



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

June 23, 2000

Lori Wrotenbery

Director

Oil Conservation Division

Falcon Creek Resources, Inc.
621 17th Street
Suite 1800
Denver, Colorado 80293-0621

Attention: Ms. April J. Carlson

Re: Form C-107-A
Kyte No. 1

Dear Ms. Carlson:

I have reviewed your recent application to downhole commingle the Abo, Blinebry, Tubb and Drinkard formations within the Kyte Well No. 1, and I have determined that additional data will be required before this application can be processed. Please submit the following additional data, at which time your application will be processed.

- a) Pool names and pool codes;
- b) Accurate oil gravities;
- c) All data on the Tubb interval;
- d) Accurate C-102 Data (C-102's reflect Kyte Well No. 190)
- e) List of working, royalty and overriding royalty interest owners to whom notice was provided of this application;
- f) Production curve for each zone for at least one year (if not available, attach explanation);
- g) Data to support allocation method or formula.

The Division is especially concerned about the data on which you based the recommended allocation of production. Your application states that these percentages are based upon one hour tests. Please elaborate fully on this point and present any additional



information that may verify the accuracy of your recommended allocation. In the case of non-common interest ownership between the zones to be commingled, it is imperative that the allocation of production be as accurate as possible in order to protect correlative rights.

If you should have any questions, please contact me at (505) 827-8184.

Sincerely,

A handwritten signature in black ink, appearing to read "David Catanach", with a long horizontal flourish extending to the right.

David Catanach
Engineer

Xc: OCD-Hobbs

