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DHC 6/14/00

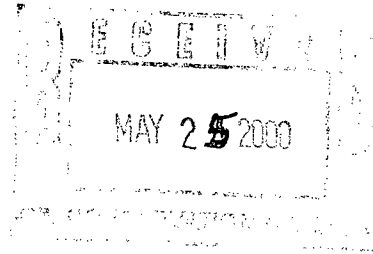


## FALCON CREEK RESOURCES, INC.

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

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

April 20, 2000



2799

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

## 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

Kyte

1

J

Sec 23, T20S, R38E

Lea

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 169415 Property Code 010711 API NO. 30-025-30793 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   | Und Dr- Abo 15200                | 66660 Blinbry Oil & Gas       | Und East Warren Drinkard 63120   |
| 2. Top and Bottom of Pay Section (Perforations)  | 7223'-7773'                      | 5905'-6230'                   | 6838'-7003'                      |
| 3. Type of production (Oil or Gas)   | Oil                              | Oil                           | Oil                              |
| 4. Method of Production (Flowing or Artificial Lift)   | Pumping                          | Pumping                       | Pumping                          |
| 5. Bottomhole Pressure   | a. (Current)                     | a. psi                        | a.                               |
| Oil Zones - Artificial Lift:<br>Estimated Current<br>Gas & Oil - Flowing:<br>Measured Current<br>All Gas Zones:<br>Estimated Or Measured Original  | b. (Original) Unknown            | b.                            | b. Unknown                       |
| 6. Oil Gravity ( $^{\circ}$ 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<br><br>Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data | Date:<br>Rates:                  | Date:<br>Rates: :             | Date: Rates<br>Rates:            |
| * If Producing, give date and oil/gas/ water rates of recent test (within 60 days)   | Date:<br>Rates: See Attached     | Date:<br>Rates: See Attached  | Date:<br>Rates: See Attached     |
| 8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)  | Oil: Water: Gas:<br>See Attached | Oil: Gas: %<br>See Attached % | Oil: Water: Gas:<br>See Attached |

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 ☐ No11. 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 ☐ No13. 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 Mgr of Operations DATE May 22, 2000TYPE OR PRINT NAME Gerald Lucero TELEPHONE NO. ( 303 ) 675-0007

### Kyte #1 Commingling Allocations

Abo (an hour)

| Oil  | Water | Gas     |
|------|-------|---------|
| 1.16 | 6.17  | 0.29166 |

Abo Allocation

| Oil | Water | Gas |
|-----|-------|-----|
| 33% | 26%   | 14% |

Blinebry (an hour)

| Oil | Water | Gas   |
|-----|-------|-------|
| 0.7 | 7.8   | 1.833 |

Blinebry Allocation

| Oil | Water | Gas |
|-----|-------|-----|
| 20% | 33%   | 86% |

Drinkard (an hour)

| Oil | Water | Gas |
|-----|-------|-----|
| 1.2 | 4.6   | 0   |

Drinkard Allocation

| Oil | Water | Gas |
|-----|-------|-----|
| 34% | 20%   | 0%  |

Tubb (an hour)

| Oil  | Water | Gas |
|------|-------|-----|
| 0.44 | 4.89  | 0   |

Tubb Allocation

| Oil | Water | Gas |
|-----|-------|-----|
| 13% | 21%   | 0%  |

Total of Hourly Production

| 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](mailto: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 your prompt attention to this matter.

Operations Technician

  
April Carlson

# Sapient Energy Corp.

Kyte #1

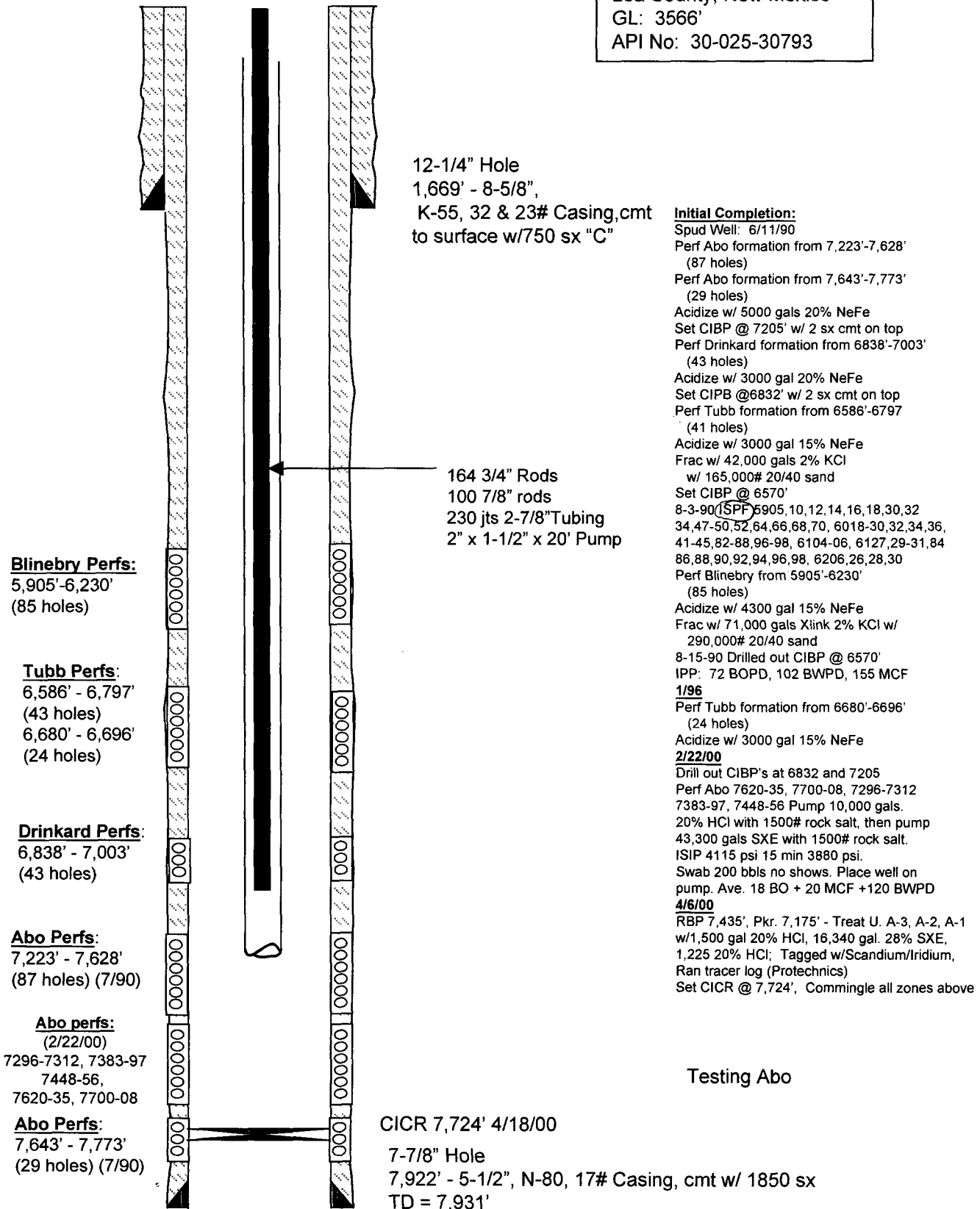
"J" Section 23, T20S, R38E

1980' FSL, 1980' FEL

Lea County, New Mexico

GL: 3566'

API No: 30-025-30793



Updated 7/10/00

# OIL CONSERVATION DIVISION

**P.O. Box 2088**

**Santa Fe, New Mexico 87504-2088**

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

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

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

# WELL LOCATION AND ACREAGE DEDICATION PLAT

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

|  |                     |                      |                             |                    |
|--|---------------------|----------------------|-----------------------------|--------------------|
| Operator<br>Sapient Energy Corp.   |                     | Lease<br>KYTE        |                             | Well No.<br>1      |
| Unit Letter<br>J   | Section<br>23       | Township<br>20 South | Range<br>38 East            | County<br>NMPM Lea |
| Actual Footage Location of Well:<br>1980 feet from the South line and 1980 feet from the East line |                     |                      |                             |                    |
| Ground level Elev.<br>3566.5   | Producing Formation | Pool<br>Abo          | Dedicated Acreage:<br>Acres |                    |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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      ☐ No      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 this form if necessary.) \_\_\_\_\_
- No allowable well 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 information contained herein is true and complete to the best of my knowledge and belief.

Henry L. Luce  
Signature

**Gerald Lucero**

Printed Name \_\_\_\_\_

Manager of Operations

**Position**

Sapient Energy Corp. Inc.  
Company

## Содержание

August 14, 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 knowledge and belief.

Date Surveyed \_\_\_\_\_

January 10, 1990

Signature & Seal of  
Professional Surveyor

635159

Certificate No. JOHN W. WEST. 676

RONALD J. EIDSON. 3239

Form C-102  
Revised 1-1-89

## OIL CONSERVATION DIVISION

**P.O. Box 2088**

**Santa Fe, New Mexico 87504-2088**

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

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| Unit Letter<br>J   | Section<br>23       | Township<br>20 South | Range<br>38 East | County<br>NMJM | Lea                         |
| Actual Footage Location of Well:<br>1980 feet from the South line and 1980 feet from the East line |                     |                      |                  |                |                             |
| Ground level Elev.<br>3566.5   | Producing Formation |                      | Pool<br>Drinkard |                | Dedicated Acreage:<br>Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or machine 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.?
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### OPERATOR CERTIFICATION

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

Herrell L. L. L.  
Signature

Gerald Lucero

Printed Name \_\_\_\_\_

Manager of Operations

**Position**

Sapient Energy Corp.

## Содержание

August 14, 2000

Date \_\_\_\_\_

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January 10, 1990

Signature & Seal of  
Professional Surveyor

635159

Certificate No. JOHN W. WEST,

Certificate No. JOHN W. WEST. 676

Form C-102  
Revised 1-1-89

# OIL CONSERVATION DIVISION

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# WELL LOCATION AND ACREAGE DEDICATION PLAT

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

|  |                     |                      |                  |                             |
|--|---------------------|----------------------|------------------|-----------------------------|
| Operator<br>Sapient Energy Corporation   |                     | Lease<br>KYTE        |                  | Well No.<br>170             |
| Unit Letter<br>J   | Section<br>23       | Township<br>20 South | Range<br>38 East | County<br>NMEM Lea          |
| Actual Footage Location of Well:<br>1980 feet from the South line and 1980 feet from the East line |                     |                      |                  |                             |
| Ground level Elev.<br>3566.5   | Producing Formation |                      | Pool<br>Blinebry | Dedicated Acreage:<br>Acres |

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**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**  
Position

**Sapient Energy Corp.**  
Company

**August 14, 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 knowledge and belief.

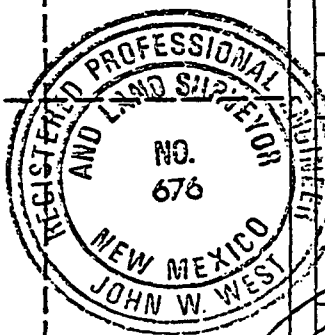
Date Surveyed  
January 10, 1990

Signature & Seal of  
Professional Surveyor

635159

*John W. West*

Certificate No. JOHN W. WEST, 676







# Kyte #1 Commingling Allocations

Abo (an hour)

| Oil  | Water | Gas     |
|------|-------|---------|
| 1.16 | 6.17  | 0.29166 |

Abo Allocation

| Oil | Water | Gas |
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| 33% | 26%   | 14% |

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| 0.7 | 7.8   | 1.833 |

Blinebry Allocation

| Oil | Water | Gas |
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| 20% | 33%   | 86% |

Drinkard (an hour)

| Oil | Water | Gas |
|-----|-------|-----|
| 1.2 | 4.6   | 0   |

Drinkard Allocation

| Oil | Water | Gas |
|-----|-------|-----|
| 34% | 20%   | 0%  |

Tubb (an hour)

| Oil  | Water | Gas |
|------|-------|-----|
| 0.44 | 4.89  | 0   |

Tubb Allocation

| Oil | Water | Gas |
|-----|-------|-----|
| 13% | 21%   | 0%  |

Total of Hourly Production

| Oil | Water | Gas     |
|-----|-------|---------|
| 3.5 | 23.46 | 2.12466 |

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