

D.P. [Signature]

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 12141
Order No. R-11165

APPLICATION OF FALCON CREEK RESOURCES, INC. FOR SURFACE
COMMINGLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on April 1, 1999, at Santa Fe, New Mexico, before Examiner Mark W. Ashley.

NOW, on this 19th day of April, 1999, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.
- (2) The applicant, Falcon Creek Resources, Inc. ("Falcon"), is the lessee of the Conoco State Lease (Lease No. V-4021), which comprises the N/2 NW/4, and the BF State Lease (Lease No. E-3441), which comprises the E/2 NE/4, SW/4 NE/4, NW/4 SE/4, and N/2 SW/4, of Section 16, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.
- (3) Falcon seeks authority to surface commingle West Teas-Yates Seven Rivers Pool production from two existing wells located on the Conoco State Lease and the four existing wells located on the BF State Lease.
- (4) Legal counsel appeared on behalf of Falcon and presented evidence for admission in this case.
- (5) Falcon proposes to install a central tank battery at a location within the SW/4 NE/4 (Unit G) of Section 16.