	Gas	Water
15	174	22

	Abo	
Oil	Gas	Water
24	20	2

	Total	
Oil	Gas	Water
60	249	54

	Blinebry	
Oil	Gas	Water
35%	22%	56%

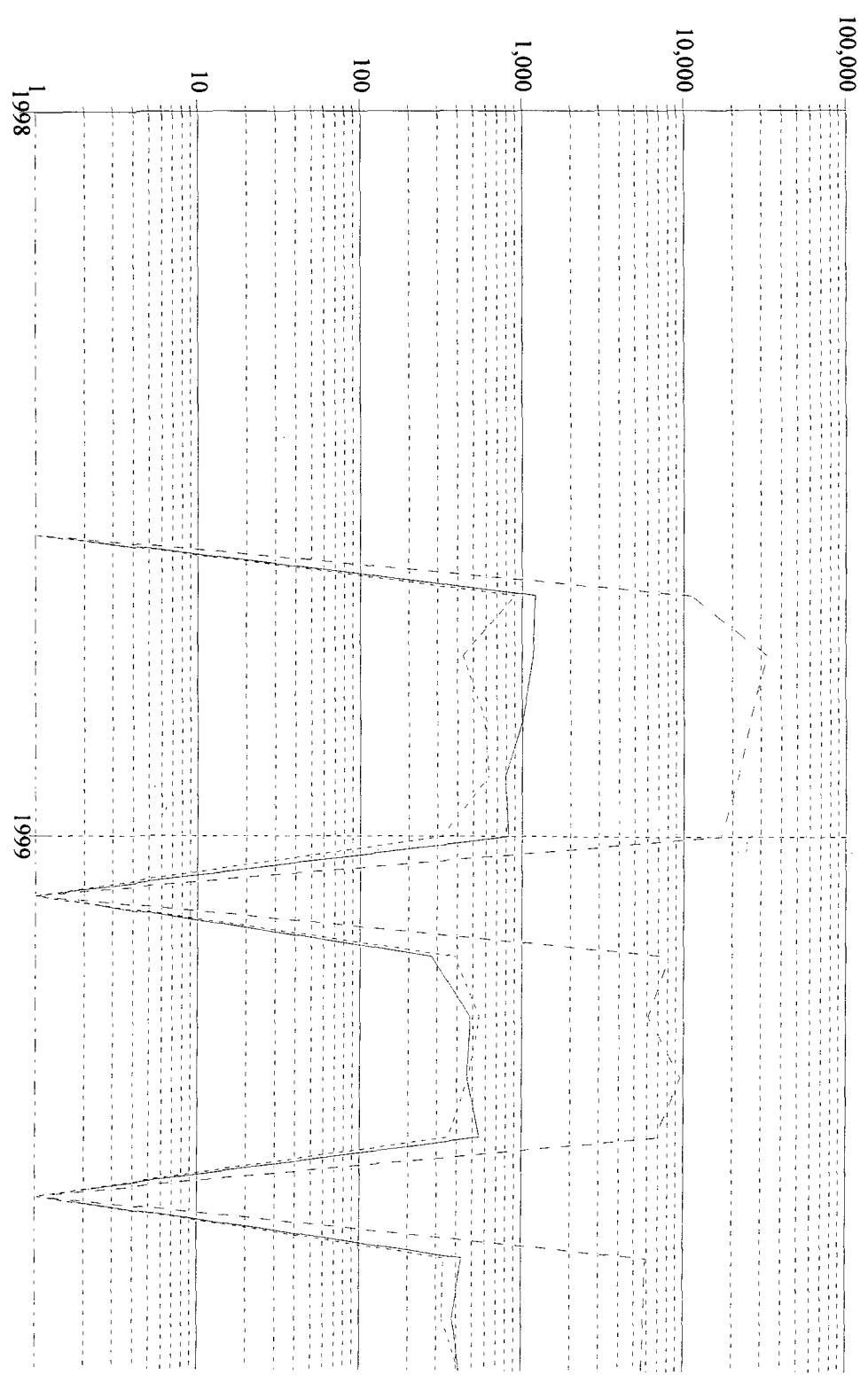
	Tubb	
Oil	Gas	Water
25%	70%	41%

	Abo	
Oil	Gas	Water
40%	8%	4%

	Total	
Oil	Gas	Water
100%	100%	100%

Oil
Gas
Water
Wells

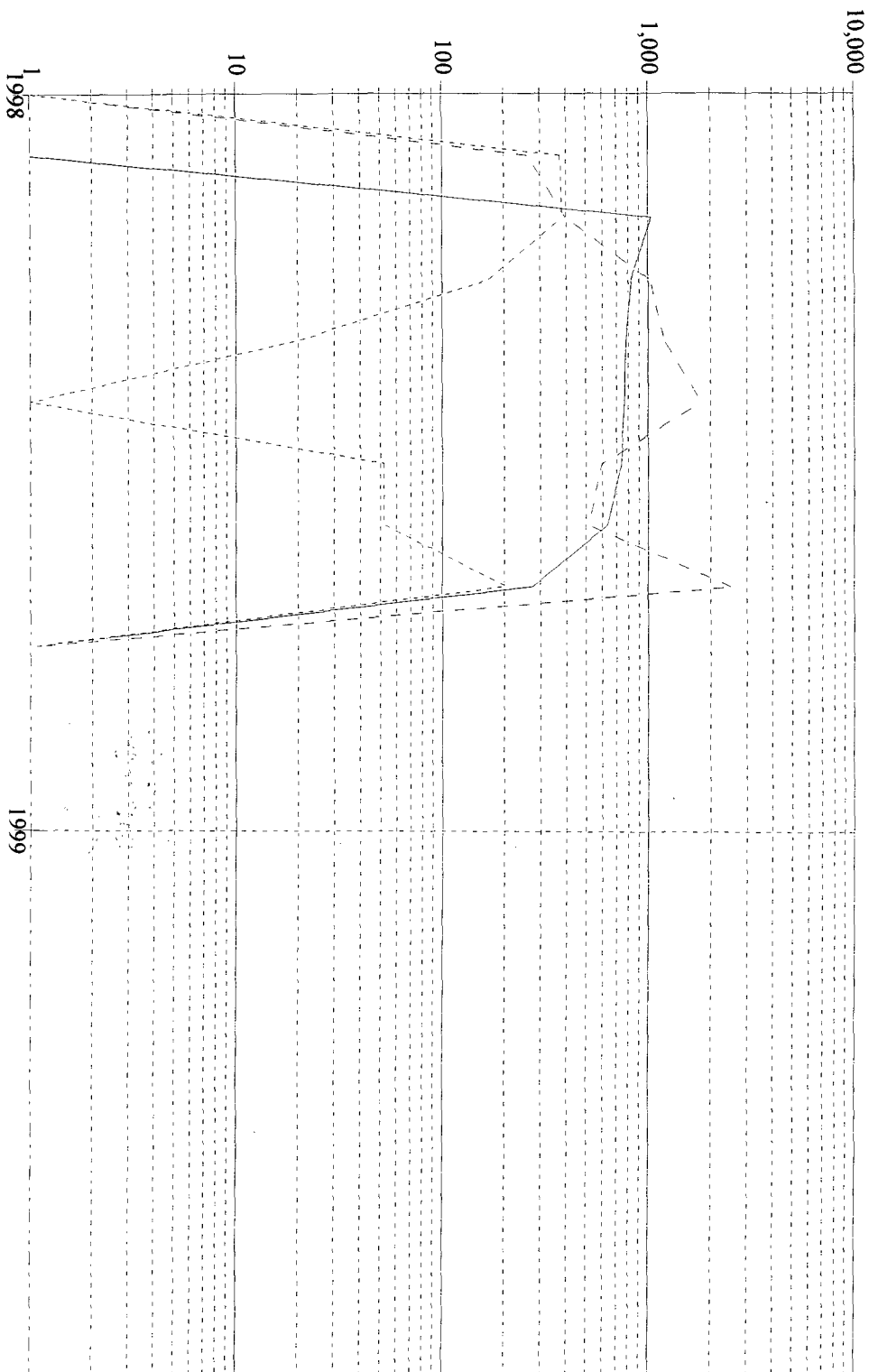
Field: WARREN EAST
 Lease: FEDERAL 24 | Well #5
 Operator: FALCON CREEK RESOURCES INCORPORATED
 Production Rate vs Time
 For the Period 01/1998 to 12/1999 | API: 30025341990000



Reported Oil Production = 8,020 Bbls
 Reported Gas Production = 156,995 Mcf
 Reported Water Production = 5,708 Bbls

Oil	---
Gas	---
Water	---
Wells	---

Field: D-K
 Lease: FEDERAL 24 | Well #5
 Operator: FALCON CREEK RESOURCES INCORPORATED
 Production Rate vs Time
 For the Period 01/1998 to 12/1999 | API: 30025341990000



Reported Oil Production = 5,052 Bbls
 Reported Gas Production = 8,314 Mcf
 Reported Water Production = 1,259 Bbls

Time

2000