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W. THOMAS KELLAHIN  
KAREN AUBREY

JASON KELLAHIN  
OF COUNSEL

August 22, 1991

RECEIVED

AUG 23 1991

OIL CONSERVATION DIVISION

Mr. William J. LeMay  
Oil Conservation Division  
State Land Office  
Santa Fe, New Mexico 87504

HAND DELIVERED

Re: Application of Bird Creek Resources, Inc.  
for Compulsory Pooling,  
Eddy County, New Mexico

Dear Mr. LeMay:

On behalf of Bird Creek Resources, Inc., we would appreciate you setting the enclosed Application for a public hearing on the Division's Examiner's docket now scheduled for September 19, 1991.

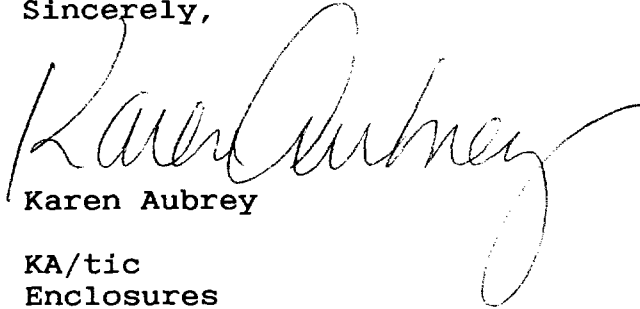
By copy of this letter to all parties to be pooled, we are notifying them by certified mail-return receipt, that they have the right to appear at the hearing, to make a statement to the Division, to present evidence and cross-examine witnesses either in support of or in opposition to the application. Those parties are directed to file a pre-hearing statement with the Division and send a copy to the undersigned not later than 4:00 PM on September 13, 1991.

In addition, these potential parties are advised that the entry of a compulsory pooling order will affect their rights to share in the production from the subject well.

10384

Mr. William J. LeMay  
August 22, 1991  
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Sincerely,

A handwritten signature in cursive script, appearing to read "Karen Aubrey". The signature is written in dark ink and is positioned above the printed name "Karen Aubrey".

Karen Aubrey

KA/tic  
Enclosures

cc: Lawrence W. Robinette  
Bird Creek Resources, Inc.  
1412 South Boston, Suite 550  
Tulsa, Oklahoma 74119

Certified mail return receipt  
Party listed on Exhibit "A"  
of application

2054/appk625.465

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

RECEIVED

AUG 23 1991

OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF BIRD CREEK RESOURCES, INC. FOR  
COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO

NO.

10384

A P P L I C A T I O N

COMES NOW BIRD CREEK RESOURCES, INC., by and through its attorneys, KELLAHIN, KELLAHIN & AUBREY, and applies to the New Mexico Oil Conservation Division for an order pooling all mineral interest from the surface to the base of the Delaware formation or 6300 feet, whichever is deeper, underlying the following described acreage in Section 22, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico in the following manner:

To form a standard 40-acre oil spacing and proration unit consisting of the SE/4NE/4 of Section 22. In support thereof, Applicant states:

1. Applicant is the operator of and has the right to drill in the SE/4NE/4 of Section 22, T23S, R28E, N.M.P.M., Eddy County, New Mexico.

2. Applicant desires to drill its Queen #2 well at a standard location 1880 feet from the North line and 330 from the East line of said Section 22 and dedicate the SE/4NE/4 (40 acres) to the well.

3. Applicant is informed and believes that the working interest/mineral owners entitled to participate in and pay for the costs of the subject well are as shown on Exhibit "A" attached hereto.

4. Applicant has sought the voluntary agreement of all those parties shown on Exhibit "A" for the formation of the appropriate spacing and proration unit for the drilling of the subject well, but has been unable to obtain a voluntary agreement.

5. Pursuant to the Division notice requirements, applicant has notified all those parties shown on Exhibit "A" of this application for compulsory pooling and its request for a hearing on September 19, 1991, by sending those parties a copy of this application and cover letter.

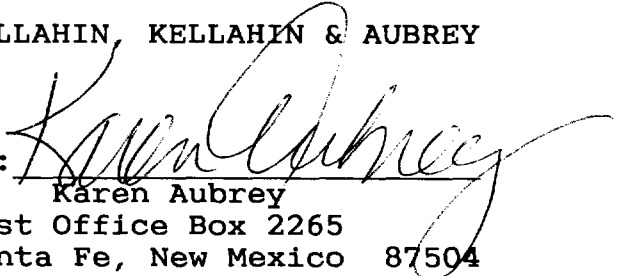
6. In order to obtain its just and equitable share of the potential production underlying the above tract, applicant needs an order pooling the mineral interest involved in order to protect applicant's correlative rights and prevent waste.

WHEREFORE, applicant prays that this application be set for hearing before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described herein. Applicant further prays that it be named operator of the well, that the order make provisions for applicant to recover out of production its costs of drilling, completing and equipping it, and costs of operation, including costs of supervision and a risk factor in the amount of 200% for the drilling and completion of the well and for such other and further relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY

By:

  
Karen Aubrey

Post Office Box 2265  
Santa Fe, New Mexico 87504  
(505) 982-4285

EXHIBIT "A"

Sylvite Corp.	12.5%
P.O. Box 394	
Broken Arrow, Oklahoma 74013	

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TOTAL	12.5%