



FALCON CREEK RESOURCES, INC.

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

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

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

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.

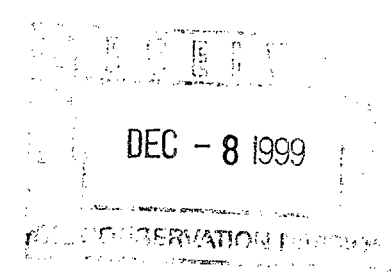
Sincerely,


April J. Carlson
Operations Technician

cc: Hobbs District Office

DHC 12/28/99

2588



X134

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

1

M 24 20S, 38E

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. 30-025-33182 Federal ☒ State ☐ (and/or) Fee ☐

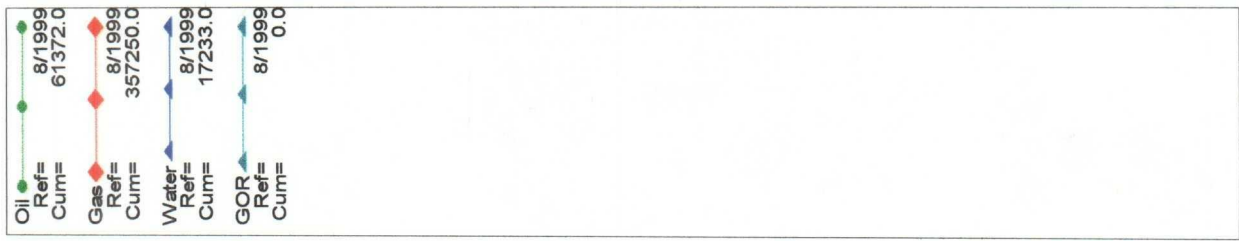
The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blinebry		Tubb
2. Top and Bottom of Pay Section (Perforations)	6,032'-6,070', 6,117'-6,130', 6,181'-6,202', 6,270'-6,276'		6,520'-6,530', 6,581'-6,777'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure	a. (Current) psi	a. psi	a. psi
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original) N/A	N/A	N/A
6. Oil Gravity (^o 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 Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data	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.

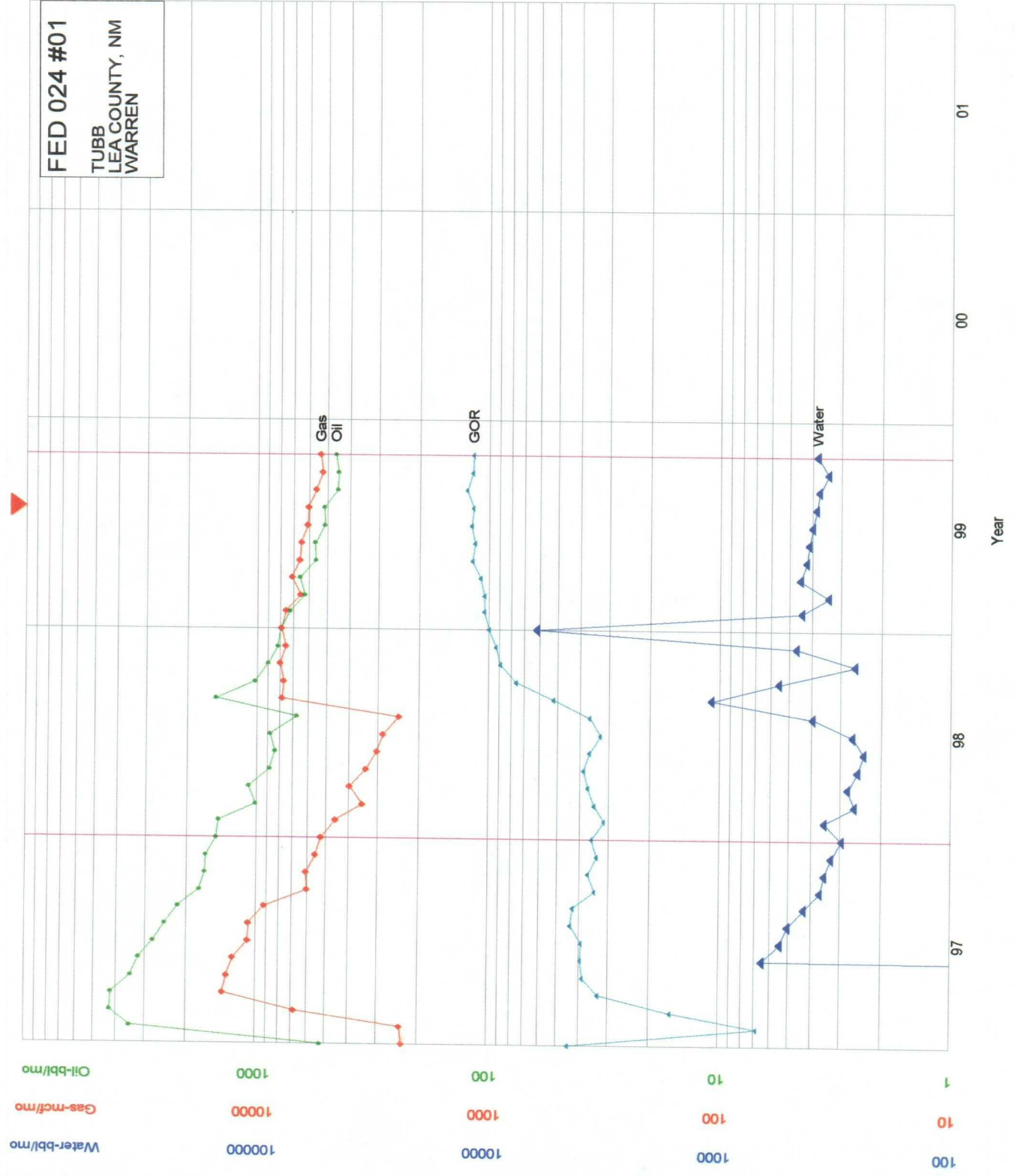
SIGNATURE  TITLE Senior Engineer DATE December 6, 1999

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-bbl/mo 1000 10000 100000
Gas-mcf/mo 1000 10000 100000
Water-bbl/mo 100 1000 10000
GOR 100 1000 10000

Federal 24 #1
Tested Commingled Production

	Oil	Gas	Water
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

Oil	Gas	Water
460	5372	379

Daily Average

Oil	Gas	Water
14.84	173.29	12.23

Tested Commingled Production**Total Production**

Oil	Gas	Water
670	2777	890

Daily Average

Oil	Gas	Water
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%

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

<div style="position: relative; width: 100%; height: 100%;"><div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); border: 1px solid black; padding: 10px; text-align: center;"><div style="display: flex; justify-content: space-between;">3567.7'3575.8'</div><div style="display: flex; justify-content: space-between;">3565.1'3568.3'</div><div style="margin: 10px 0;">○</div><div style="display: flex; justify-content: center;"><div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;"></div><p><u>DETAIL</u></p></div></div></div>	<div><p style="text-align: center;">OPERATOR CERTIFICATION</p><p><i>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</i></p><div style="border-bottom: 1px solid black; margin-bottom: 5px;"><i>Michael G. Mooney</i></div><p>Signature</p><div style="border-bottom: 1px solid black; margin-bottom: 5px;">Michael G. Mooney</div><p>Printed Name</p><div style="border-bottom: 1px solid black; margin-bottom: 5px;">Engineer</div><p>Title</p><div style="border-bottom: 1px solid black; margin-bottom: 5px;">10-23-95</div><p>Date</p></div> <div style="border-top: 1px solid black; padding-top: 10px;"><p style="text-align: center;">SURVEYOR CERTIFICATION</p><p><i>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.</i></p><p style="text-align: right; margin-right: 50px;">OCTOBER 5, 1995</p><div style="display: flex; justify-content: space-between;"><div><div style="border-bottom: 1px solid black; margin-bottom: 5px;">Date Surveyed</div><div style="border-bottom: 1px solid black; margin-bottom: 5px;">Signature & Seal</div><div style="border-bottom: 1px solid black; margin-bottom: 5px;">Professional Surveyor</div></div><div style="text-align: right;"><div style="border-bottom: 1px solid black; margin-bottom: 5px;">10-06-95</div><div style="border-bottom: 1px solid black; margin-bottom: 5px;">O. & M. 95-111524</div></div></div><div style="text-align: right; margin-top: 10px;">SJA</div></div>
<div style="position: relative; width: 100%; height: 100%;"><div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); border: 1px solid black; padding: 10px; text-align: center;"><div style="display: flex; justify-content: space-between;">3567.7'3575.8'</div><div style="display: flex; justify-content: space-between;">3565.1'3568.3'</div><div style="margin: 10px 0;">○</div><div style="display: flex; justify-content: center;"><div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;"></div><p><u>DETAIL</u></p></div></div></div>	<div style="border-bottom: 1px solid black; margin-bottom: 5px;">SEE DETAIL</div> <div style="display: flex; align-items: center;"><div style="margin-right: 10px;">← 660' →</div><div style="text-align: center;"><div style="border: 1px solid black; width: 10px; height: 10px; margin: 0 auto;"></div><div style="margin: 0 auto;">○</div><div style="margin: 0 auto;">↓ 660' ↓</div></div></div>

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
DRC*