



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

Mr. W. Thomas Kellahin
Kellahin and Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504-2265

**RE: *Administrative Application of Falcon Creek Resources Inc. to amend
injection interval authorized by Administrative Order SWD-663.***

Dear Mr. Kellahin:

On July 10, 1998, the above referenced application was submitted to the Division for consideration. The application was to amend (extend) the injection interval in the subject wellbore. It was unclear in the application if the intent was to add an interval to the existing interval or change the interval, i.e., squeeze or plug-off the old perforations. I requested and received a proposed wellbore schematic.

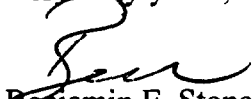
This schematic seems to indicate an unconventional cement job on the 5 ½ inch casing string, through which, injection would take place. According to this diagram, there is no cement behind this string of casing from approximately 3650 feet to 8300 feet, which is labeled as the top of cement. While I would not have permitted a wellbore in this condition in the first place, it was cause to wonder what the original application for injection indicated for cementing details.

I have enclosed a copy of the original injection well data sheet, and as you can see, the 5 ½ inch string shows to be cemented with 1200 sacks to surface and determined by CBL. (I have also enclosed a copy of the recent schematic you provided me.)

As you can imagine, I obviously need to find out exactly what the situation is with this wellbore. Please obtain from your client, and copy of the cement bond log and any records which may reveal how the well ended up with cement from surface to 3650 feet and from 8300 feet down.

If the wellbore is configured as indicated on the most recent schematic, the Division views this as a serious situation which could potentially impact groundwater in the area. In light of this, your most urgent attention to this matter is requested

Very truly yours,



Benjamin E. Stone

Petroleum Engineering Specialist

/BES

Enclosures

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

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

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)

April 1, 1998

HAND DELIVERED

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

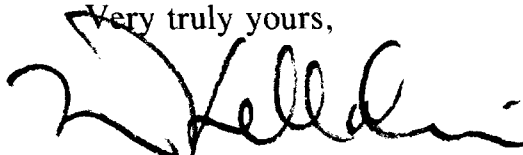
RE: **Anasazi "16" State Well No. 1**
Unit G, Section 16, T20S, R33E
Administrative Application of
Stevens & Tull Inc. to amended
injection interval authorized by
Administrative Order SWD-663
Lea County, New Mexico

Dear Mr. Catanach:

On behalf of Stevens & Tull, Inc., please find enclosed verification of our compliance with Division notice requirements including a copy of the certificate of newspaper publication and copies of the return receipt cards sent to the parties to whom notice is required.

Stevens & Tull, Inc. is most anxious for your approval. Please let me know if there is anything else I need to do to obtain approval of this request to amend Administrative Order SWD-663.

Very truly yours,



W. Thomas Kellahin

cc: Stevens & Tull, Inc.

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

 weeks.

Beginning with the issue dated

March 15 1998

and ending with the issue dated

March 15 1998

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 13th day of

March 1998

Jodi Henson

Notary Public.

My Commission expires
October 18, 2000
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE

March 15, 1998

Stevens & Tull, Inc., P. O. Box 11005, Midland, Texas 79702 has submitted an application 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, Section 18, T20S, R33E, Lea County, NM from the current perforations from 9,308 feet to 9,352 being within the Bone Springs formation to proposed perforations from 7,720 feet to 7,736 and 7,872 feet to 7,886 feet being within the Delaware formation. Any party desiring to file an objection or request a hearing must file a written objection within 15 days of this notice with the New Mexico Oil Conservation Division, 2040 Pacheco Street, Santa Fe, New Mexico 87505. For any additional information, you may contact Jerry A. Waent at 915/699-1410. #16759

02101305000 01518442
Stevens & Tull, Inc.
P.O. Box 11005
a/c 080946
Midland, TX 79702

Is your RETURN ADDRESS completed on the reverse side?

SEND Stevens & Tull Inc. SWD-663 3/10/98 Wilbur Shackleford 512 New Mexico Drive Roswell, NM 88201		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to:	4a. Article Number	4b. Service Type	7. Date of Delivery
	2 235 440 739	<input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	3-25-98
5. Received By: (Print Name)	8. Addressee's Address (Only if requested and fee is paid)		
M.L. Shackleford			
6. Signature: (Addressee or Agent)			
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?

SEND Stevens & Tull Inc. SWD-663 3/10/98 Phillips Petroleum Company 4001 Penbrook Odessa, TX 79762		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to:	4a. Article Number	4b. Service Type	7. Date of Delivery
	2 235 440 737	<input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	3/13/98
5. Received By: (Print Name)	8. Addressee's Address (Only if requested and fee is paid)		
6. Signature: (Addressee or Agent)			
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?

SEND Stevens & Tull Inc. SWD-663 3/10/98 Oxy USA Inc. P.O. Box 50250 Midland, TX 79710		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to:	4a. Article Number	4b. Service Type	7. Date of Delivery
	2 235 440 735	<input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
5. Received By: (Print Name)	8. Addressee's Address (Only if requested and fee is paid)		
6. Signature: (Addressee or Agent)			
PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt			

Is your RETURN ADDRESS completed on the reverse side?

SEND Stevens & Tull Inc. SWD-663 3/10/98 Fina Oil & Chemical Company 6 Desta Drive, Ste. 4400 Midland, Texas 79705		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
3. Article Addressed to:	4a. Article Number	4b. Service Type	7. Date of Delivery
	2 235 440 79	<input type="checkbox"/> Registered <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	MAR 16 1998
5. Received By: (Print Name)	8. Addressee's Address (Only if requested and fee is paid)		
Paula L. White			
6. Signature: (Addressee or Agent)			
PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt			

SENT Stevens & Tull Inc.
SWD-663
3/10/98

1. ☐ Certified
2. ☐ Registered
3. ☐ Insured
4. ☐ COD
5. ☐ Return Receipt for Merchandise
6. ☐ Restricted Delivery
7. ☐ Consult postmaster for fee.

3. Article Addressed to:
Conoco Inc.
10 Desta Drive, Ste. 100W
Midland, TX 79705-4500
Attn: Carl Sherrill

4a. Article Number
2 235 440 738

4b. Service Type
☐ Registered
☐ Express Mail
☐ Certified
☐ Insured
☐ COD
☐ Return Receipt for Merchandise

5. Received By: (Print Name)
Carl Sherrill

6. Signature: (Addressee or Agent)
Carl Sherrill

7. Date of Delivery
3-13-98

8. Addressee's Address (Only if requested and fee is paid)

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

Thank you for using Return Receipt Service.

SENT Stevens & Tull Inc.
SWD-663
3/10/98

1. ☐ Certified
2. ☐ Registered
3. ☐ Insured
4. ☐ COD
5. ☐ Return Receipt for Merchandise
6. ☐ Restricted Delivery
7. ☐ Consult postmaster for fee.

3. Article Addressed to:
Commissioner of Public Lands
State of New Mexico
PO Box 1148
Santa Fe, NM 87504

4a. Article Number
2 235 440 746

4b. Service Type
☐ Registered
☐ Express Mail
☐ Certified
☐ Insured
☐ COD
☐ Return Receipt for Merchandise

5. Received By: (Print Name)
[Signature]

6. Signature: (Addressee or Agent)
X

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

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

Z 235 440 735
US Postal Service
Receipt for Certified Mail
Reliance Operating
P.O. Box 10946
Midland, Texas 79702

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	

Stevens & Tull Inc.
SWD-663
3/10/98

SWD-663
Stevens & Tull, 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

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

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

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)

July 29, 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

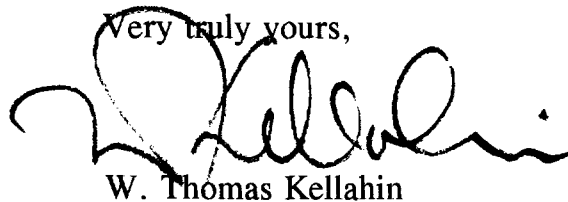
Dear Mr. Catanach:

On July 10, 1998, we submitted to you the referenced application which included a list of parties to be notified. On July 10, 1998, we sent copies of the application, certified mail-return receipt, to those parties. Please find enclosed copies of the return-receipt cards. In addition, on July 15, 1998, the Hobbs Daily News-Sun published the notice of this matter as indicated on the enclosed certified notice of publication.

Falcon Creek Resources, Inc. is in immediate need of assistance because it is unable to produce approximately 150 barrels of oil per day from wells which also produced water to be disposed of into the referenced well.

Please call me if I need to do anything further concerning this request.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

cfx: Falcon Creek Resources, Inc.
Attn: Oscar L. Peters

FALCON CREEK RESOURCES, INC.

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

November 2, 1998

Mr. Benjamin E. Stone
Petroleum Engineering Specialist
New Mexico Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87508

**Re: Administrative Order SWD-663
Anasazi '16' State Well No. 1
SWNE (G), Sec. 16, T20S-R33E
Lea County, New Mexico**

Dear Mr. Stone:

Enclosed please find three (3) CBL/VDL/CCL/GR logs ran on the captioned well. The log were ran as follows:

- 10-05-98: Prior to any cement squeezing operations taking place.
- 10-09-98: After initial cement squeeze of the wellbore.
- 10-23-98: After third and final squeeze of the wellbore.

As you can tell from the bond logs, we were able to obtain cement isolation across the Delaware Formation.

We have finished the conversion of the well to SWD, and on Friday 10/30/98, performed an annulus mechanical integrity test. Results were delivered to the Hobbs District Office.

Thank you for all of your efforts on this project. Please contact me at (303) 675-0007 if you have any questions or comment about this cement job.

Sincerely,



Oscar L. Peters
Manager of Operations

Enclosures