

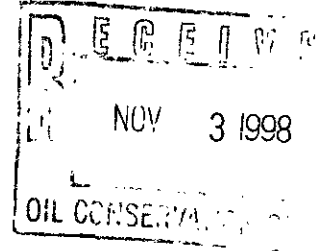
FALCON CREEK RESOURCES, INC.

621 17th Street, Suite 1800, Denver, Colorado 80293-0621

(303) 675-0007 (303) 675-0008 Facsimile

October 19, 1998

Dingus Investments, Inc.
110 N Marienfeld, Suite 101
Midland, TX 79702



RE: Application for Non-Standard Proration Unit
FCR 20 State #3
1930' FNL, 1980' FEL
"G" Section 20, T20S, R36E
Lea County, New Mexico

NSP-214-A(4)

To Whom It May Concern:

Please find enclosed for your review a copy of our Application for Non-Standard Proration Unit for the captioned well. We request that you execute this letter signifying your waiver to any objection for the conversion of said well.

Please route an executed copy of this letter to the New Mexico Oil Conservation Division at 2040 Pacheco Street, Santa Fe, New Mexico. Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Jaylene Roope".

Jaylene Roope
Sr. Operations Technician

We hereby waive any objection to Falcon Creek Resources, Inc.'s Application for Authorization for Non-Standard Proration Unit for the FCR 20 State #3 well at the captioned location.

Dingus Investments, Inc.

By: W. Dingus
Title: PRESIDENT
Print Name: W F DINGUS
Date: 10/26/98



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 16, 1998

Falcon Creek Resources, Inc.
621 17-th Street - Suite 1800
Denver, Colorado 80293-0621
Attention: Oscar L. Peters

Administrative Order NSP-214-A(L)

Dear Mr. Peters:

Reference is made to your application dated October 19, 1998 for a 160-acre non-standard gas spacing and proration unit consisting of the following acreage in the Eumont Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM
Section 20: NE/4.

It is our understanding that this unit is to be dedicated to the recently drilled FCR "20" State Well No. 3 (API No. 30-025-34511), located at an unorthodox gas well location 1930 feet from the North line and 1980 feet from the East line (Unit G) of Section 20.

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division.

By the authority granted me under the provisions of **Rule 2(d)** of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool*," as promulgated by Division Order No. R-8170, as amended, and Division General Rule 104.F(2): (i) the unorthodox gas well location of the FCR "20" State Well No. 3 is hereby approved; and, (ii) Falcon Creek Resources, Inc. is permitted to produce the allowable assigned the above-described 160-acre non-standard gas spacing and proration unit in accordance with Rule 5 of the Eumont special pool rules from the FCR "20" State Well No. 3.

Sincerely,

Lori Wrotenbery
Director

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-214

REMARKS: Division Administrative Order NSP-214, dated December 18, 1955, also authorized this same 160-acre non-standard Eumont gas spacing and proration unit comprising the NE/4 of said Section 20. This unit and order applied to Aztec Oil & Gas Company's State E-20A Well No. 1 located at a standard gas well location 1980 feet from the North and East lines of Section 20. This well was plugged and abandoned in 1965.

NSP-214.A

Rec: 10-21-98

Susp: 11-10-98

Released 11-16-98

October 26, 1998

Falcon Creek Resources, Inc.
621 17-th Street - Suite 1800
Denver, Colorado 80293-0621

Attention: Oscar L. Peters

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Sincerely,

Lori Wrotenbery