

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

April 20, 2000

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

RE: Application for Downhole Commingling

Kyte #1

"J"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

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

2199

State of New Mexico Energy, Minerals and Natural Resources Department Form C-107-A New 3-12-96

#### OIL CONSERVATION DIVISION

2040 S. Pacheco Santa Fe, New Mexico 87505-6429 APPROVAL PROCESS:

\_\_\_ Administrative \_\_\_Hearing

<u>DISTRICT II</u> 811 South First St., Artesia, NM 88210-2835 <u>DISTRICT III</u>

1000 Rio Brazos Rd, Aztec, NM 87410-1693

TYPE OR PRINT NAME \_\_\_\_Gerald Lucero\_

#### APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE
\_\_\_YES \_\_\_NO

Falcon Creek Resources, Inc.	621 17th St., Suite 1800, Denver, CO 80293-0621								
Operator Kyte	Addres 1 J	s Sec 23, T20S, R38E Le							
Lease	•	Sec - Twp - Rge Co	unty \\ \frac{1}{\tau}						
OGRID NO169415 Property Code0107			Eoo Waren						
The following facts are submitted in support of downhole commingling:	Zone	Intermediate	Lower Zone						
Pool Name and Pool Code	Ind Dr- Abo 15200	Colo Blinebry Ol r Go	Zone Clark EastWord 3,20 Drinkard (1,3)20						
Top and Bottom of Pay Section (Perforations)	7223'-7773'	5905'-6230'	6838'-7003'						
Type of production     (Oil or Gas)	Oil	Oil	Oil						
Method of Production     (Flowing or Artificial Lift)	Pumping	Pumping	Pumping						
5. Bottomhole Pressure	a. (Current)	a. psi	a.						
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	<sub>b.</sub> <sup>(Original)</sup> Unknown	b	ь. Unknown						
Oil Gravity ( <sup>o</sup> API) or     Gas BTU Content	38.0	38.0	38.0						
7. Producing or Shut-In?	Producing	Producing	New Zone						
Production Marginal? (yes or no)	Yes		Yes						
* 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 Rates:						
* If Producing, give date and oil/gas/ water rates of recent test (within 60 days)	Date: Rates: See Attached	Date: See Attached Rates:	Date: See Attached Rates:						
Fixed Percentage Allocation     Formula -% for each zone     (total of %'s to equal 100%)	Oil: Water: Gas: See Attached	Oil: Gas: % See Attached %	Oil: Water: Gas: See Attached						
If allocation formula is based upon sor data and/or explaining method and p	mething other than current or past produ	uction, or is based upon some other met	nod, submit attachments with supporting						
10. Are all working, overriding, and royal If not, have all working, overriding, all Have all offset operators been given w									
11. Will cross-flow occur? Yes X	•	the formations not be damaged, will any							
12. Are all produced fluids from all comm	ningled zones compatible with each ot	her? _X_YesNo							
13. Will the value of production be decre		,							
<ol> <li>If this well is on, or communitized with United States Bureau of Land Management</li> </ol>	th, state or federal lands, either the Co gement has been notified in writing of	mmissioner of Public Lands or the this applicationYes No							
15. NMOCD Reference Cases for Rule 3	303(D) Exceptions: ORDER NO	O(S)							
16. ATTACHMENTS:  * C-102 for each zone to be the production curve for each to the production curve for each to zones with no production to the production to the production to the production and the production is the production of the production	pe commingled showing its spacing un th zone for at least one year. (If not avection history, estimated production rate on method or formula. et operators. g, overriding, and royalty interests for ts, data, or documents required to sup	it and acreage dedication.  vailable, attach explanation.) es and supporting data.  uncommon interest cases.  port commingling.							
I hereby certify that the information above	•	•							
SIGNATURE Lesse Luca	TITLE _	_Mgr of OperationsDATE	May 22, 2000						

\_ TELEPHONE NO. ( \_303\_ ) \_\_675-0007\_

### Kyte #1 Commingling Allocations

1	Abo (an hou	r)	,	Abo Allocatio	n			
Oil	Water	Gas	Oil	Water	Gas			
1.16	6.17	0.29166	33%	26%	14%			
Bli	nebry (an h	our)	Bli	Blinebry Allocation				
Oil	Water	Gas	Oil	Water	Gas			
0.7	7.8	1.833	20%	33%	86%			
Dri	inkard (an h	our)	Dri	Drinkard Allocation				
Oil	Water	Gas	Oil	Water	Gas			
1.2	4.6	0	34%	20%	0%			
Т	ัubb (an hoเ	ır)	Т	Tubb Allocation				
Oil	Water	Gas	Oil	Water	Gas			
0.44	4.89	0	13%	21%	0%			
Total o	f Hourly Pro	duction						
Oil	Water	Gas						
3.5	23.46	2.12466						

### Sapient Energy Corp.

April Carlson Western Operations 621 17<sup>th</sup> Street, Suite 1800 Denver, Colorado 80293-0621 Telephone 303 675-0007 Facsimile 303 675-0008 ACarlson@falconcreek.net

August 14, 2000

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

RE: Additional Information for Commingling Permit

Kyte #1

"J" Section 23, T20S-R38E Lea County, New Mexico

Attention: David Catnack

As discussed on the phone I am sending an accurate C-102's for each producing zone and a list of working, royalty and overriding interest owners that were notified of this application. I am also giving an explanation as to why the production data and curves are not included. This well was acquired from Stevens and Tull back in May of 1997. In February of 2000 Sapient Energy Corp. (formally known as Falcon Creek Resources) went to add Abo perforations. When entering the well we found that the well had already been commingled. Stevens and Tull did not file any paperwork with the New Mexico Oil and Gas Conservation. We have swab tested all the zones to get an hourly rate so we can have a production allocation for each zone. We did not shut in the producing zones to do individual tests because the well is only at the most a ten barrel a day producer. I have included the swab test results with the allocations for each zone that we are proposing. I have also included a current wellbore diagram with the exact dates that all the work was completed. If you have any questions or comments please contact me at the number above at ext. 134. Thank you for you prompt attention to this matter.

Operations Technician

April Carlson

#### "J" Section 23, T20S, R38E 1980' FSL, 1980' FEL Lea County, New Mexico GL: 3566' API No: 30-025-30793 12-1/4" Hole 1,669' - 8-5/8", K-55, 32 & 23# Casing,cmt **Initial Completion:** Spud Well: 6/11/90 to surface w/750 sx "C" Perf Abo formation from 7,223'-7,628' (87 holes) Perf Abo formation from 7,643'-7,773' (29 holes) Acidize w/ 5000 gals 20% NeFe Set CIBP @ 7205' w/ 2 sx cmt on top Perf Drinkard formation from 6838'-7003' (43 holes) Acidize w/ 3000 gal 20% NeFe Set CIPB @6832' w/ 2 sx cmt on top Perf Tubb formation from 6586'-6797 (41 holes) Acidize w/ 3000 gal 15% NeFe Frac w/ 42,000 gals 2% KCI 164 3/4" Rods w/ 165,000# 20/40 sand Set CIBP @ 6570' 8-3-90(SPF)6905,10,12,14,16,18,30,32 34,47-50,52,64,66,68,70, 6018-30,32,34,36, 100 7/8" rods 230 its 2-7/8"Tubing 2" x 1-1/2" x 20' Pump 41-45,82-88,96-98, 6104-06, 6127,29-31,84 86,88,90,92,94,96,98, 6206,26,28,30 **Blinebry Perfs:** Perf Blinebry from 5905'-6230' 5.905'-6.230' (85 holes) (85 holes) Acidize w/ 4300 gal 15% NeFe Frac w/ 71,000 gals Xlink 2% KCl w/ 290,000# 20/40 sand 8-15-90 Drilled out CIBP @ 6570' Tubb Perfs: IPP: 72 BOPD, 102 BWPD, 155 MCF 6,586' - 6,797' Perf Tubb formation from 6680'-6696' (43 holes) (24 holes) 6,680' - 6,696' Acidize w/ 3000 gal 15% NeFe (24 holes) 2/22/00 Drill out CIBP's at 6832 and 7205 Perf Abo 7620-35, 7700-08, 7296-7312 7383-97, 7448-56 Pump 10,000 gals. 20% HCl with 1500# rock salt, then pump **Drinkard Perfs:** 43,300 gals SXE with 1500# rock salt. 6,838' - 7,003' ISIP 4115 psi 15 min 3880 psi. Swab 200 bbls no shows. Place well on (43 holes) pump. Ave. 18 BO + 20 MCF +120 BWPD RBP 7,435', Pkr. 7,175' - Treat U. A-3, A-2, A-1 w/1,500 gal 20% HCl, 16,340 gal. 28% SXE, 1,225 20% HCl; Tagged w/Scandium/Iridium, Abo Perfs: 7,223' - 7,628' Ran tracer log (Protechnics) (87 holes) (7/90) Set CICR @ 7,724', Commingle all zones above Abo perfs: (2/22/00)7296-7312, 7383-97 **Testing Abo** 7448-56, 7620-35, 7700-08 CICR 7,724' 4/18/00 Abo Perfs: 7,643' - 7,773' 7-7/8" Hole (29 holes) (7/90) 7,922' - 5-1/2", N-80, 17# Casing, cmt w/ 1850 sx TD = 7.931'Updated 7/10/00

Kyte #1

Sapient Energy Corp.

Submit to Appropriate District Office State Lesse - 4 copies Fee Lesse - 3 copies

## State of New Mexico Linergy, Minerals and Natural Resources Departments

Form C-102 Revised 1-1-89

RONALD & EIDSON.

3239

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210 OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section Operator Lagra Well No. Sapient Energy Corp KYTE County J 23 20 South 38 East Lea **NMPM** Actual Footage Location of Well: 1980 South feet from the East 1980 feet from the line and Dedicated Acreage: Ground level Elev. Producing Formation Pool 3566.5 AboAcres 1. Outline the acreage dedicated to the subject well by colored pencil or hackure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? Yes If answer is "yes" type of consolidation If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division. OPERATOR CERTIFICATION I hereby certify that the informa l herein in true and complete to the st of my knowledge and belief. end Lucer Gerald Lucero Printed Name Manager of Operations Sapient Energy Corp. <u> August 14, 2000</u> SURVEYOR CERTIFICATION I hereby certify that the well location shi on this plat was plotted from field notes of actual surveys made by me or under my 1980 supervison, and that the same is true and correct to the best of my buowledge and belief. Date Surveyed January 10, 1990 Signature & Seal of Professional Surveyor 980 635159 676 W ME

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

## State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 88240 OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM \$8210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

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Submit to Appropriate District Office State Lesse - 4 copies Foe Lesse - 3 copies

## State of New Mexico Energy, Minerals and Natural Resources Department

Form C-102 Revised 1-1-89

DISTRICT I P.O. Box 1980, Hobbs, NM 83240 OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Astenia, NM 88210

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

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer houndaries of the section

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Submit to Appropriate District Office State Lesse - 4 copies Fos Lesse - 3 copies

# State of New Mexico ( Linergy, Minerals and Natural Resources Departments

Form C-102 Revised 1-1-89

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

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section:

Operator					Lease				Wei No.
	(or Tro	Samuel Co	orporation			KYTE			1 1
Unit Letter	Section		Township	L <del></del> -	Range			County	<del>'</del>
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### Kyte #1 Commingling Allocations

	Abo (an hou	r)		Abo Alloca	tion
Oil	Water	Gas	Oil	Water	Gas
1.16	6.17	0.29166	339	% 26%	14%
В	Blinebry (an ho	our)		Blinebry Allo	cation
Oil	Water	Gas	Oil	Water	Gas
0.7	7.8	1.833	209	% 33%	86%
D	rinkard (an ho	our)		Drinkard Allo	cation
Oil	Water	Gas	Oil	Water	Gas
1.2	4.6	0	349	% 20%	0%
	Tubb (an hou	ır)		Tubb Alloca	ation
Oil	Water	Gas	Oil	Water	Gas
0.44	4.89	0	139	% 21%	0%

Total of Hourly Production

Water

23.46

Gas

2.12466

Oil

3.5

API Oil Gravity is 37.0 for all producing zones. As of 7-30-00.

Sid Cowan P.O. Box 1448 Del Rio, TX 78841

Patco, LTD 7977 Caruth Court Dallas, TX 75225

Rodney Seale 6932 Alyssa Ct. Farmington, NM 87402

Sheehy & Richardson 1408 Washington Waco, TX 76701