



FLUOR CORP. CABLE & TELEVISION SERVICES, INC.

621 Seventeenth Street  
Suite 1800  
Denver, Colorado 80293  
Office 303-675-0007  
Fax 303-675-0008

June 15, 2000

DHC-2775

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

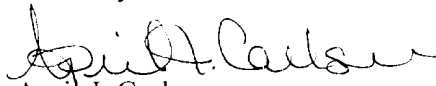
RE: Application for Downhole Commingling  
Kyte #9  
"C"Section 23, T20S-R38E  
Lea County, New Mexico

Gentlemen:

Please find enclosed an 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.

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

copy

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1990  
DISTRICT II  
811 South First St., Artesia, NM 88210-2835  
DISTRICT III  
1000 Rio Brazos Rd, Aztec, NM 87410-1693

State of New Mexico  
Energy, Minerals and Natural Resources Department  
OIL CONSERVATION DIVISION  
2040 S. Pacheco  
Santa Fe, New Mexico 87505-6429

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

APPROVAL PROCESS:  
\_\_\_ Administrative \_\_\_ Hearing  
EXISTING WELLBORE  
\_\_\_ YES \_\_\_ NO

APPLICATION FOR DOWNHOLE COMMINGLING

Falcon Creek Resources, Inc.

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

Operator Kyte 9 C 23 20S 38E Lea  
Lease Well No Unit Ltr. - Sec - Twp - Rge County

Spacing Unit Lease Types: (check 1 or more)

OGRID NO. 026102 Property Code 23402 API NO. 30-025-34457 Federal State (and/or) Fee X

The following facts are submitted in support of downhole commingling: 1. Pool Name and Pool Code	Upper Zone Blinebry	Intermediate Zone	Lower Zone Abo
2. Top and Bottom of Pay Section (Perforations)	5918'-6332'		7342'-7745'
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Pumping		Pumping
5. Bottomhole Pressure Oil Zones - Artificial Lift: Gas & Oil - Flowing: All Gas Zones: Estimated Current Measured Current Estimated Or Measured Original	a. (Current) psi b. (Original)	a. psi b.	a. psi b.
6. Oil Gravity (°API) or Gas BTU Content	40.1		40.1
7. Producing or Shut-In?	Producing		New Zone
Production Marginal? (yes or 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: 2-2000 Rates: 10 oil, 40 gas, 35 water	Date: Rates:	Date: 5-2000 Rates: 38 oil, 72 gas, 33 water (See Attached)
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 21% Gas: 36% H2O: 51%		Oil: 79% Gas: 64% H2O: 49%

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 \_\_\_ x \_\_\_ No  
If not, have all working, overriding, and royalty interests been notified by certified mail? \_\_\_ x \_\_\_ Yes \_\_\_ No  
Have all offset operators been given written notice of the proposed downhole commingling? \_\_\_ Yes \_\_\_ x \_\_\_ No
11. Will cross-flow occur? \_\_\_ Yes \_\_\_ x \_\_\_ 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. \_\_\_ x \_\_\_ Yes \_\_\_ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other? \_\_\_ x \_\_\_ Yes \_\_\_ No
13. Will the value of production be decreased by commingling? \_\_\_ Yes \_\_\_ x \_\_\_ 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. \_\_\_ x \_\_\_ 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 Gerald Lucero TITLE Manager of Operations DATE June 15, 2000

TYPE OR PRINT NAME Gerald Lucero TELEPHONE NO. ( 303 ) 675-0007  
Prepared By: April J. Carlson TELEPHONE NO. ( 303 ) 675-0007 Ext. 134

Falcon Creek Resources, Inc.  
 Kyte #9 Commingling Allocations

Kyte #9 Blinebry Daily Production in March 00		
Oil	Gas	Water
10	40	35

**Kyte #9 Daily Production #'s  
after Testing Commingling w/  
Abo**

	Oil	Gas	Water
5/13/00	38	142	48
5/14/00	40	150	50
5/15/00	57	143	55
5/16/00	51	140	40
5/17/00	50	126	90
5/18/00	47	118	53
5/19/00	50	101	80
5/20/00	52	101	68
5/21/00	42	130	165
5/22/00	54	115	80
5/23/00	45	91	64
5/24/00	45	86	64
5/25/00	45	100	59
5/26/00	48	111	50
5/27/00	50	100	60
5/28/00	50	100	60
5/29/00	49	90	80
5/30/00	51	96	70
5/31/00	54	96	63
Total	918	2136	1299
Daily Avg.	48	112	68

**Kyte #9 Blinebry Commingling  
Allocations**

Oil	Gas	Water
21%	36%	51%

**Kyte #9 Abo Commingling  
Allocations**

Oil	Gas	Water
79%	64%	49%

**Kyte #9 Abo Production Avg.  
(New Prod. # minus Blinebry  
Prod. #'s)**

Oil	Gas	Water
38	72	33

## 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 30-025-34457	Pool Code 06660	Pool Name Blinebry Oil & Gas (Oil)
Property Code 23402	Property Name KYTE	Well Number 9
OGRID No. 169415	Operator Name FALCON CREEK RESOURCES	Elevation 3567

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	23	20 S	38 E		660	NORTH	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.
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.  <u>Gerald Lucero</u> Signature  <u>Gerald Lucero</u> Printed Name  <u>Manager of Operations</u> Title  <u>June 15, 2000</u> 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.  <u>JUNE 29, 1998</u> Date Surveyed Signature & Seal of Professional Surveyor <u>Ronald J. Edson</u> 7-02-98 7-02-98 Certificate No. RONALD J. EDSON 3239 GARY EDSON 1264 WATSON, REGINALD 12185	

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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <i>Joe H. Cox Jr.</i></p> <p>Printed Name Joe H. Cox Jr.</p> <p>Title Senior Engineer</p> <p>Date May 1, 2000</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JUNE 29, 1998</p> <p>Date Surveyed Signature &amp; Seal of Professional Surveyor <i>Ronald J. Eason</i> 7-02-98</p> <p>CMG (Scale No. RONALD J. EASON 3239 GARY EASON 1254 MASON, MCCONALD 12135</p>

Property Kyte #9  
Working Interest Owners

Patco Ltd  
7977 Caruth Court  
Dallas, TX 75225

Rodney L. Seale  
6932 Alyssa Ct.  
Farmington, NM 87402





F A L C O N C R E E K R E S O U R C E S , I N C

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Sincerely,

A handwritten signature in black ink that reads "April J. Carlson".  
April J. Carlson  
Operations Technician

cc: Hobbs District Office