

## 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

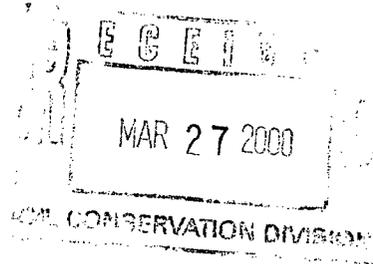
Attention: David Catnack

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 you prompt attention to this matter.

Sincerely,

April J. Carlson  
Operations Technician



DHC 4/17/00

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 87505-6429

Form C-107-A  
New 3-12-96

APPROVAL PROCESS:

Administrative  Hearing

EXISTING WELLBORE

YES  NO

APPLICATION FOR DOWNHOLE COMMINGLING

Falcon Creek Resources, Inc.

621 17<sup>th</sup> 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 Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) psi	a. psi	a. psi
	b. (Original)	b.	b.
6. Oil Gravity ( <sup>o</sup> 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?  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. NMOC 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, 2000

TYPE OR PRINT NAME Gerald Lucero TELEPHONE NO. ( 303 ) 675-0007

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

	<b>Tubb</b>		December 1999 Daily Production Estimates
Oil	Gas	Water	
15	111	21	

	<b>Abo</b>		July 1998 Daily Production Estimates
Oil	Gas	Water	
24	20	2	

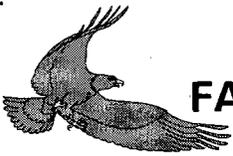
<b>Total of Commingled Production</b>	<b>Total of Commingled Production (Test Period)</b>		
Oil	Gas	Water	
63	184	28	

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

	<b>Tubb</b>	
Oil	Gas	Water
24%	60%	75%

	<b>Abo</b>	
Oil	Gas	Water
38%	11%	7%

	<b>Blinebry</b>	
Oil	Gas	Water
38%	29%	18%



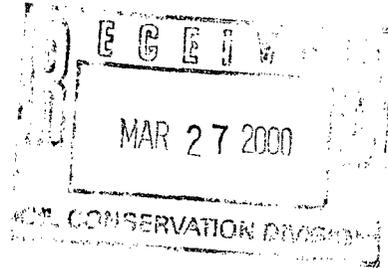
## FALCON CREEK RESOURCES, INC.

621 17th Street, Suite 1800  
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 80, Artesia, NM 88211-0719

DISTRICT III  
1000 Elv 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
OGRD No. 169415	Operator Name Falcon Creek Resources, Inc.	Elevation 3577

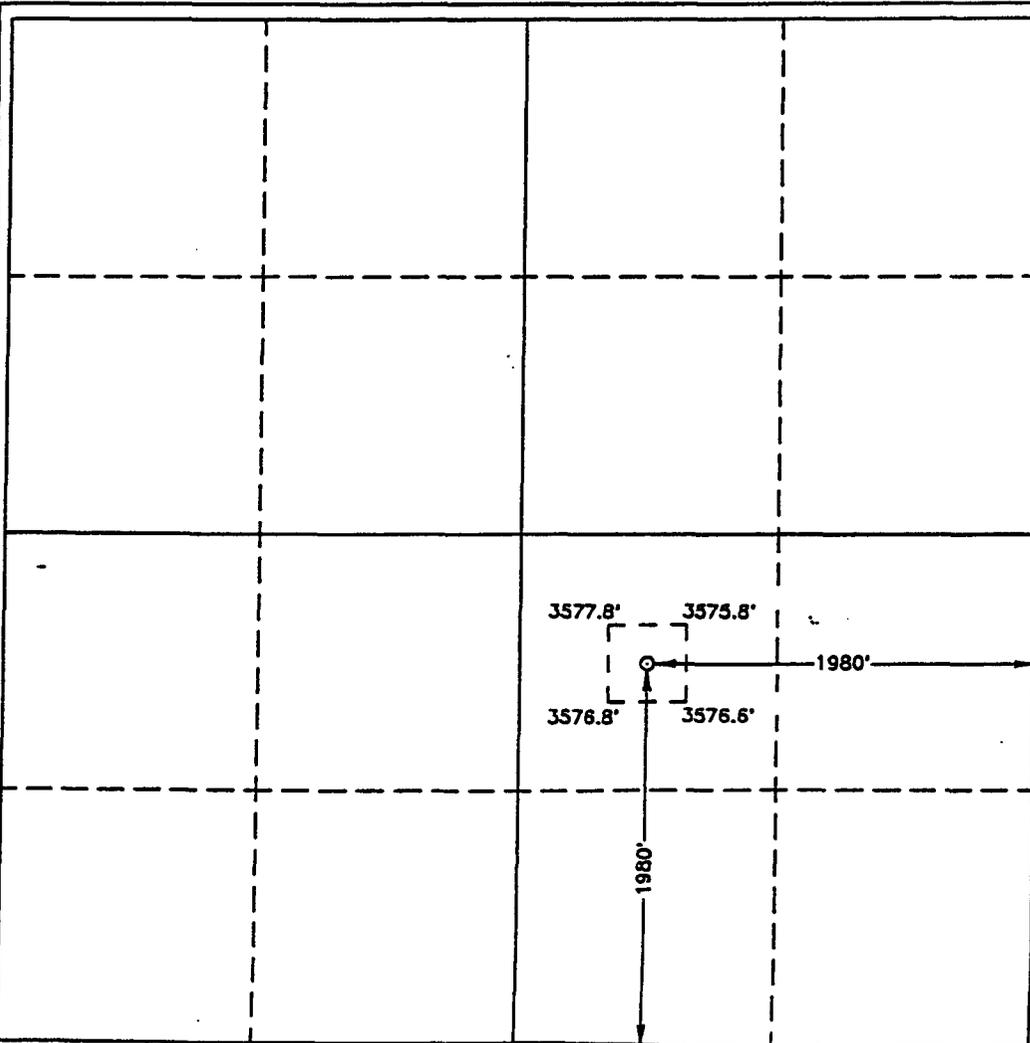
Surface Location

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

---

**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

JLP  
Signature of J. Eidson  
Professional Surveyor

RONALD J. EIDSON  
No. 97-1559

Certified by RONALD J. EIDSON, 3239  
PROFESSIONAL SURVEYOR, EIDSON, 12641

DISTRICT I  
P.O. Box 1966, Hobbs, NM 88241-1966

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 80, Artesa, NM 86211-0719

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

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

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
OGRID No. 169415	Operator Name Falcon Creek Resources, Inc.	Elevation 3577

Surface Location

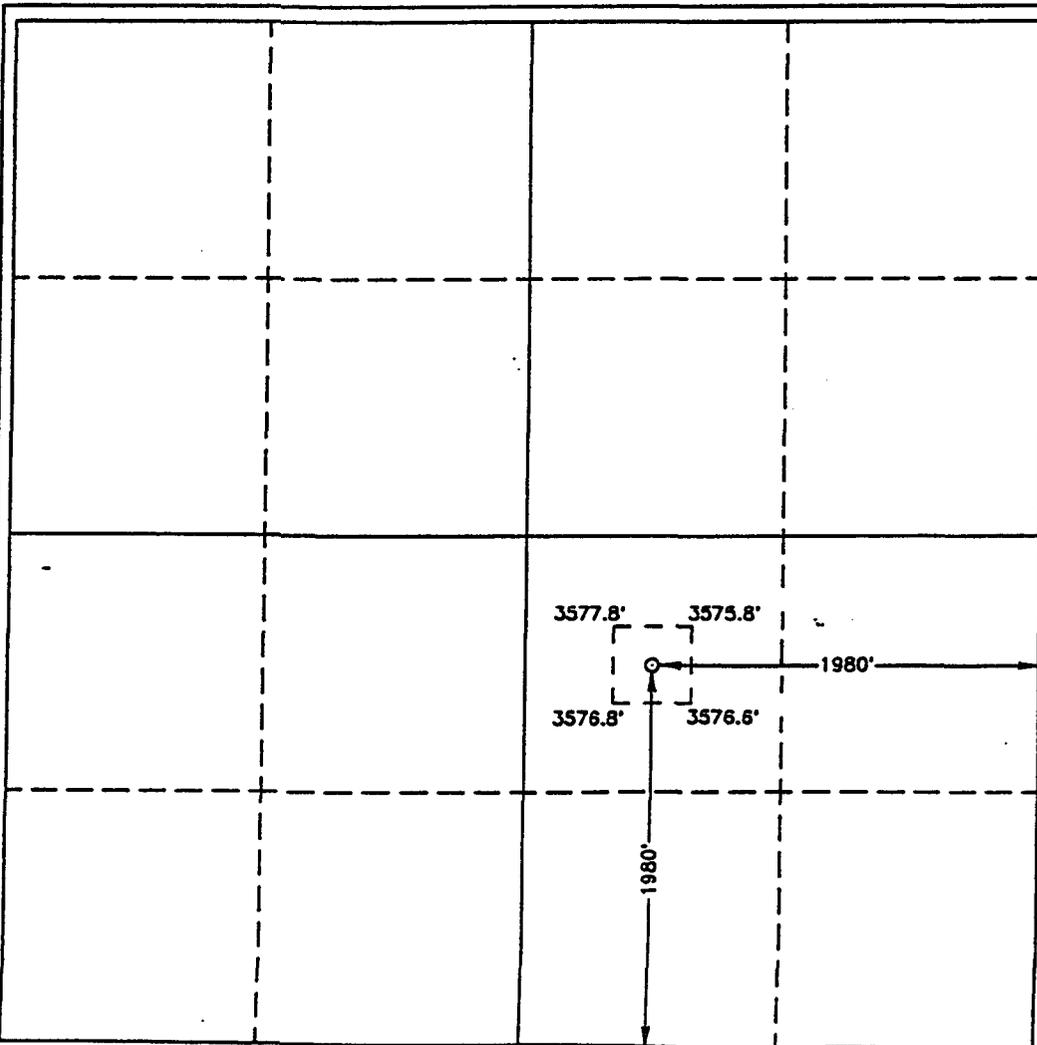
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	24	20 S	38 E		1980	SOUTH	1980	EAST	LEA

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.

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*Gerald Lucero*  
Signature

Gerald Lucero  
Printed Name

Manager of Operations  
Title

March 21, 2000  
Date

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**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 Ronald J. Eidson  
Professional Surveyor

NO. Num. 97-1559

Certification No. RONALD J. EIDSON, 3239  
EIDSON, 12841

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

DISTRICT II  
P.O. Drawer 80, Artesia, NM 86211-0719

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

DISTRICT IV  
P.O. Box 2068, Santa Fe, NM 87504-2068

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

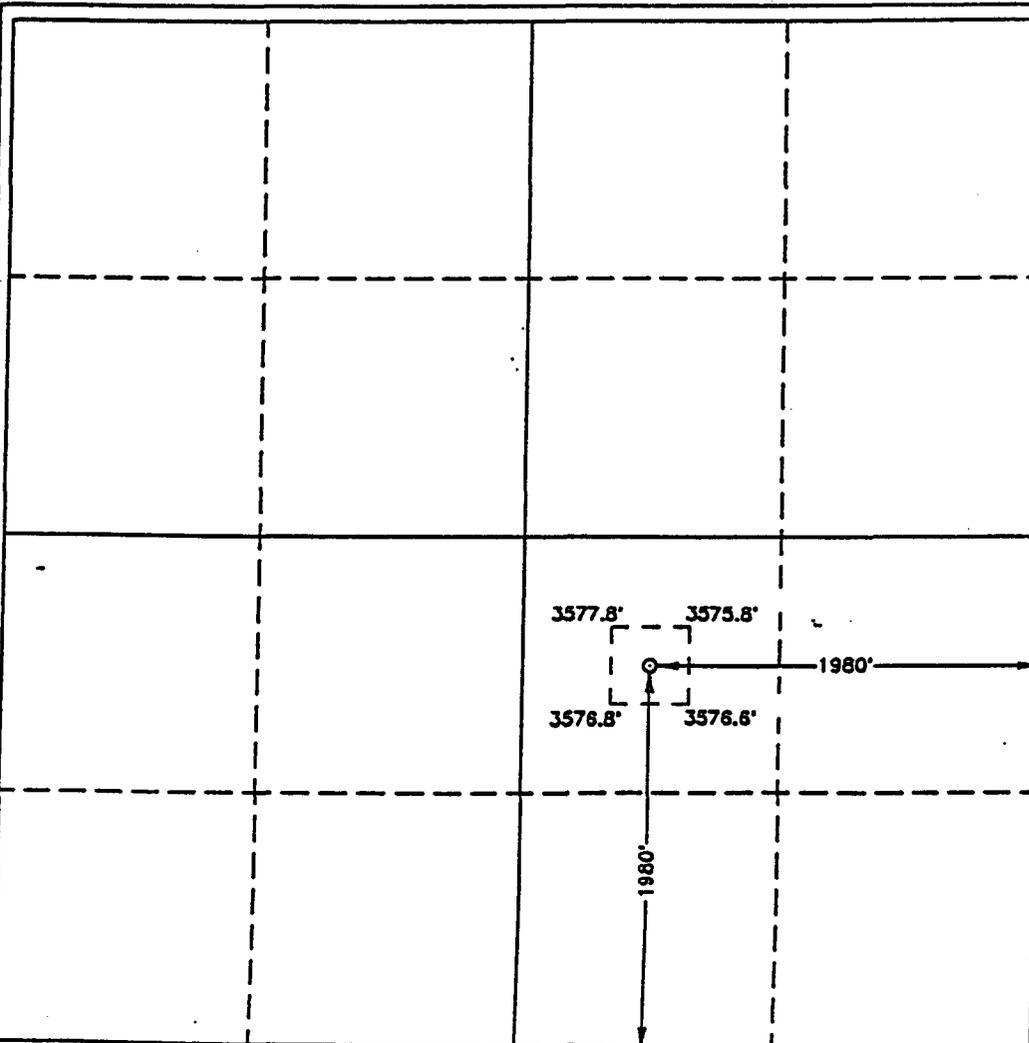
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	24	20 S	38 E		1980	SOUTH	1980	EAST	LEA

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.

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OPERATOR CERTIFICATION

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*Gerald Lucero*  
Signature

Gerald Lucero  
Printed Name

Manager of Operations  
Title

March 21, 2000  
Date

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 J. Eidson*  
Professional Surveyor  
No. Num. 97-1559

Certified by RONALD J. EIDSON, 3239 EIDSON, 128-1

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

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

	<b>Blinebry</b>	
Oil	Gas	Water
21	55	30

	<b>Tubb</b>	
Oil	Gas	Water
15	174	22

	<b>Abo</b>	
Oil	Gas	Water
24	20	2

	<b>Total</b>	
Oil	Gas	Water
60	249	54

	<b>Blinebry</b>	
Oil	Gas	Water
35%	22%	56%

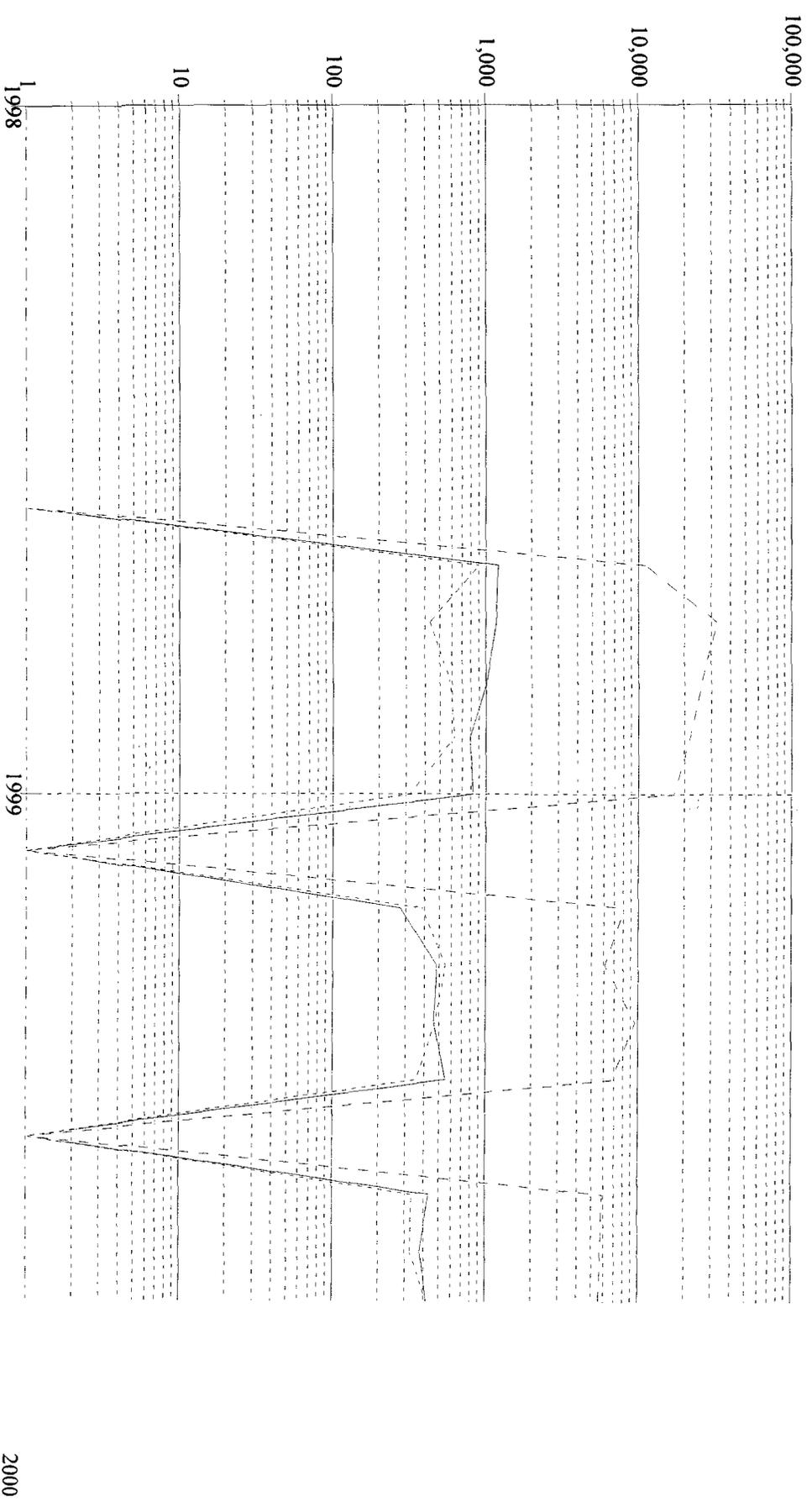
	<b>Tubb</b>	
Oil	Gas	Water
25%	70%	41%

	<b>Abo</b>	
Oil	Gas	Water
40%	8%	4%

	<b>Total</b>	
Oil	Gas	Water
100%	100%	100%

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

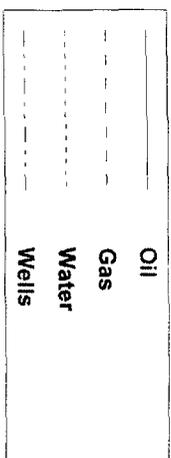
**Field: WARREN EAST**  
**Lease: FEDERAL 24 | Well #5**  
**Operator: FALCON CREEK RESOURCES INCORPORATED**  
 Production Rate vs Time  
 For the Period 01/1998 to 12/1999 | API: 30025341990000



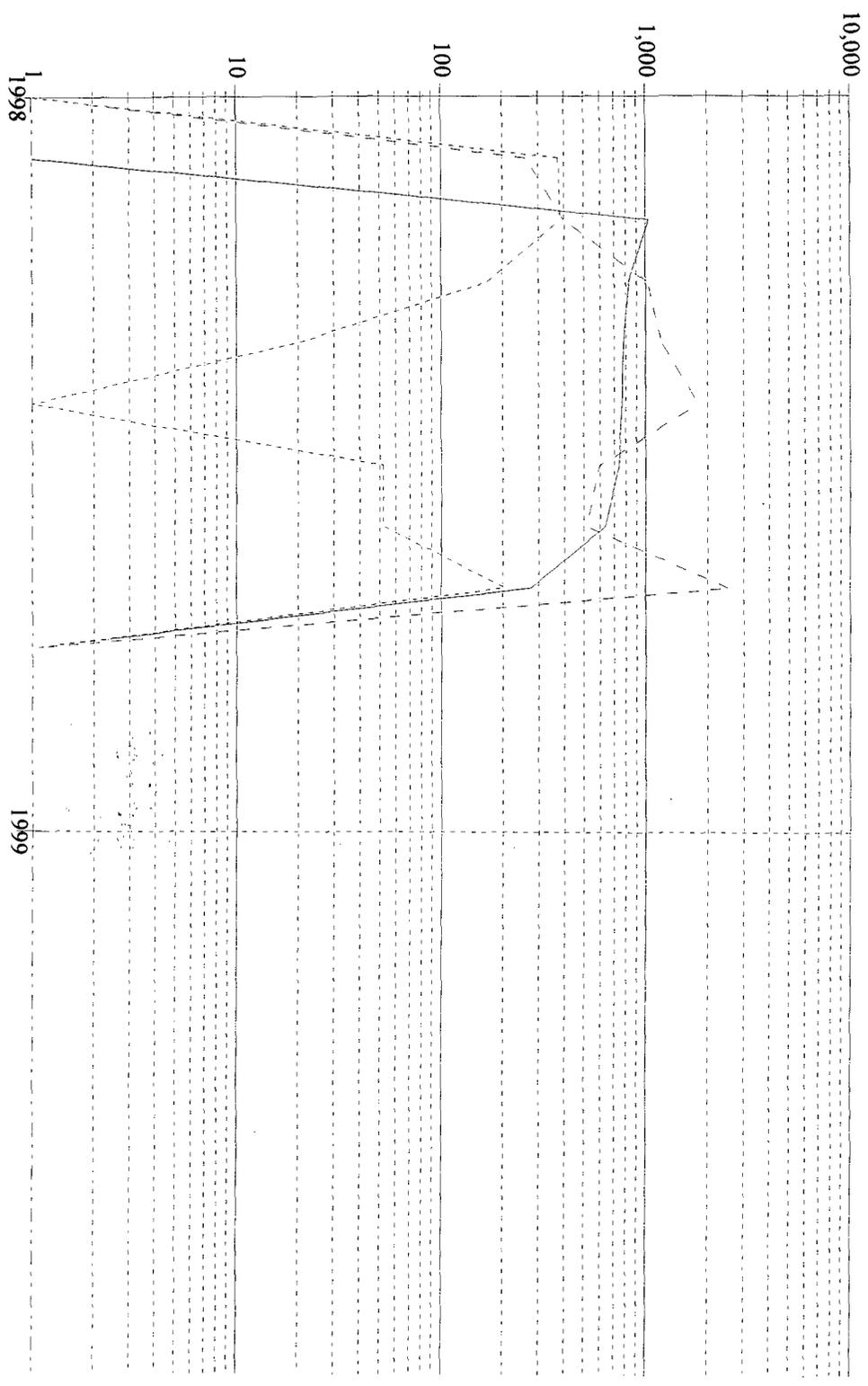
Reported Oil Production = 8,020 Bbls  
 Reported Gas Production = 156,995 Mcf  
 Reported Water Production = 5,708 Bbls

Time

Plot Displays Monthly Totals  
 Copyright (C) 1900 by Petroleum Information/Dwights LLC



**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



**BBI/Mo or Mcf/Mo**

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

**Time**

2000