

DHC 7/10/00



FALCON CREEK RESOURCES, INC

621 Seventeenth Street  
Suite 1800  
Denver, Colorado 80293  
Office 303-675-0007  
Fax 303-675-0008

June 15, 2000

RECEIVED  
JUN 19 2000  
OIL CONSERVATION DIVISION  
2775

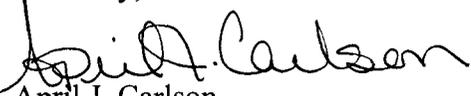
Oil Conservation Division  
2040 South Pacheco St.  
Santa Fe, New Mexico 87505

RE: Application for Downhole Commingling  
Kyte #9  
"C"Section 23, T20S-R38E  
Lea County, New Mexico

Gentlemen:

Please find enclosed an Application for Downhole Commingling. 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

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 Kyte Address C 23 20S 38E Lea  
Lease 9 Well No. 9 Unit Ltr. - Sec - Twp - Rge C 23 20S 38E County Lea

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 026102 Property Code 23402 API NO. 30-025-34457 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		Abo
2. Top and Bottom of Pay Section (Perforations)	5918'-6332'		7342'-7745'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: 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	40.1		40.1
7. Producing or Shut-In?	Producing		New Zone
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: Rates:
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: 2-2000 Rates: 10 oil, 40 gas, 35 water	Date: Rates:	Date: 5-2000 Rates: 38 oil, 72 gas, 33 water (See Attached)
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 21% Gas: 36% H2O: 51%		Oil: 79% Gas: 64% H2O: 49%

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 Gerald Lucero TITLE Manager of Operations DATE June 15, 2000

TYPE OR PRINT NAME Gerald Lucero TELEPHONE NO. ( 303 ) 675-0007  
Prepared By: April J. Carlson TELEPHONE NO. ( 303 ) 675-0007 Ext. 134

Falcon Creek Resources, Inc.  
 Kyte #9 Commingling Allocations

**Kyte #9 Blinebry Daily  
 Production in March 00**

Oil	Gas	Water
10	40	35

<b>Kyte #9 Blinebry Commingling            Allocations</b>		
Oil	Gas	Water
21%	36%	51%
<b>Kyte #9 Abo Commingling            Allocations</b>		
Oil	Gas	Water
79%	64%	49%

**Kyte #9 Daily Production #'s  
 after Testing Commingling w/**

	<b>Abo</b>		
	Oil	Gas	Water
5/13/00	38	142	48
5/14/00	40	150	50
5/15/00	57	143	55
5/16/00	51	140	40
5/17/00	50	126	90
5/18/00	47	118	53
5/19/00	50	101	80
5/20/00	52	101	68
5/21/00	42	130	165
5/22/00	54	115	80
5/23/00	45	91	64
5/24/00	45	86	64
5/25/00	45	100	59
5/26/00	48	111	50
5/27/00	50	100	60
5/28/00	50	100	60
5/29/00	49	90	80
5/30/00	51	96	70
5/31/00	54	96	63
Total	918	2136	1299
Daily Avg.	48	112	68

**Kyte #9 Abo Production Avg.  
 (New Prod. # minus Blinebry  
 Prod. #'s)**

Oil	Gas	Water
38	72	33

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

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

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

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

ADP Number 30-025-34457	Pool Code 06660	Pool Name Blinebry Oil & Gas (Oil)
Property Code 23402	Property Name KYTE	Well Number 9
OGRID No. 169415	Operator Name FALCON CREEK RESOURCES	Elevation 3567

Surface Location

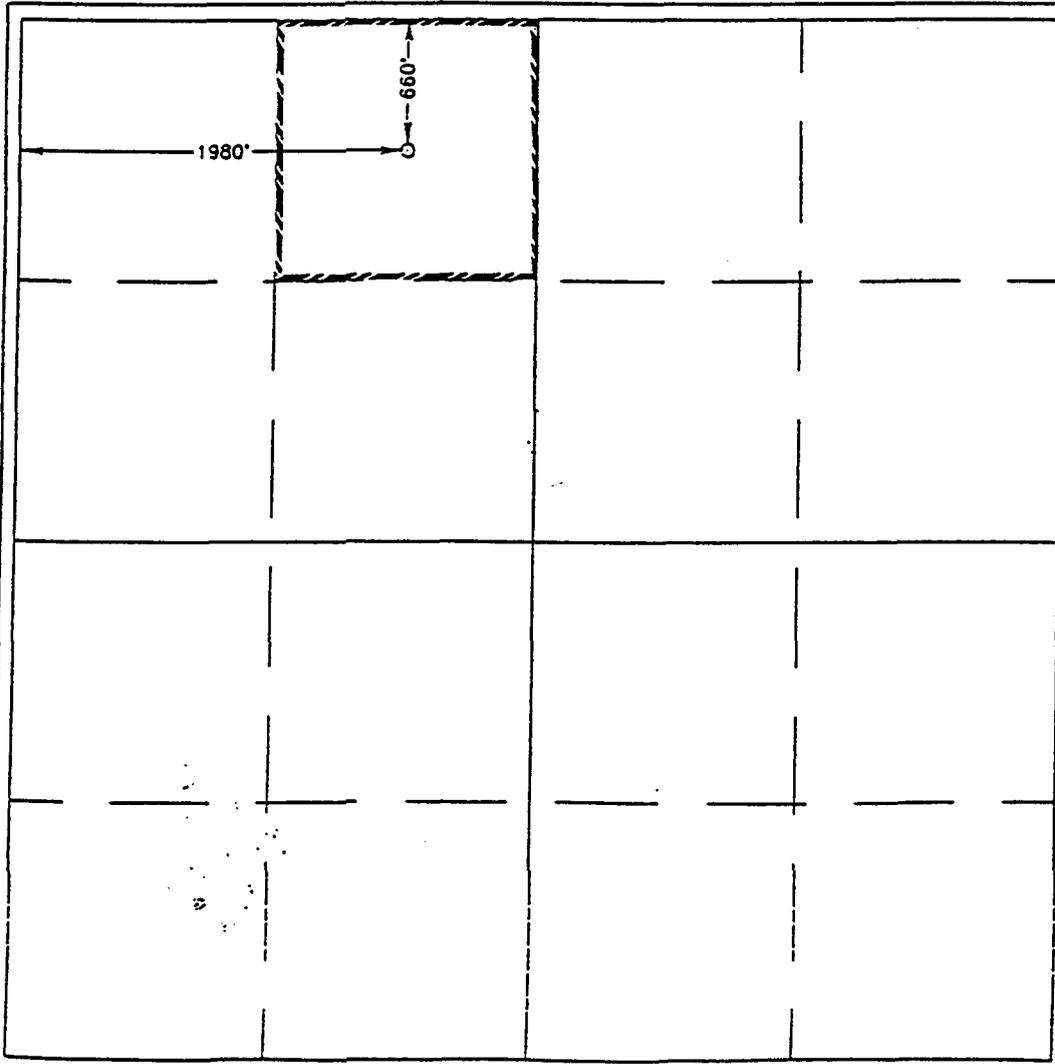
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	23	20 S	38 E		660	NORTH	1980	WEST	LEA

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



**OPERATOR CERTIFICATION**

I hereby certify that 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

June 15, 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.

JUNE 29, 1998  
Date Surveyed

Signature & Seal of Professional Surveyor  
DMCC

*Ronald J. Eason* 7-02-98  
198-11-0928

Certificate No. RONALD J. EASON 3239  
GARY EASON 2641  
MASON, RONALD 12185

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P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34457	Pool Code Abo	Pool Name Abo
Property Code 23402	Property Name KYTE	Well Number 9
OGRID No. 169415	Operator Name FALCON CREEK RESOURCES	Elevation 3567

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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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



**OPERATOR CERTIFICATION**

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Joe H. Cox Jr.*

Printed Name: Joe H. Cox Jr.

Title: Senior Engineer

Date: May 1, 2000

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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.

Date Surveyed: JUNE 29, 1998 OMCC

Signature & Seal of Professional Surveyor: *Ronald J. Erson*

Certificate No. RONALD J. ERSON 3239  
GARY ERSON 254  
MARION MCCONALC 12145

Property Kyte #9  
Working Interest Owners

Patco Ltd  
7977 Caruth Court  
Dallas, TX 75225

Rodney L. Seale  
6932 Alyssa Ct.  
Farmington, NM 87402

**TRANSMITTAL COVER SHEET**

**OIL CONSERVATION DIVISION  
ENGINEERING BUREAU  
(505) 827-7131 (OFFICE)  
(505) 827-1389 (FAX)**

**PLEASE DELIVER THIS FAX TO:**

**TO:** April Carlson, FCR  
**FROM:** Kathy Valdes  
**SUBJECT:** DHC-2775  
**DATE:** 9/6/00  
**PAGES:** 2

**IF YOU HAVE ANY PROBLEMS RECEIVING THIS FAX, PLEASE CALL THE OFFICE NUMBER ABOVE.**