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SANTA FE, NEW MEXICO 87504-2265

August 14, 1990

RECEIVED

AUG 1 / 1990

OIL CONSERVATION DIVISION

16061

Mr. William J. LeMay Oil Conservation Division P.O. Box 2088 Santa Fe. NM 87504

Re: Compulsory Pooling, Bird Creek Resources, Inc.

Dear Mr. LeMay:

Enclosed please find the original and one copy of an application by Bird Creek Resources, Inc. for Compulsory Pooling, Eddy County, New Mexico. Please set this application for hearing on the examiner docket on September 5. 1990.

In accordance with N.M.O.C.C. Rule 1207, we are sending all working interest owners listed in this application a copy of this letter and a copy of the enclosed application, by certified mail, in order to notify them that they have the opportunity to appear in support of or in opposition to the enclosed application.

Sincerely,

KA/dm

xc: Larry Robinette

Certified Return Receipt Requested Working interest owners listed in Paragraph 3 of Application

STATE OF NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS OIL CONSERVATION DIVISION

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

RECEIVED

AUG 1 / 1990

OIL CONSERVATION DIVISION

10061

APPLICATION

its attorneys, KELLAHIN, KELLAHIN & AUBREY, and in accordance with Section 70-2-17(c) N.M.S.A. (1978 Comp.) applies to the New Mexico Oil Conservation Division for an order pooling all mineral interests from the surface to the bottom of the Delaware formation, East Loving Delaware Pool, or 6,250 feet, whichever is deeper, underlying the SW/4SE/4, Section 15, T23S, R28E, N.M.P.M, Eddy County, New Mexico. The above described acreage is to be dedicated to a well to be drilled at a standard location 660 FSL and 1980 FEL to a depth of approximately 6,250 feet. In support of this application, applicant would show:

- Applicant has the right to drill and develop the SW/4SE/4 of Section 15 T23S R28E, Eddy County, New Mexico.
- 2. Applicant desires to drill a well at a standard location in the SW/4SE/4 of said section.

3. Applicant has sought the voluntary agreement of the owners of the non-consenting working interests, for the formation of appropriate spacing and proration units, but has been unable to obtain voluntary agreement. The non-consenting working interest owners and their percentage interests are:

SANTA FE ENERGY OPERATING
PARTNERS, L.P.
500 W. Illinois
Fifth Floor
Midland, TX 79702

2.77800%

Parker and Parsley
Development Partners, L.P.
P.O. Box 3178
Midland, TX 79702

58.8389%

Total 61.62%

- 4. Pursuant to the Division's notice requirements, applicant has notified all working interest owners of this application for compulsory pooling and the applicant's request that this matter be set for hearing before the Division on September 5, 1990.
- 5. In order to obtain its just and equitable share of the hydrocarbons underlying the above tract(s), applicant needs an order pooling the mineral interests 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 interests described herein. Applicant further prays that it be named operator of the well, and that the order make provision for applicant to recover, out of production, its cost of drilling, completing and equipping the subject well, costs of operation, including costs of supervision, and a risk factor in the amount of 200% for the drilling and completing of the well, and for such other and further relief as may be proper.

Respectfully submitted,

KELLAHIN, KELLAHIN & AUBREY Post Office Box 2265

Santa Fe, New Mexico 87504

(505) 982-4**2**85

By:

Karen Aubrey

KA/dm