

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK <b>DRILL</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/> <b>PLUG BACK</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. <b>NM 85957</b>
1b. TYPE OF WELL OIL <input type="checkbox"/> GAS <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> WELL <input checked="" type="checkbox"/> WELL <input type="checkbox"/> OTHER <input type="checkbox"/> ZONE <input type="checkbox"/> ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME <b>NA</b>
2. NAME OF OPERATOR <b>Falcon Creek Resources, Inc.</b>		7. UNIT AGREEMENT NAME <b>NA</b> <b>API # 30-025-33182</b>
3. ADDRESS OF OPERATOR <b>621 Seventeenth Street, Suite 1800, Denver, Co. 80202</b>		8. FARM OR LEASE NAME <b>Federal 24</b>
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At Surface <b>660 FSL, 660 FWL</b> At proposed Prod. Zone <b>Same</b>		9. WELL NO. <b>1</b>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*		10. FIELD AND POOL OR WILDCAT <b>Blinebry Oil &amp; Gas - East Warren Tubb</b>
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>Section 24, T20S, R38E</b>
16. NO. OF ACRES IN LEASE		12. COUNTY OR PARISH <b>Lea</b>
17. NO. OF ACRES ASSIGNED TO THIS WELL		13. STATE <b>NM</b>
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.		20. RCTARY OR CABLE TOOLS
19. PROPOSED DEPTH		22. APPROX. DATE WORK WILL START* <b>When approved</b>
21. ELEVATIONS (Show whether DF, RT, GR, etc.) <b>3569' GR</b>		
23. PROPOSED CASING AND CEMENTING PROGRAM		
SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT
		SETTING DEPTH
		QUANTITY OF CEMENT

This well was originally completed in the East Warren Tubb Formation 1-5-96. This formation averages 14.96 oil, 17.48 gas and 11.33

Proposed Completion:

1. Perf Blinebry from 6,032'-6,070', 6,117'-6,130', 6,181'-6,202', 6,270'-6,276'
2. Commingle
3. Please see Attached for Production averages and allocations
4. Also attached is the application to commingle sent to the Oil Conservation Division

SUBJECT TO  
LIKE APPROVAL  
BY STATE

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM : If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone.  
If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED <i>[Signature]</i>		TITLE <b>Senior Engineer</b>	DATE <b>12/6/1999</b>
(This space for Federal or State office use)			
PERMIT NO.		APPROVAL DATE	
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.			
CONDITIONS OF APPROVAL, IF ANY:			
APPROVED BY		TITLE <b>PETROLEUM ENGINEER</b> DATE <b>DEC 10 1999</b>	

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

IC GWW

X

**SUBMIT IN TRIPLICATE\***  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires December 31, 1991

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DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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24. SIGNED  TITLE Senior Engineer DATE 12/6/1999

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
CONDITIONS OF APPROVAL, IF ANY:  
**DEC 10 1968**

APPROVED BY

ROVAL IF ANY: (ORIG. SGD. LES BABYAK

**TITLE** **PETROLEUM ENGINEER** **DATE**

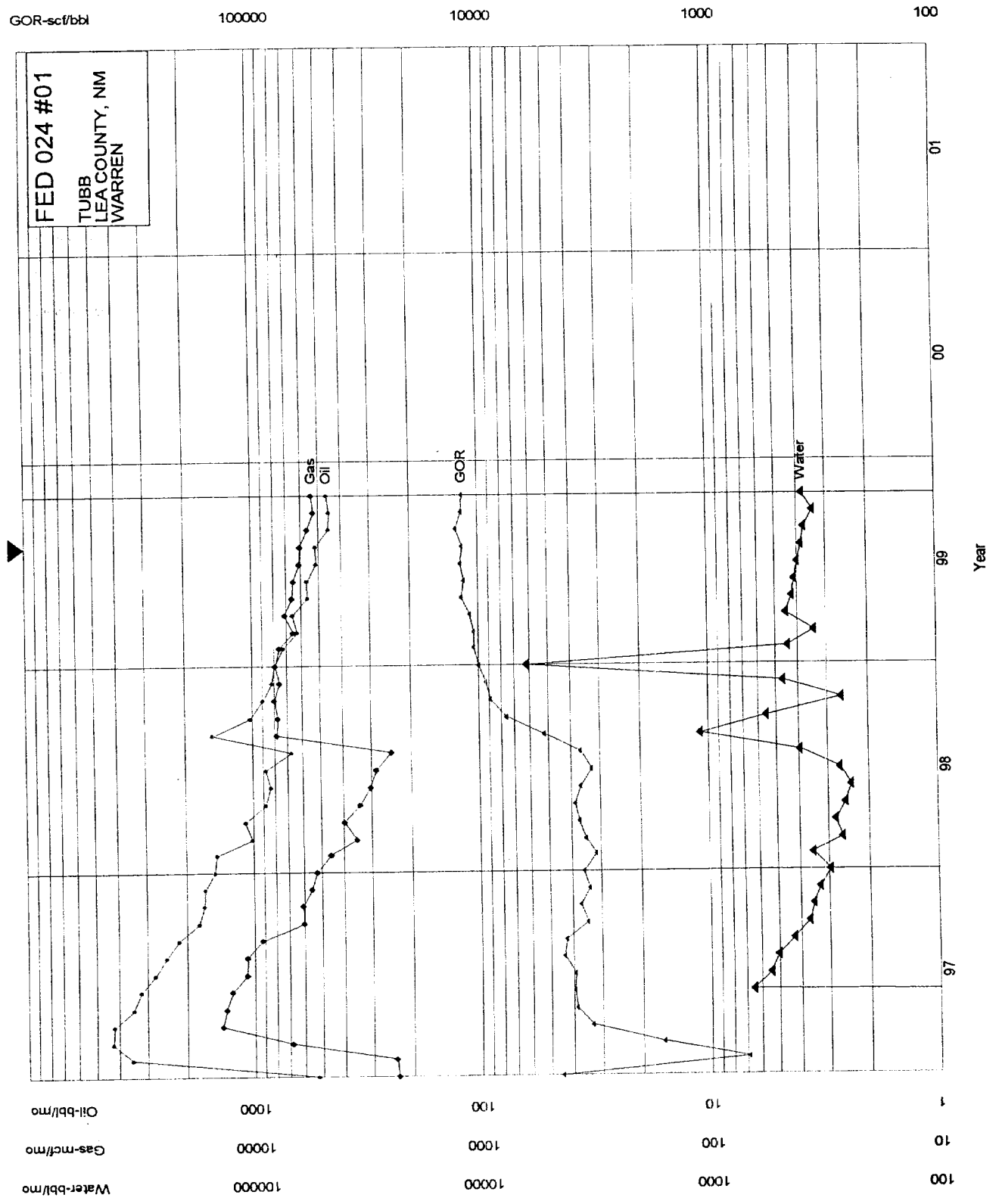
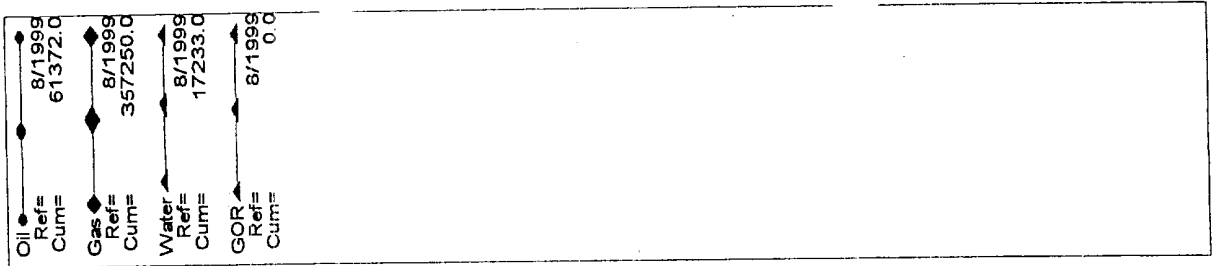
DEC 10 1999

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IC GWW



**Federal 24 #1****Tested Commingled Production**

	<b>Oil</b>	<b>Gas</b>	<b>Water</b>
11/22/1999	63	154	104
11/23/1999	77	190	100
11/24/1999	70	210	127
11/25/1999	62	241	80
11/26/1999	60	245	49
11/27/1999	50	248	75
11/28/1999	62	248	70
11/29/1999	43	244	62
11/30/1999	58	252	53
12/1/1999	25	234	32
12/2/1999	60	252	79
12/3/1999	40	259	59
Total	670	2777	890
Total Days	12		
Total Daily Avg.	56	231	74

**Federal 24 #1 Tubb Formation**  
Last Months Production

Monthly Volumes			Daily Average		
Oil	Gas	Water	Oil	Gas	Water
460	5372	379	14.84	173.29	12.23

**Tested Commingled Production**

Total Production			Daily Average		
Oil	Gas	Water	Oil	Gas	Water
670	2777	890	56	231	74

The Difference between Actual Daily Tubb Production and Tested Commingled Production = Blinebry Production

Oil	Gas	Water
41	58	62

**Tubb Allocations**

Oil	Gas	Water
27%	75%	16%

**Blinebry Allocations**

Oil	Gas	Water
73%	25%	84%

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

API Number	Pool Code	Pool Name
		DK ABO, Warren Tubb -- Blinebry Oil & Gas
Property Code	Property Name	Well Number
	24 FEDERAL	1
OGRID No.	Operator Name	Elevation
021602	STEVENS & TULL	3569

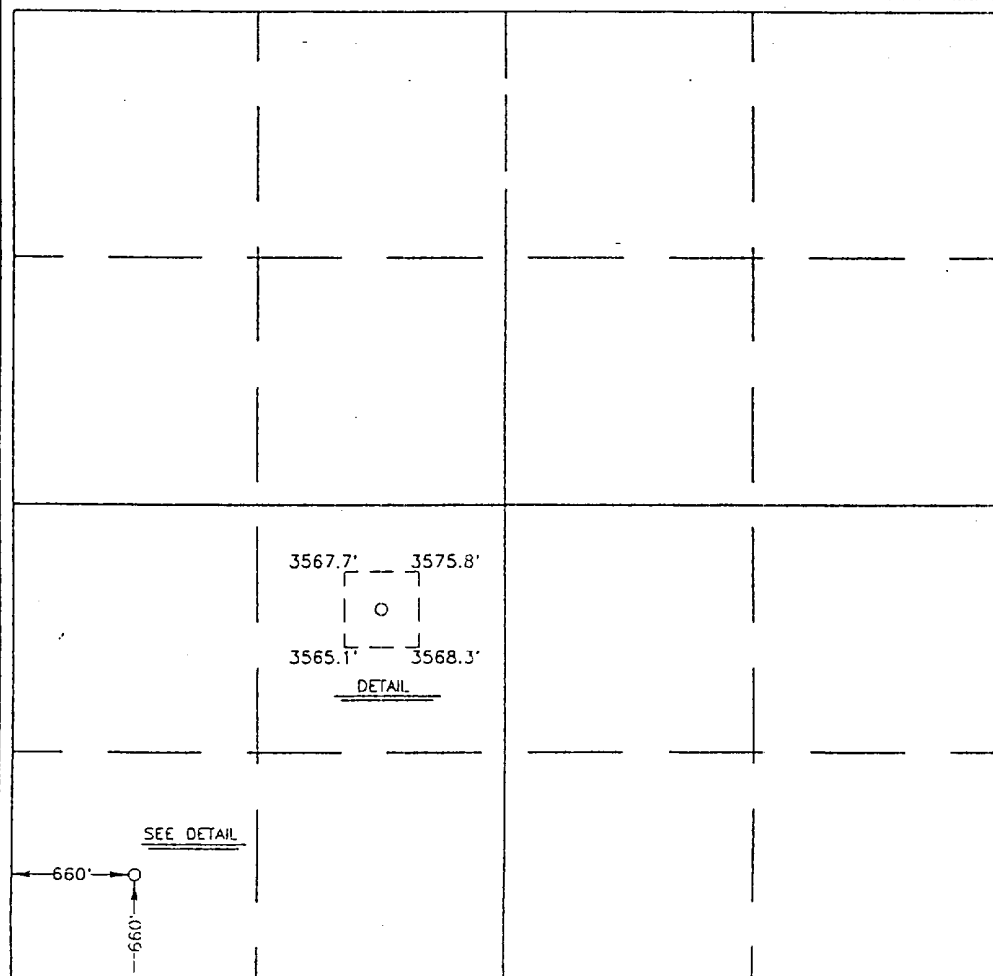
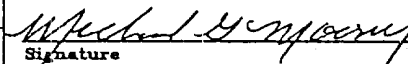
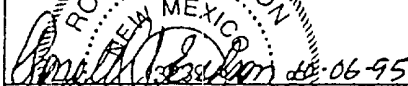
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	24	20 S	38 E		660	SOUTH	660	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

				<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature Michael G. Mooney Printed Name Engineer Title 10-23-95 Date	
				<b>SURVEYOR CERTIFICATION</b>  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.  OCTOBER 5, 1995 Date Surveyed Signature  Professional Surveyor RONALD J. EIDSON NEW MEXICO P.O. Num. 95-117524 Certificate No. JOHN W. WEST 676 RONALD J. EIDSON 3239 REGISTERED PROFESSIONAL 12641	

**Federal 24-1**  
"M" Section 24, T20S, R38E  
Lea County, New Mexico

**Offset Operator**

Collins & Ware  
508 W. Wall Ave #1200  
Midland, TX 79701-5078

Conoco Inc.  
10 Desta Dr. Suite 100W  
Midland, TX 79705

**Working Interest Owners in Tubb Formation not identical with Blinebry Formation**

Sheehy & Richardson  
1408 Washington  
Waco, TX 76701

Sid Cowan  
1010 S. Main St.  
P.O. Box 1448  
Del Rio, TX 78841



## FALCON CREEK RESOURCES, INC.

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

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

December 6, 1999

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

RE: Application for Downhole Commingling  
Federal 24-1  
"N"Section 24, T20S-R38E  
Lea County, New Mexico

Gentlemen:

Please find enclosed an Application for Downhole Commingling. As required, we have enclosed a Form C-102 for each zone, production curves, and a list of uncommon interest owners and offset operators. 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 1580, Pueblo, Colorado 81001-1580

## DISTRICT II

811 South First St., Alamosa, New Mexico 87801-2835

## DISTRICT III

1600 Rio Grande Rd., Aztec, New Mexico 87410-1600

State of New Mexico  
Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

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

## APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107-A  
New 3-12-96

## APPROVAL PROCESS:

☐ Administrative ☐ Hearing

## EXISTING WELLBORE

☐ YES ☐ NO

Falcon Creek Resources, Inc.

621 17<sup>th</sup> St., Suite 1800, Denver, CO 80293-0621

Operator

Address

Federal 24  
38E

1

M 24 20S, 38E

Lea

Lease

Well No.

Unit Ltr. - Sec - Twp - Rge

County

Spacing Unit Lease Types: (check 1 or more)

OGRUD NO. 026102 Property Code 23401 API NO. 30-025-33182 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		Tubb
2. Top and Bottom of Pay Section (Perforations)	6,032'-6,070', 6,117'-6,130', 6,181'-6,202', 6,270'-6,276'		6,520'-6,530', 6,581'-6,777'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure	a. (Current) psi	a. psi	a. psi
Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated Or Measured Original	b. (Original) N/A	N/A	N/A
6. Oil Gravity ( <sup>o</sup> API) or Gas BTU Content			API 36.1
7. Producing or Shut-In?	New Zone		Producing
Production Marginal? (yes or no)	NO		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: Rates: See Attached	Date: Rates:	Date: 9/30/99 Rates: OIL 14.93 Gas -175.43 Water - 11.33
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 73% Gas: 25% Water: 84%	Oil: % Gas: %	Oil: 27% Gas: 75% Water: 16%

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.

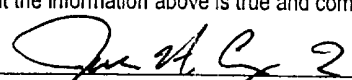
10. Are all working, overriding, and royalty interests identical in all commingled zones? ☐ Yes ☒ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? ☒ Yes ☐ No  
Have all offset operators been given written notice of the proposed downhole commingling? ☒ 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  TITLE Senior Engineer DATE December 6, 1999

TYPE OR PRINT NAME Joe H. Cox Jr. TELEPHONE NO. ( 303 ) 675-0007