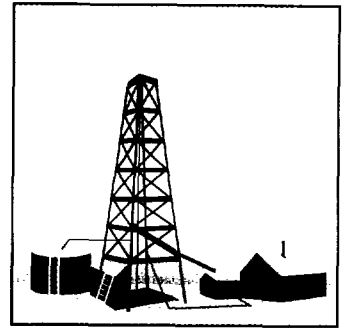


Camterra Resources, Inc.



September 13, 1999

New Mexico Department of Energy,
Minerals and Natural Resources
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
Attention: Ms. Lori Wrotenberry
Mr. David Catanach

Via Facsimile 1-505/827-8177
And U. S. Mail

Re: Falcon Creek Resources, Inc.'s
Application For Injection Authority
In The Proposed West Teas (Yates - Seven Rivers) Unit
Secondary Recovery Project
Lea County, New Mexico

Dear Ms. Wrotenberry and Mr. Catanach:

Camterra Resources, Inc., Managing General Partner of Camterra Resources Partners, Ltd., hereinafter collectively referred to as Camterra, is in receipt of Falcon Creek Resources, Inc.'s ("Falcon Creek") request to the New Mexico Oil Conservation Division ("NMOCD") for a hearing on Falcon Creek's *Application For Authorization To Inject, Form C-108*, for Falcon Creek's proposed West Teas (Yates - Seven Rivers) Secondary Recovery Unit. It is Camterra's understanding Falcon Creek has requested the NMOCD schedule this hearing on their October 21, 1999 docket. Camterra is also in receipt of a letter, dated September 10, 1999, from Mitchell Energy Corporation ("Mitchell") to the NMOCD in response to Falcon Creek's application and request for hearing.

Camterra is a non-operating working interest owner in the West Teas (Yates - Seven Rivers) Field Scharbauer units operated by Mitchell. Camterra is in concurrence with the various points outlined in Mitchell's above referenced letter, dated September 10, 1999. In addition, Camterra supports Mitchell's request that the NMOCD hold Falcon Creek's request for a hearing on their application to inject in abeyance. Camterra hopes this delay in scheduling a hearing will allow all interested parties the time to evaluate and negotiate a mutually agreeable proposal for the West Teas (Yates - Seven Rivers) Field.

Camterra appreciates the NMOCD considering Mitchell's request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul Marchand".

Paul Marchand
President

cc: Mr. Bill Carr, Attorney for Falcon Creek Resources, Inc. (Via Fax 1-505/983-6043)
Mr. Joe Cox, Jr. Falcon Creek Resources, Inc. (Via Fax 1-303/675-0008)
Mr. Mark Stephenson, Mitchell Energy Corporation (Via Fax 1-713/377-7151)
Mr. Richard Sullivan, Bass Enterprises Production Company (Via Fax 1-915/687-0329)
Mr. Rick Vanderslice, Santa Fe-Snyder Corporation (Via Fax 1-915/686-6734)