

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 97164	
1b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA	
2. NAME OF OPERATOR Falcon Creek Resources, Inc.		7. UNIT AGREEMENT NAME NA	
3. ADDRESS OF OPERATOR 621 Seventeenth Street, Suite 1800, Denver, Co. 80202		8. FARM OR LEASE NAME Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *) At Surface 1980 FSL, 1980 FEL At proposed Prod. Zon Same		9. WELL NO. 24-5	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 9 Miles South of Hobbs		10. FIELD AND POOL OR WILDCAT DK	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1980'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 24, T20S, R38E	
16. NO. OF ACRES IN LEASE 200		12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR ON THIS LEASE, FT.		20. ROTARY OR CABLE TOOLS	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3569' GL, 3581' KB		22. APPROX. DATE WORK WILL START* When approved	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	SIZE OF CASING	WEIGHT/FOOT	SETTING DEPTH
12-1/4"	9-5/8"	36#	1,550
8-3/4"	7"	26#	7,948
		QUANTITY OF CEMENT	
		635 sks	
		640 sks	

This well was drill in 1/1998 to a depth of 7950'. The initial completion was in the Abo formation, producing 25 BOPD, 1 BWPD, and 39 MCFD.

Proposed Completion:

- Clean out well to approx. 7200'. Set 7" CIBP.
- Perforate Tubb formation from 6540'-6548', 6635'-6650', and 6684'-6700' w/ 1 JSPF. Acidize w/ 1500 gals 15% NeFe.
- Frac Tubb w/ 15,000# 100 mesh sd, 116,000# ottawa sd, and 40,000# 16:30 Resin coated sd. Flow test Tubb interval.
- Set 7" CIBP at approx. 6400' and pressure test.
- Perf Blinebry from 6,026'-6,062' w/ 1 JSPF. Acidize w/ 1500 gals 15% NeFe.
- Frac Blinebry w/ 15,000# 100 mesh sd, 116,000# ottawa sd, and 40,000# 16:30 Resin coated sd. Flow test interval
- Drill out CIBP and commingle the Tubb and Blinebry
- RIH w/ 2-3/8" tubing. Long production string and set packer at approx 6,450'; set short string @ approx 6000'

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

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.

SIGNED [Signature] TITLE District Operations Engineer DATE 8/17/98

(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

PRODUCTION ENGINEER

DATE

AUG 31 1998

\*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.

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