NSP 19/5/98

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

(303) 675-0007 (303) 675-0008 Facsimile

September 10, 1998

SEP (1 MOL)

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

RE: Application for Non-Standard Proration Unit FCR 20 State #1 660' FNL, 1750' FWL Section 20, T20S, R36E Lea County, New Mexico

Gentlemen:

Please accept this letter as an Application for Non-Standard Spacing Unit. As required, we enclosed a Form C-102 showing the spacing requested along with a list of affected parties. All offset leasehold owners have been notified of this application by certified mail.

We are requesting a 120 acre spacing unit. This well appears to be a gas well producing from the Lower Seven Rivers formation. An existing oil well, producing from the Upper Seven Rivers, is located in the NW quarter of this quarter section. It would not only be prudent for Falcon Creek Resources, but also the State of New Mexico to produce these intervals separately.

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

Sincerely,

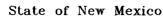
Oscar L. Peters District Operations Engineer

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

DISTRICT II P.O. Drawer DD, Artesia, NM 68211-0719

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

DISTRICT IV p.o. box 2088, santa fe, n.m. 67504-2068



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

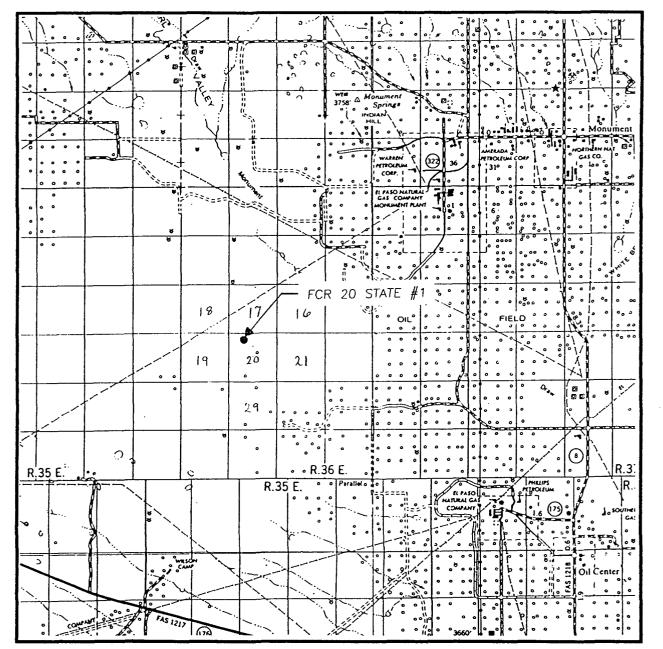
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

□ AMENDED REPORT

API Number			Pool Code			Pool Name							
Property Code			1		Prope FCR 20	rty Nam STAT		Well Number 1					
OGRID No.			FAI	_CON C	0pera REEK R	tor Nam ESOL		Elevation 3629					
Surface Location													
UL or lot No. Section Township C 20 20 S		Range Lot Idn 36 E		Feet from the 660		North/South line Feet from NORTH 1750		East/West line WEST	County LEA				
Bottom Hole Location If Different From Surface													
UL or lot No.	Section	Township	Range	Lot Idn	Feet from	m the	North/South line	Feet from the	East/West line	County			
Dedicated Acres	Joint o	or Infill Co	onsolidation (Code O	rder No.				•				
	'50'						JNTIL ALL INTEF APPROVED BY 7	THE DIVISION OPERATO I hered contained heren best of my known Signature Oscar L Printed Nam Distric Title Septemb Date	DR CERTIFICAT ny certify the the in in is true and compl wledge and betief. A. A.	FION formation lete to the SEnginee			
								on this plat u actual surveys supervison a correct to the Date Survey Signofund Professionabil	Surveyor	d notes of under my true and y. DMCC 7-21-98 0N 3239 12641			



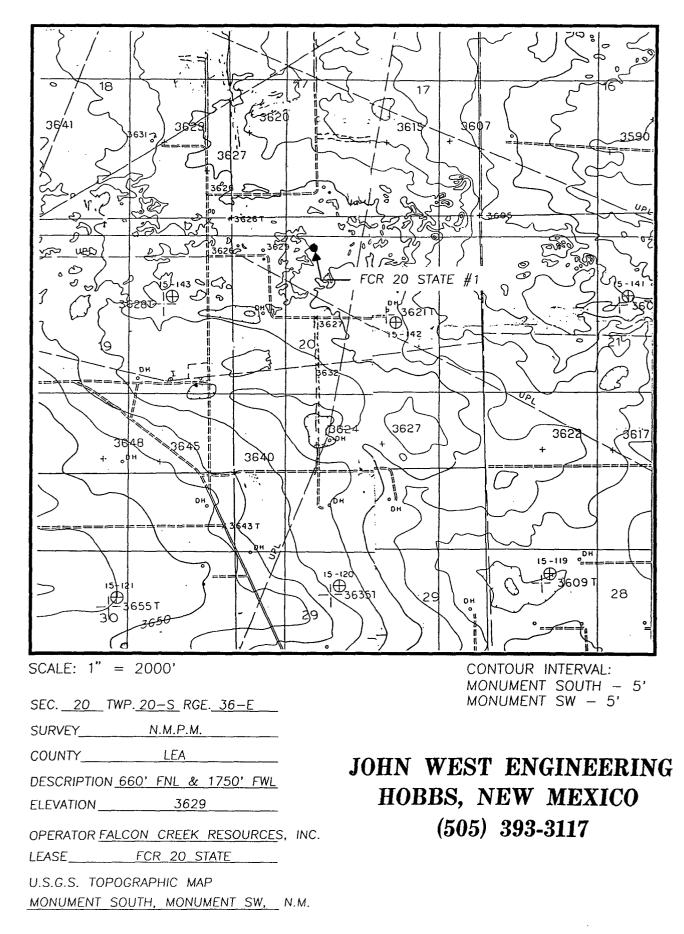


SCALE: 1'' = 2 MILES

SEC. 20 TWP. 20-S RGE. 36-E SURVEY N.M.P.M. COUNTY LEA DESCRIPTION 660' FNL & 1750' FWL ELEVATION 3629 OPERATOR FALCON CREEK RESOURCES, INC. LEASE FCR 20 STATE

JOHN WEST ENGINEERING HOBBS, NEW MEXICO (505) 393-3117

LOCATION VERIFICATION MAP



O

NOTIFICATION FOR NON-STANDERD PRORATION UNIT FCR 20 State #1

TOWNSHIP 20 SOUTH, RANGE 36 EAST

Section 17: S/2

Amerada Hess Corporation P.O. Box 2040 Houston, TX 77252-2040

TOWNSHIP 20 SOUTH, RANGE 36 EAST

Section 18: E/2SE

Boyd & McWilliams Energy Group, Inc. 550 West Texas, Suite 704 Midland, TX 79701

TOWNSHIP 20 SOUTH, RANGE 36 EAST Section 18: W/2SE

Phillips Petroleum Company 4001 Penbrook Odessa, TX

TOWNSHIP 20 SOUTH, RANGE 36 EAST Section 19: NE, N/2SE

Altura Energy, LTD P.O. Box 4294 Houston, TX 77210-4294

Eagle K Production Company P.O. Box 80451 Midland, TX 79708

TOWNSHIP 20 SOUTH, RANGE 36 EAST Section 19: S/2SE

Nearburg Exploration Company, LLC 3300 North "A" Street, Bldg #2, Suite 120 Midland, TX 79705

TOWNSHIP 20 SOUTH, RANGE 36 EAST Section 20: N/2SW, SESW

Altura Energy, LTD P.O. Box 4294 Houston, TX 77210-4294

TOWNSHIP 20 SOUTH, RANGE 36 EAST Section 20: SWSW

Xeric Oil & Gas Corporation P.O. 352 Midland, TX 79702

ARCO P.O. Box 1610 Midland, TX 79702

TOWNSHIP 20 SOUTH, RANGE 36 EAST Section 20: N/2, SE

Falcon Creek Resources, Inc. 621 17th Street, Suite 1800 Denver, CO 80293

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

(303) 675-0007 (303) 675-0008 Facsimile

September 9, 1998

NSP-1794(L)

007 - 8 1998

Altura Energy, LTD P.O. Box 4294 Houston, TX 77210-4294

RE: Application for Non-Standard Proration Unit FCR 20 State #1 660' FNL, 1750' FWL Section 20, T20S, R36E Lea County, New Mexico

To Whom It May Concern:

Please find enclosed for your review a copy of our Application for Non-Standard Proration Unit for the captioned well. We request that you execute this letter signifying your waiver to any objection for the spacing of said well.

Please route an executed copy of this letter within 20 days to New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico 87505. Thank you for your cooperation in this matter.

Sincerely, Jackene D.

Jaylene Roope Sr. Operations Technician

We hereby waive any objection to Falcon Creek Resources, Inc.'s Application for Non-Standard Proration Unit for the FCR 20 State #1 well at the captioned location.

Altura Energy, LTD

Bv: Title: Regulatory ENGINEER Print Name: MICHAEL STARRETT Date: 9-23-98

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

(303) 675-0007 (303) 675-0008 Facsimile

September 9, 1998

NSP-1794(L) CALCOMBER

Eagle K Production Company P.O. Box 80451 Midland, TX 79708

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Sincerely, Joufene D. Pope

Jaylene Roope Sr. Operations Technician

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Eagle K Production Company By: retor Title: Print Name 8 Date: 9-29

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

(303) 675-0007 (303) 675-0008 Facsimile

September 9, 1998

Amerada Hess Corporation P.O. Box 2040 Houston, TX 77252-2040

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Julene X

Jaylene Roope Sr. Operations Technician

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Amerada Hess Corporation

1/1 Ch Bv: Title: ATTORNEY-IU-FALT Print Name: Rowdy J. Phon Date: 9/21/98

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

(303) 675-0007 (303) 675-0008 Facsimile

September 9, 1998

Boyd & McWilliams Energy Group, Inc. 550 West Texas, Suite 704 Midland, TX 79701

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Hene &

Jaylene Roope Sr. Operations Technician

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Boyd & McWilliams Energy Group, Inc.

Bv: Title: Print Name: Frank Date: 9-16-98

CMD : .ONGARD10/06/98 13:56:43OG6C101C101-APPLICATION FOR PERMIT TO DRILLOGOIV -EMFA								
OGRID Idn : 169415 API Well No: 30 25 34474 APD Status(A/C/P): A Opr Name, Addr: FALCON CREEK RESOURCES, INC. Aprvl/Cncl Date : 07-29-1998 621 17TH STREET, SUITE 1800 DENVER,CO 80293								
Prop Idn: 23544 FCR 20 STATE Well No: 1								
U/L Sec Township Range Lot Idn North/South East/West								
Surface Locn : C2020S36EFTG660 F NFTG1750 F WOCD U/L: CAPI County : 25								
Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 3629								
State Lease No: Multiple Comp (Y/N) : S Prpsd Depth : 4000 Prpsd Frmtn : SEVEN RIVERS								
E7024: Only view is allowed PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12								

CMD :ONGARD10/06/98 13:56:33OG6CLOGC105-WELL COMPLETION OR RECOMP CASING LOGOGOIV -EMFAOGRID Identifier: 169415 FALCON CREEK RESOURCES, INC.Prop Identifier: 23544 FCR 20 STATEAPI Well Identifier : 30 25 34474Well No : 001Surface Locn - UL : C Sec : 20 Twp : 20S Range : 36E Lot Idn :Multple comp (S/M/C): S TVD Depth (Feet) :MVD Depth (Feet):Spud Date:P/A Date :Casing/Linear Record:.S SizeGrade Weight Depth(ft) Depth(ft) Hole Size Cement ---- TOC -----(inches)(lb/ft) Top-Liner Bot-Liner (inches) (Sacks) (feet) Code

	E0042: Record not	found; Autho	rity denied	to ADD/MODIFY	
PF01 HEI	P PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 COMMENT	PF10 TLOG	PF11	PF12