



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

AMENDED ADMINISTRATIVE ORDER DHC-2125

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

Attention: Ms. April J. Carlson

*Federal "24" No. 2
API No. 30-025-33779
Unit N, Section 24, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico.
Blinebry Oil & Gas (Oil – 6660),
East Warren-Tubb (Oil – 87085) and
Undesignated DK-Abo (Oil – 15200) Pools*

Dear Ms. Carlson:

Reference is made to your recent application for an amendment to Division Order No. DHC-2125 dated November 18, 1998, which order authorized the downhole commingling of Blinebry Oil & Gas and East Warren-Tubb Pool production within the well, to add the DK-Abo Pool as a third commingled zone in the wellbore.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casinghead gas allowable applicable for that pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Blinebry Oil & Gas Pool	Oil-67%	Gas-51%
East Warren-Tubb Pool	Oil-17%	Gas-32%
DK-Abo Pool	Oil-16%	Gas-17%

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 26th day of September, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division – Hobbs ✓
Bureau of Land Management-Carlsbad

Sapient Energy Corp.

Western Operations

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

Telephone 303 675-0007

Facsimile 303 675-0008

September 5, 2000

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

DHC-2125


RE: Application for Downhole Commingling
Federal 24 #2
"N" Section 24, T20S-R38E
Lea County, New Mexico

Gentlemen:

Please find enclosed an Amended 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. I have included a copy of the previously approved DHC-Order.

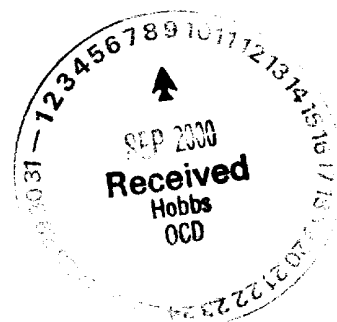
Please advise if you have any questions, or need additional information. We appreciate your prompt attention with this matter.

Sincerely,



April J. Carlson
Operations Technician

cc: Hobbs District Office





NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER DHC-2125

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

Ms. Jaylene Roope

*Federal "24" Well No. 2
API No. 30-025-33779
Unit N, Section 24, Township 20 South, Range 38 East, NMPM,
Lea County, New Mexico.
Blinebry Oil & Gas (Oil - 6660), and
East Warren-Tubb (Oil - N/A) Pools*

Dear Ms. Roope:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the subject well are hereby established as follows:

Oil 107 B/D

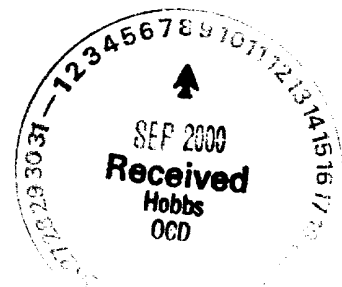
Gas 428 MCF/D

Water 214 B/D

Assignment of allowable to the well and allocation of production from the well shall be as follows:

Blinebry Oil & Gas Pool	Oil 80%	Gas 62%
East Warren-Tubb Pool	Oil 20%	Gas 38%

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.



District I
1625 N. French Drive, Hobbs, NM 88240

District II
811 South First Street, Artesia, NM 88210

District III
1090 Rio Brazos Road, Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87505

APPLICATION TYPE

Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

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

Operator Address
Federal 24 2 N Sec 24 T20S-R38E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 169415 Property Code 23401 API No. 30-025-33779 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blinebry	Tubb	Abo
Pool Code	06660	87085	15200
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6,026'-42', 6,124'-28', 6,133'-38'	6,530'-6,780'	7312-24, 7404-16
Method of Production (Flowing or Artificial Lift)	Pumping	Pumping	Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone.)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	37.2	37.2	37.2
Producing, Shut-In or New Zone	Producing	Producing	Producing
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: 02-2000 thur 03-2000 Rates: 15.89 Oil, 36.74 Gas 12.56 Water	Date: 02-2000 thur 03-2000 Rates: 3.97 Oil, 23.06 Gas 12.56 Water	Date: 4-21-00 thur 5-18-00 Rates: 3.69 Oil, 12.26 Gas 34.40 Water
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 67% Gas 51% Water 22%	Oil 17% Gas 32% Water 17%	Oil 16% Gas 17% Water 61%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes X No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes X No
Are all produced fluids from all commingled zones compatible with each other? Yes X No
Will commingling decrease the value of production? Yes No X
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes X No

NMOCD Reference Case No. applicable to this well:

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 working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

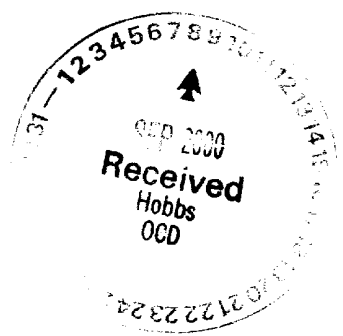
PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

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

SIGNATURE Gerald Lucero TITLE Manager of Operations DATE September 5, 2000
TYPE OR PRINT NAME Gerald Lucero TELEPHONE NO. (303) 467-5000



Sapient Energy Corporation
Amended Commingling Allocations
Federal 24 #2

	Oil	Water	Gas
4/21/00	10	65	45
4/22/00	8	60	80
4/23/00	40	110	90
4/24/00	70	125	100
4/25/00	29	100	100
4/26/00	15	59	70
4/27/00	20	48	60
4/28/00	25	90	80
4/29/00	30	65	80
4/30/00	33	70	75
5/1/00	30	60	75
5/2/00	15	60	60
5/3/00	25	50	70
5/4/00	27	65	80
5/5/00	17	65	90
5/6/00	20	60	70
5/7/00	22	81	70
5/8/00	24	78	72
5/9/00	10	30	40
5/10/00	30	41	91
5/11/00	28	60	90
5/12/00	25	51	80
5/13/00	25	46	82
5/14/00	25	46	80
5/15/00	25	40	80
5/16/00	15	21	50
5/17/00	21	26	70
5/18/00	23	26	72
5/19/00	23	26	72
5/20/00	20	26	60
	730	1750	2234
	23.55	56.45	72.06

Commingled Allocations		
Abo		
Oil	Gas	Water
16%	17%	61%
Blinebry		
Oil	Gas	Water
67%	51%	22%
Tubb		
Oil	Gas	Water
17%	32%	17%

Blinebry Production 2-2000 thru 3-2000 Daily Average

Oil	Gas	Water
15.89	36.74	12.56

Tubb Production 2-2000 thru 3-2000 Daily Average

Oil	Gas	Water
3.97	23.06	9.49

Total of Blinebry and Tubb 3-2000 Production

Oil	Gas	Water
19.86	59.8	22.05

Abo Production - (Previous production subtracted from the commingled test period production)

Oil	Gas	Water
3.69	12.26	34.40



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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33779	Pool Code 15200	Pool Name DK Abo
Property Code 23401	Property Name Federal 24	Well Number 2
OGRID No. 169415	Operator Name Sapient Energy Corporation	Elevation 3566'

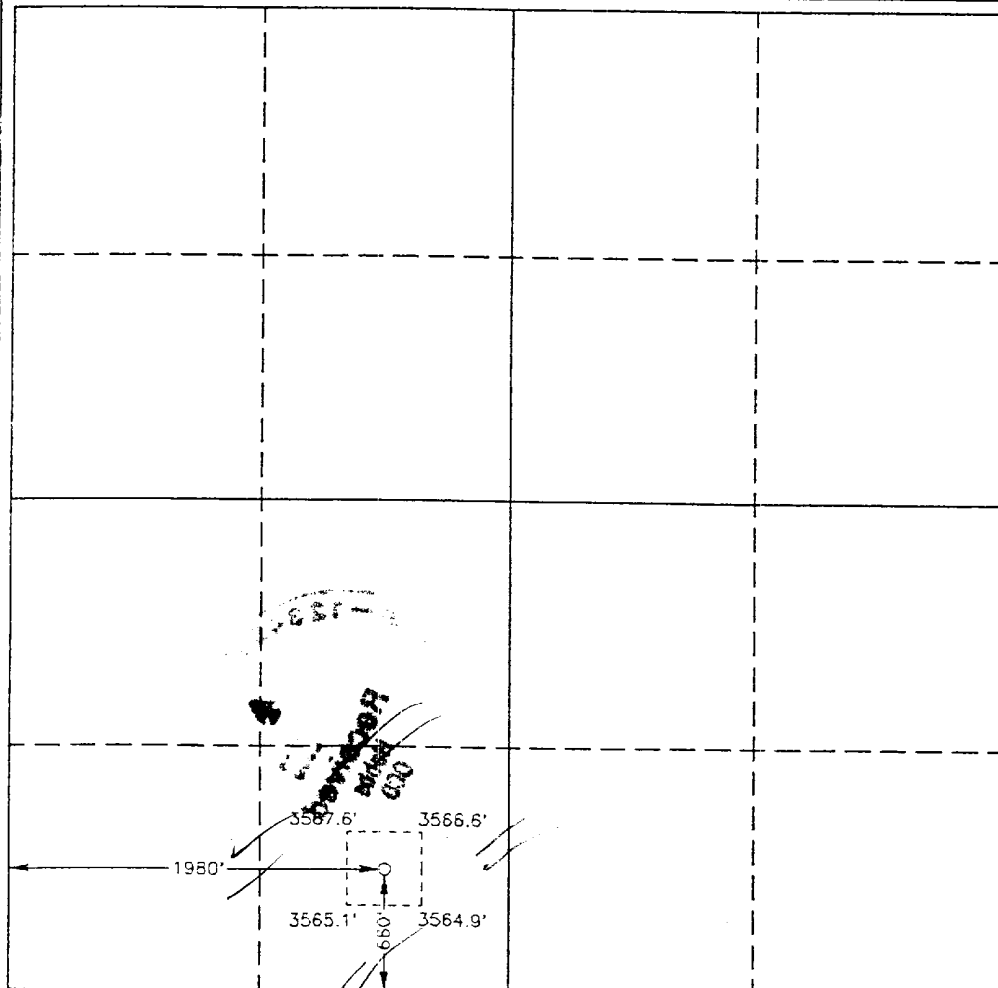
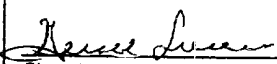
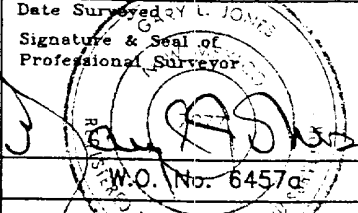
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	24	20 S	38 E		660	South	1980	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.						

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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Gerald Lucero Printed Name Mgr. of Operations Title September 5, 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 belief. October 30, 1996 Date Surveyed Signature & Seal of Professional Surveyor  W.O. No. 6457a Certificate No. Gary L. Jones 7977 BASIN SURVEYS

