ORM 3160-5 (, une 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM	APP	'RO\	/ED
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Budget Bureau No. 1004-0135

Expires: March 31, 1993

Lease Designation and Serial	N
NM 43739	

SUNDRY NOTICES	AND	REPORTS	ON	WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir. Use "APPLICATION FOR PERMIT -" for such proposals

6. If Indian, Allottee or Tribe Name

NA

036 74 1 E1874	7. If Unit or CA, Agreement Designation
SUBMIT IN TRIPLICATE	NA
1. Type of Well Oil Gas X Well Well Other 2. Name of Operator Falcon Creek Resources, Inc. 3. Address and Telephone No.	8. Well Name and No. NMFU Federal #1 9. API Viell No. 30-025-33836 10. Field and Pool, or Exploratory Area Blinebry, & East Warren Tubb
621 17th Street, Suite 1800, Denver CO 80293-0621 (303) 675-0007 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec. 23, T20S, 38E	11. County or Parish, State Lea County NM

TYPE OF SUBMISSION	CK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REP		
Notice of Intent Subsequent Report	Abandonment Recompletion Plugging Back Casing Repair	Change of Plans New Construction Non-Routine Fracturing Water Shut-Off	
Final Abandonment Notice	Altering Casing X Other Commingling	Conversion to Injection Dispose Water	

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Please see attached documents.

SUBJECT TO LIKE APPROVAL

14. I hereby certify that the foregoing is true and correct Signed	Title Senior Engineer	Date	08/04/99
(This space for Federal or State office use) Approved by Conditions of approval, if any:	Title	Date	AUS 17 1999

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 andy false, fictitious or fraudulent statements or representations as to any mater within its jurisdiction.



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

ADMINISTRATIVE ORDER DHC-2177

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

Attention: Ms. Jaylene Roope

NMFU Federal Well No. 1 API No. 30-025-33836 Unit P, Section 23, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico. Blinebry Oil & Gas (Oil - 06660) and East Warren-Tubb (Oil - 87085) 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

and sales

Gas 428 MCF/D

Water 214 B/D

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

* * .	Blinebry Oil & Gas Pool	Oil-56%	Gas-52%	Water	7870
	East Warren-Tubb Pool	Oil-44%	Gas-48%	Water	22%

Administrative Order DHC-2177 Falcon Creek Resources, Inc. February 2, 1999 Page 2

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

Pursuant to Rule 303.H., 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 2nd day of February, 1999.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

LORI WROTENBERY

Director

SEAL

LW/MWA/kv

cc:

Oil Conservation Division - Hobbs

U.S. Bureau of Land Management - Carlsbad