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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

10385

Dear Mr. LeMay:

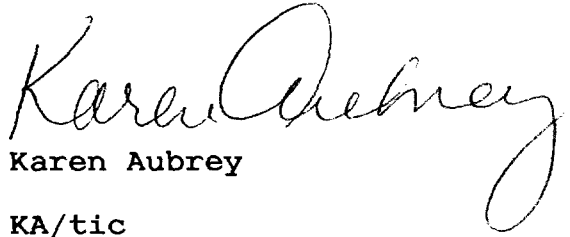
On behalf of Bird Creek Resources, Inc., we would appreciate you setting the enclosed Application for a public hearing on the Division's Examiner's docket now scheduled for September 19, 1991.

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.

Mr. William J. LeMay
August 22, 1991
Page 2

Sincerely,

A handwritten signature in cursive script that reads "Karen Aubrey". The signature is fluid and extends to the right.

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. 10385

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 NW/4NE/4 of Section 22. In support thereof, Applicant states:

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

2. Applicant desires to drill its Purdy #1 well at a standard location 483 feet from the North line and 2110 from the East line of said Section 22 and dedicate the NW/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:

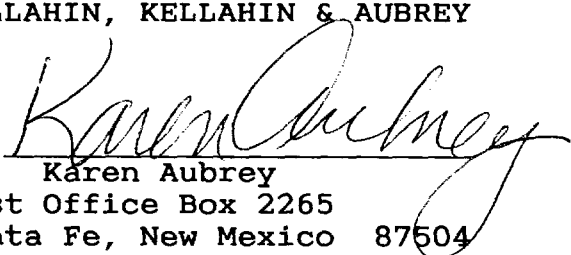

Karen Aubrey
Post Office Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

EXHIBIT "A"

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

9.375%

TOTAL

9.375%