



## FALCON CREEK RESOURCES, INC.

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October 19, 1999

Ms. Lori Wrotenberry, Chair  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco  
Santa Fe, New Mexico 87505

(Via Fax 505-827-8177)

OCT 21 1999

RE: Case 12272 Application of Falcon Creek Resources, Inc. for authority  
to inject water into six wells in the proposed West Teas (Yates-Seven Rivers) Unit  
Waterflood Project Area, Lea County, New Mexico

Dear Ms. Wrotenberry:

On August 19, 1999, Falcon Creek Resources, Inc. filed Applications for Authority to Inject for six wells in Lea County, New Mexico. The filings are part of Falcon Creek's effort to implement a waterflood project in its proposed West Teas Yates-Seven Rivers Unit.

As you are aware, several owners of working interest in the smaller tracts on each end of the proposed unit area have contacted the Division concerning these applications and the status of Falcon Creek's efforts to form this unit.

Falcon Creek's plans to provide to all working interest owners in the proposed unit area the data necessary to evaluate and hopefully decide to participate in this unit were interrupted by a corporate merger which required the full attention of those who were working on this matter. Falcon Creek is now providing information to affected owners on this proposed unit and waterflood project.

Our attorney has discussed this matter with James Bruce, attorney for Mitchell Energy Corporation, and we have agreed to request that this case be continued until data is provided and until the parties have an opportunity to review this information and make a determination on whether they desire to participate in the unit. Accordingly, Falcon Creek has directed our attorney to request that the hearing currently scheduled for October 21, be continued to the Examiner hearing set for November 18, 1999, however we now anticipate that this matter will need to be continued to the Examiner hearing set for December 16.

Sincerely,

Lynn D. Becker, CPL  
Senior Landman

cc: Mr. Ben T. Waller, Jr., Mitchell Energy Corporation (Via Fax 713-377-5949)  
Mr. Rick Vanderslice, Santa Fe-Snyder Corporation (Via Fax 915-686-6734)  
Mr. Paul Marchand, Camterra Resources Partners, Ltd. (Via Fax 903-935-0521)  
Mr. Richard Sullivan, Bass Enterprises Production Company (Via Fax 915-687-0329)  
Mr. William F. Carr, Campbell, Carr, Berge & Sheridan, P.A. (Via Fax 505-983-6043)  
Mr. James Bruce (Via Fax 505-982-2151)