

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 Name

Oscar L. Peters  
 Signature

District Engineer  
 Title

July 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

W. THOMAS KELLAHIN\*

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

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

JASON KELLAHIN (RETIRED 1991)

July 10, 1998

**HAND DELIVERED**

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

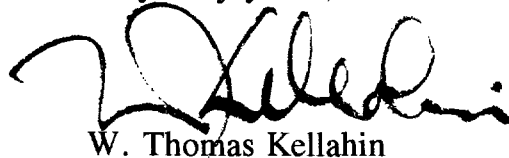
RE: **Anasazi "16" State Well No. 1**  
Unit G, Section 16, T20S, R33E  
Administrative Application of  
Falcon Creek Resources Inc. to amended  
injection interval authorized by  
Administrative Order SWD-663  
Lea County, New Mexico

OIL CONSERVATION DIV.  
JUL 10 PM 2:07

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 or water disposal. Based upon log calculations, the interval is water bearing and in 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

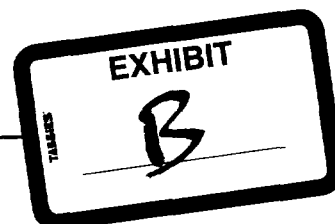
Under the provisions of Rule 701(B), Stevens & Tull, Inc. made application to the New Mexico Oil Conservation Division on March 13, 1998, for permission to complete for salt water disposal its Anasazi '16' State Well No.1 located 1730 feet from the North line and 1980 feet from the East line (Unit G)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

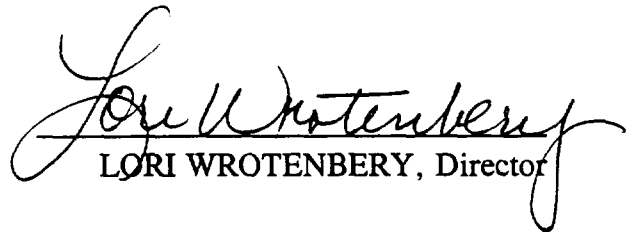
*April 20, 1998*

*Page 3*

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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.

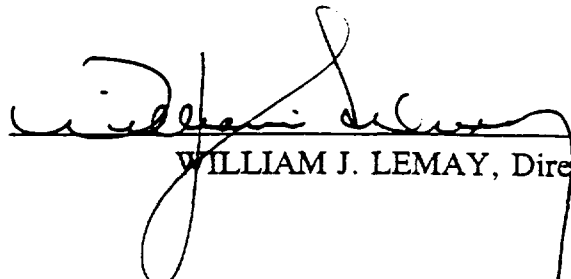
The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

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.

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 Kestlahin Title: Attorney

Signature: [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 submittal.

See SWD-663

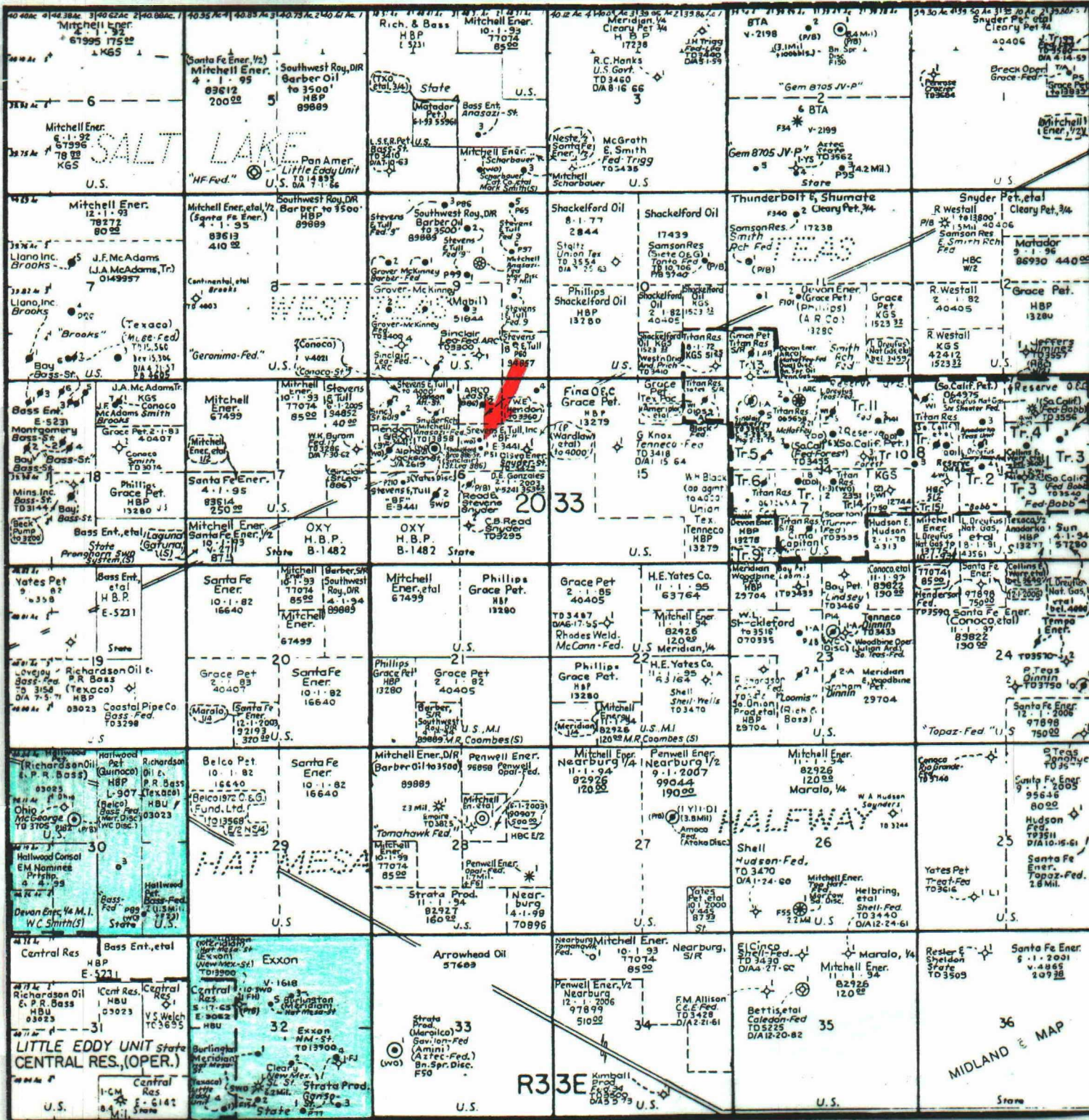
EXHIBIT

C

Final and one copy to Santa Fe with one copy to the appropriate Division







ANASAZI # 16 State Com # 1

Delaware Production within T20S - R33E

EXHIBIT

D



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

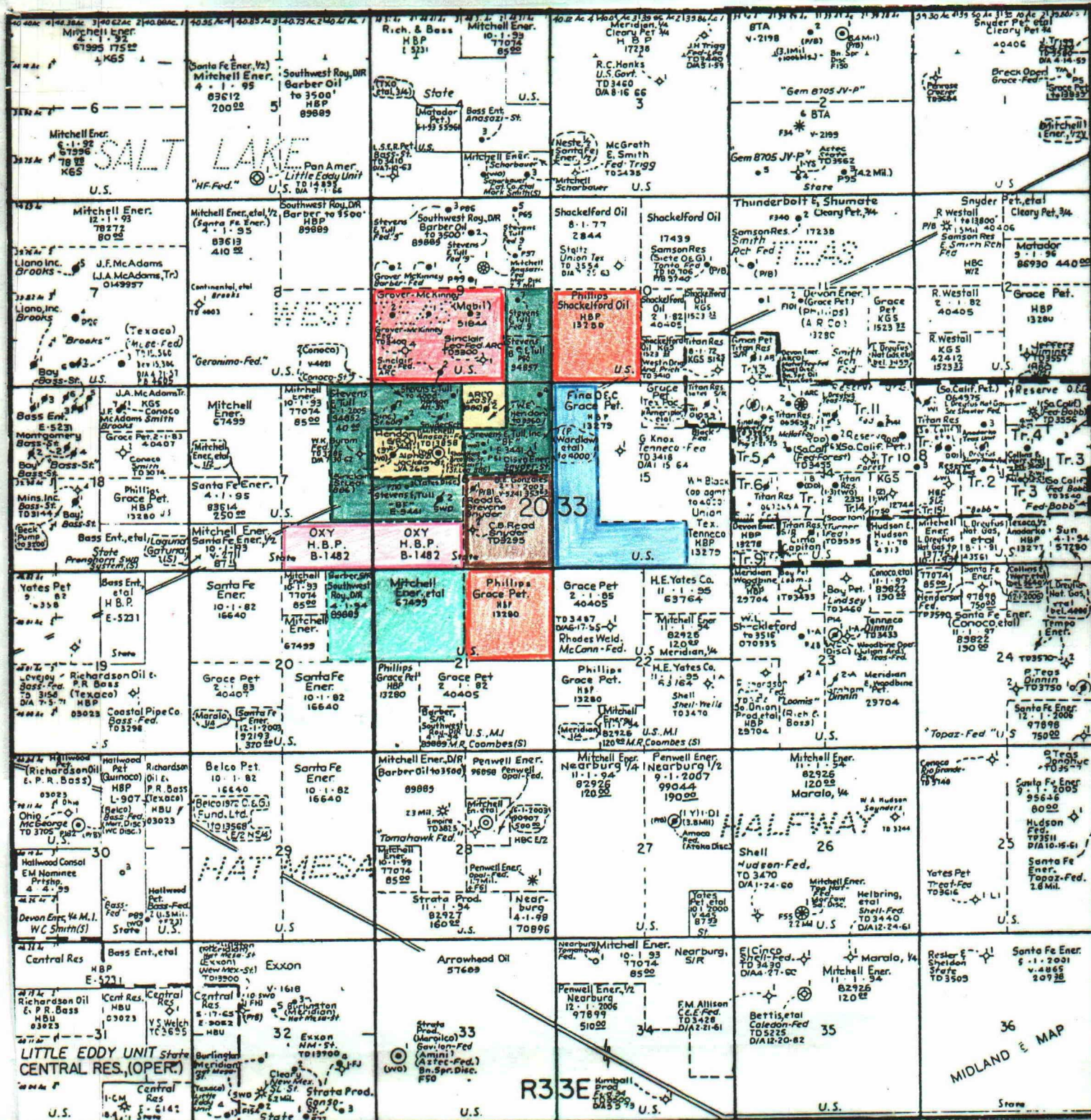
Conoco Inc.  
10 Desta Drive, Ste 100W  
Midland, Texas 79705-4500  
Attn; Carl Sherrill

**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

Shackleford Oil Company; State E-3441

Reliance Operating; NM-51844

Mitchell Energy; NM-67499 & NM-57280

Phillips Petroleum; NM-13280

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

Conoco; State V-2022

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

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)

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047**FACSIMILE COVER SHEET**

DATE: August 3, 1998

TIME: 2:00 PM (Santa Fe time)

NUMBER OF PAGES: -6-

\*\*

TO: Ben Stone

OF: Oil Conservation Division

FAX NO: (505) 827-8177

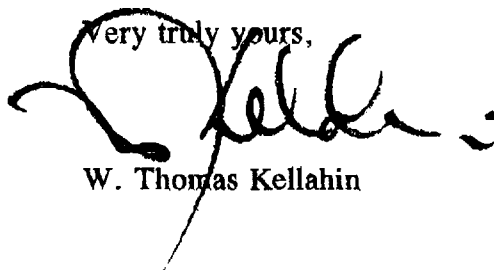
REF: **Falcon Creek Resources, Inc.**  
SWD-633  
Anasazi "16" State Com Well No 1.

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 &amp; 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 <sup>3</sup> /ft
5-1/2" 17 #/ft Casing:	0.02320 bbls/ft	0.13050 ft <sup>3</sup> /ft
2-7/8" 6.5 #/ft Tubing:	0.00579 bbls/ft	0.03250 ft <sup>3</sup> /ft
5-1/2" x 2-7/8" Annulus:	0.01520 bbls/ft	0.08540 ft <sup>3</sup> /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 jsps, 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 ft^3). 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  
~~----- Breakside. Release packer. TIH and knock off balls. TOH and report~~

**Procedure (cont.)**

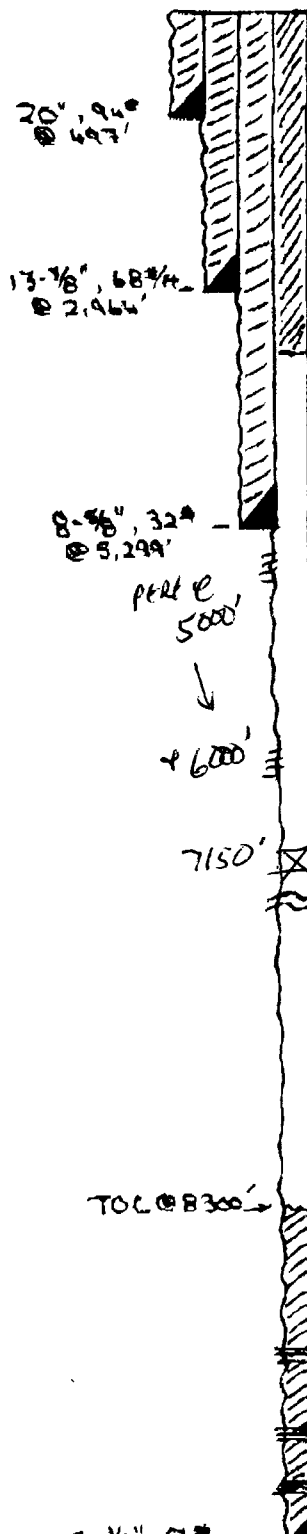
20. Release packer, TOH and LD 2-7/8" work string. PU redressed R-3 packer and TIH with the plastic coated 2-7/8" tubing. Roll backside to inhibited packer fluid. Set packer at +/- 5,500'. Test backside to 500 psi. ND BOP's. NU wellhead.
21. RDMO workover rig. Send tubing to Eunice yard. Clean up location.
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

GL: 3,539' / KB: 3,557' (18')

Amsozi #16 State Com #1  
West Texas Field  
SWNE Sec. 16, T20S-R33E  
Lea County, New Mexico



Estimated base of cement  
in 8-5/8" x 5-1/2" Annulus @ 3,450'

- Proposed Delaware Interval

• 5,554'-59', 5,587'-5,603', 5,620'-5,625',  
5,638'-5,653', 5,669'-5,684'

CI RET w/ 100 SACKS

- Casing Part (23') @ 7,168'-70' (Vertilog / 6-4-98)

- Lower Delaware Perfs

• 7,720'-36', 7,780'-7,810', 7,840'-86'.

• 4 1/2" / 346 holes

• Acidized w/ 2,500 gal. of 15% NEEF.

- Squeeze holes

8100'-8103' (12 holes)

- CIBP @ 8,500'

Bone Springs: 9,306'-9,352'

Wolfcamp: 11,576'-11,686'; CIBP @ 11,558' + 35 se.

Morrow: 13,204'-13,422'; CIBP @ 13,076'

Talk w/ OSCAR  
About PROCEP  
8-12-98

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 adver-  
tisements 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 Or-  
der 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 pro-  
posed perforations from 5,554  
feet to 5,684 feet also being  
within the Delaware forma-  
tion. Any party desiring to file  
an objection or request a  
hearing must file a written ob-  
jection 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

**Falcon Creek**  
**Anasazi 16**  
**7/10/98**

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 a number.  
 of the date

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:		4a. Article Number
Conoco Inc. 10 Desta Drive, Ste. 100W Midland, TX 79705-4500 Attn: Carl Sherrill		P 378 176 672
5. Receiver's (Print Name)		4b. Service Type
Desta Longwell		<input type="checkbox"/> Registered <input type="checkbox"/> Certified
6. Signature: (Addressee or Agent)		<input type="checkbox"/> Express Mail <input type="checkbox"/> Insured
		<input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD
7. Date of Delivery		8. Addressee's Address (Only if requested and fee is paid)
7-15-85		

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

**Thank you for using Return Receipt Service.**

**Is your RETURN ADDRESS completed on the reverse side?**

P 378 176 670

April 1995

SENDER  
Falcon Creek  
Anasazi 16  
7/10/98

is your RETURN ADDRESS completed on the reverse side?  
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:

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

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

SENDER  
Falcon Creek  
Anasazi 16  
7/10/98

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:

OXY USA Inc.  
P.O. 50250  
Midland, TX 79710

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

SENDER  
Falcon Creek  
Anasazi 16  
7/10/98

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:

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

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.

SENDER  
Falcon Creek  
Anasazi 16  
7/10/98

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

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.