NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

August 22, 2001

Bird Creek, L.L.C.
7134 S. Yale Avenue
Suite 600
Tulsa, Oklahoma 74136

Attention: Mr. Robert Wadley

Re: Form C-107-A
      Dunn No. 1

Dear Mr. Wadley:

This letter acknowledges the receipt of your administrative application dated August 9, 2001, to downhole commingle the Strawn, Atoka and Morrow formations in the Dunn Well No. 1 located in Section 25, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico. The Division received your application on August 17, 2001.

Our preliminary review indicates that the information provided in the application is not sufficient to process the administrative order. The following information is necessary:

    a) **Administrative Application Checklist (Enclosed)**
    b) **Production Allocation---Please show how the estimated production rates for the Strawn and Atoka formations were determined.**
    c) **Are all produced fluids from all commingled zones compatible with each other?**
    d) **Production curve for the Otis-Morrow Pool.**

Since the submitted information is insufficient to review, the application was **Ruled Incomplete** on August 22, 2001. Please submit the above stated information by August 29, 2001.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the division will continue to process your application. The additional information can be faxed, or mailed to the Division. If the necessary information is not submitted, your application will be returned to you.

If you have any questions, please contact me in Santa Fe, at (505) 476-3466.

Sincerely,

David Catanach
Petroleum Engineer