Santa Fe Exhibit 1

Santa Fe Energy Operating Partners, L.P.

Santa Fe Pacific Exploration Company Managing General Partner

Bird Creek Resources, Inc. 1412 South Boston, Suite 550 Tulsa, Oklahoma 74119

Attention: Lawrence W. Robinette

BEFCRE EXAMINER STOCKER

Cil Conservation Division

Case No. 9890 1989

Re: Well Proposals

NE/4NE/4 & NE/4SE/4 of

Section 15, T-23-S, R-28-E

Eddy County, New Mexico

Gentlemen:

Bird Creek Resources, Inc., hereinafter referred to as "Bird Creek" proposed the drilling of two 6,300' Delaware tests to Santa Fe Energy Operating Partners, L.P., hereinafter referred to as "Santa Fe", by letters dated February 7, 1990 and February 13, 1990. The well proposed in the letter dated February 7, 1990 to be located at a legal location in the NE/4NE/4 of Section 15, T-23-S, R-28-E, Eddy County, New Mexico will hereinafter sometimes be referred to as the "Initial Well", and the well proposed in the letter dated February 13, 1990 to be located at a legal location in the NE/4SE/4 of Section 15, T-23-S, R-28-E, Eddy County, New Mexico will hereinafter sometimes be referred to as the "Option Well". Each of said letters have attached thereto Bird Creek's proposed Operating Agreement and AFE and offer Santa Fe, as a working interest owner, the opportunity to participate in each of the respective wells or to farm out its interest to Bird Creek for the drilling of same. In addition, Santa Fe has been notified that Bird Creek has made application with the New Mexico Oil Conservation Division for Compulsory Pooling of the respective proration units for each of the proposed wells. It is our understanding that Bird Creek's application is on the Docket to be considered at the March 21, 1990 hearing. As previously discussed, it is Santa Fe's desire to avoid being subject to the Compulsory Pooling order by entering into an agreement with Bird Creek which would commit Santa Fe to either participate or farm out its interest in each of the subject wells depending upon certain elections to be made by Santa Fe. In this connection, it is agreed between the parties hereto that Santa Fe shall not be subject to the Oil Conservation Division's anticipated order resulting from the Compulsory Pooling applications for the subject wells and that this letter sets forth the terms of the agreement between the parties hereto relating to said wells.

Permian Basin District 500 W. Illinois Suite 500 Midland, Texas 79701 915/687-3551

Santa Fe hereby agrees to participate in Bird Creek's proposed 6300' Delaware test to be located at a legal location in the NE/4NE/4 of said Section 15. provided said well is the first well drilled in Section 15 to test the Delaware formation. In this connection, please find enclosed Bird Creek's AFE for this well which has been executed on behalf of Santa Fe. addition, enclosed herewith is a signature page to Bird Creek's proposed Operating Agreement covering the NE/4NE/4 of said Section 15 which has been executed on behalf of Santa Fe. Santa Fe's execution and delivery of this Operating Agreement is subject to Bird Creek agreeing to the following amendments to said Operating Agreement:

- Article VI.A. (Page 4) Amend the description of the location of the Initial Well to reflect that same will be located in Section 15 rather than Section 14.
- Article VI.B.2. (Page 6) Delete the term "500%" on lines 12, 21 and 22 and insert "100%" on line 12 and "300%" on lines 21 and 22.
- Article XIII. (Page 13) Delete the selection of Option No. 1, select Option No. 2 and insert "90" in the blanks on lines 55 and 61.
- Santa Fe requests that Exhibit "A" attached to this Operating Agreement be amended as follows:
 - A. According to Santa Fe's files, we calculate that Santa Fe owns a 10.90644% working interest in the NE/4NE/4 of said Section 15 and we request that Exhibit "A" be amended accordingly. However, it is recognized that the exact working interests of the parties cannot be determined until after Bird Creek receives a survey, which it has ordered, showing the total number of acres in the proration unit and the allocation thereof to the various leases included therein. It is also recognized that this Exhibit "A", out of convenience, shows Bird Creek Resources, Inc. et al as owning all of the working interest not owned by Santa Fe. The parties hereto hereby agree that, prior to commencing actual drilling of the Initial Well, Exhibit "A" will be revised to reflect the working interest of all of the parties to this Operating Agreement based on each of the parties' various elections and also based on the survey. In addition, Bird Creek agrees to furnish Santa Fe with a complete set of signature pages to this Operating Agreement when available.

- B. Revise Exhibit "A" to include a description of all of the leases subject to same as well as all existing overriding royalty interests, production payments or any other burdens attached to said leases. By separate letter, Santa Fe will furnish you with a description of the leases pertaining to Santa Fe's interest and the burdens attached to same.
- C. Revise the depth restriction described on Exhibit "A" to state "Depth Restrictions: This Operating Agreement is limited in depth to cover only those rights from the surface of the earth down to 100 feet below the stratigraphic equivalent of the total depth drilled in the Initial Well or to the base of the Delaware formation, whichever is the lesser depth."
- 5. Exhibit "C" Article III.1.A. Amend the Drilling Well Rate to be \$4,541.00 and the Producing Well Rate to be \$438.00.

Santa Fe's agreement to participate with its working interest in the drilling of the Initial Well is also subject to Bird Creek's agreement that Santa Fe shall not be obligated to make an election at this time as to whether it will participate with its working interest in the drilling of Bird Creek's proposed 6300' Delaware test to be located in the NE/4SE/4 of said Section 15, being the Option Well. The parties hereto hereby agree that Santa Fe shall have the following elections regarding the Option Well:

1. Santa Fe shall have the option, at its sole election, to either participate with its working interest in the drilling of the Option Well or to farm out its interest in the NE/4SE/4 of said Section 15 to Bird Creek under the terms described hereinbelow for the drilling of said well. Santa Fe shall be required to make its election by giving written notice of same to Bird Creek within 14 days after receipt of written notice of actual drilling date of the Option Well, but in no event sooner than 72 hours after the Initial Well has been drilled to its authorized depth and all tests and logs have been completed and the results thereof furnished to Santa Fe. If Santa Fe fails to respond within said required time, it shall be deemed that Santa Fe elected to farm out with its working interest in the drilling of said Options Well.

- If Santa Fe elects to participate in the drilling of the Option Well, Santa Fe shall promptly thereafter furnish Bird Creek with a copy of Bird Creek's AFE for said well executed on behalf of Santa Fe along with a signed signature page to Bird Creek's proposed Operating Agreement covering the NE/4SE/4 of said Section 15. However, Santa Fe's acceptance of said Operating Agreement shall be subject to the same exceptions and conditions described hereinabove pertaining to the Operating Agreement covering the Initial Well. As a matter of information, Santa Fe calculates its working interest in the NE/4SE/4 of said Section 15 to be 9.2034%, but recognizes that same shall be recalculated based upon the survey which Bird Creek has ordered.
- If Santa Fe elects not to participate in the drilling of the Option Well, it shall be deemed that Santa Fe elected to farm out its interest in the NE/4SE/4 of said Section 15 to Bird Creek for the drilling of the Option Well. Thereafter, Santa Fe shall promptly forward to Bird Creek, for Bird Creek's review and execution, a Farmout Agreement which shall contain the following general terms and provisions:
 - A. The Farmout Agreement shall obligate Bird Creek to commence, or cause to be commenced, the actual drilling of the Option Well located at a legal location of its choice in the NE/4SE/4 of Section 15, T-23-S, R-28-E, Eddy County, New Mexico on or before thirty (30) days after Bird Creek's receipt of Santa Fe's letter notifying Bird Creek that Santa Fe is electing to not participate in the Option Well. Thereafter, Bird Creek shall be required to drill said well to a depth sufficient to adequately test the Delaware formation or to a depth of 6,300 feet, whichever is the lesser. Said operations shall be conducted with due diligence in an effort to discover oil and/or gas and shall be completed within ninety (90) days from the date of commencement thereof.
 - In the event the Option Well is completed as a dry hole, Bird Creek shall not earn any acreage from Santa Fe under the terms of said Farmout Agreement. In the event the Option Well is completed as a commercial producer of oil and/or gas, Bird Creek shall earn an Assignment of 100.00% of Santa Fe's interest in and to the acreage allocated to said well for proration unit purposes (subject to the overriding royalty, reversionary working interest and depth restrictions described hereinbelow).

- C. As consideration for this Farmout, Santa Fe will reserve an overriding royalty which shall be applicable only to the Option Well equal to the difference between 25.00% and the existing burdens applicable to the subleased acreage. In the event Santa Fe's interest in the leases included in the subleased acreage have royalty, overriding royalty and other burdens totalling 25.00% or greater, then Santa Fe shall not reserve an overriding royalty interest. Santa Fe shall also have the option to convert said override upon payout of the Option Well to an undivided 25.00% working interest in the Option Well and the acreage allocated thereto for proration unit purposes. If Santa Fe is unable to reserve an overriding royalty due to its interest being currently burdened with royalty, overriding royalty and other burdens of 25.00% or greater, then Santa Fe will still have the option at payout of the Option Well to receive an undivided 25.00% working interest in the Option Well. Said overriding royalty and reversionary working interest shall be decreased proportionately if the subleased acreage covers less than the entire mineral fee interest or if any assignment contemplated hereunder is of less than a full working interest in the leasehold assigned; however, no reduction in overriding royalties or reversionary working interest shall be made due to the reservation and limitation as to depths to be assigned. In addition, said overriding royalty and reversionary working interest shall be proportionately reduced, on a surface acreage basis, to Santa Fe's interest in the NE/4SE/4 of said Section 15, being the anticipated proration unit for the subject well.
- D. Any Assignment earned pursuant to said Farmout Agreement shall be limited in depth to cover only those rights from the surface of the earth down to 100 feet below the stratigraphic equivalent of the total depth drilled in the Option Well or to the base of the Delaware formation, whichever is the lesser depth.
- It is recognized that it will be necessary to pool or Ε. communitize Santa Fe's interest in the NE/4SE/4 of said Section 15 with other leases covering lands lying in said NE/4SE/4 to form the anticipated proration unit for the subject well. Santa Fe hereby agrees to execute the necessary instruments to form said pooled unit. However, said Farmout Agreement shall expressly prohibit the pooling of Santa Fe's acreage with any other lands without the prior written consent of Santa Fe.

> F. In the event Bird Creek earns an Assignment as provided under the terms of this Agreement, then at such time as the Assignment is delivered the parties hereto shall promptly thereafter enter into an Operating Agreement which shall cover the NE/4SE/4 of said Section 15 as to the depth included in said Assignment. Said Operating Agreement shall be prepared on the same form and in the same manner as the Operating Agreement previously submitted to Santa Fe for the Option Well by Bird Creek's letter dated February 13, 1990, revised to reflect Santa Fe's before and after payout interests in the Option Well, as well as Santa Fe's interest in all subsequent wells. However, Santa Fe's acceptance of said Operating Agreement shall be subject to the same exceptions and conditions described hereinabove pertaining to the Operating Agreement covering the Initial Well.

> Said Operating Agreement shall govern operations on the Option Well after payout if Santa Fe elects to receive a working interest in said well and shall also be applicable to all subsequent wells drilled on the Contract Area of said Operating Agreement whether same are drilled before or after payout of the Option Well. The Copas Accounting Procedure attached to said Operating Agreement as Exhibit "C" shall additionally be used to determine the operating costs applicable to the Option Well during the recoupment period. Notwithstanding anything herein to the contrary, if either party desires to drill a subsequent well on the NE/4SE/4 of said Section 15 to test a formation included within the Contract Area of said Operating Agreement; then, regardless of whether the Option Well has paid out and regardless of Santa Fe's election to receive or not receive a working interest in the Option Well after payout, such operations shall be conducted pursuant to the terms of said Operating Agreement with the interest of the parties as to such subsequent well deemed to be the same as if "payout" had occurred in the Option Well and Santa Fe had elected to receive a working interest. The Operating Agreement referenced herein shall contain language reflecting the intentions discussed hereinabove.

- The Option Well drilled under the terms of the Farmout Agreement shall be drilled free and clear of any cost or liability to Santa Fe, whether same is completed as a producer or plugged and abandoned as a dry hole. In addition, Santa Fe will not warrant title to the subleased acreage; therefore, all abstracts, title opinions and curative work which may be necessary shall be performed by Bird Creek at its sole expense.
- H. Santa Fe shall retain a call on all production attributable to its after payout working interest in the Option Well and in the NE/4SE/4 of said Section 15.
- The actual Farmout Agreement and/or any Assignment to which Bird Creek may become entitled under the terms thereof shall not be assigned or subleased in whole or in part without Santa Fe's prior written consent and the granting of any such consent by Santa Fe shall not have the effect of waiving this limitation on any future or additional Assignments or subletting thereof. However, such consent shall not be unreasonably withheld.
- In addition, Bird Creek agrees that if prior to spudding the Option Well contemplated herein Bird Creek enters into an agreement with any other party to acquire said party's interest in the NE/4SE/4 of said Section 15 on terms providing for a reversionary working interest greater than 25.00%, proportionately reduced. Santa Fe shall have the option to amend the terms of this Agreement to provide that Santa Fe will be entitled to the increased reversionary working interest. In the event such a third party agreement occurs prior to the spudding of the Option Well, Bird Creek agrees to furnish Santa Fe with written notice of such agreement within seven (7) days of its occurrence. In said notice, Bird Creek will also advise Santa Fe of the terms of said agreement. Thereafter Santa Fe must advise Bird Creek within seven (7) days of its desire to amend this Agreement to provide for the increased reversionary working interest agreed to with such third party or it shall be conclusively deemed that Santa Fe has elected not to amend this Agreement.

You have previously advised that it is Bird Creek's intention to commence the drilling of the Initial Well prior to the Option Well. You have also advised that it is Bird Creek's intent to not commence the actual drilling of the Option Well until after the Initial Well has been drilled to its authorized depth and all tests and logs have been completed on same. This Agreement has been prepared based upon the assumption that the sequence of the drilling of the two wells will occur as Bird Creek originally intended. However, in the event actual drilling commences on either or both of the wells out of sequence to that contemplated under the terms of this Agreement, Santa Fe will nonetheless remain obligated to either participate with its working interest in such well or to farm out its interest in the respective tract upon which such well is located (NE/4NE/4 of said Section 15 for the Initial Well and NE/4SE/4 of said Section 15 for the Option Well). Once Bird Creek is aware that the sequence of the commencement of actual drilling of either or both of the wells will occur different than that anticipated under the terms of this Agreement, then Bird Creek shall immediately advise Santa Fe of same by written notice. Santa Fe shall thereafter have fourteen (14) days after receipt of said notice within which to notify Bird Creek in writing of Santa Fe's election to either participate with its working interest in the drilling of such well or to farm out its interest in same. notwithstanding the foregoing, if actual drilling of the subject well commences prior to the expiration of said fourteen (14) day period, Santa Fe will be required to make its election within twenty-four (24) hours of being notified by Bird Creek that actual drilling has commenced. If Santa Fe's election is to participate, Santa Fe will be required to promptly execute and return Bird Creek's AFE for the drilling of such well along with a signature page to Bird Creek's Operating Agreement pertaining to same. However, it is recognized that Santa Fe's execution of such Operating Agreement will be subject to the same exceptions and conditions described hereinabove pertaining to the Operating Agreement covering the Initial Well. If Santa Fe's election is to not participate in the drilling of such well, Santa Fe shall promptly thereafter furnish for Bird Creek's review and execution, Santa Fe's formal Farmout Agreement covering the tract upon which the subject well is located (NE/4NE/4 for the Initial Well or the NE/4SE/4 for the Option Well) which shall contain the same general terms and provisions as stated hereinabove under the provisions relating to the Option Well.

By entering into this Letter Agreement it is Santa Fe's intent to remove any necessity for Bird Creek to rely upon the anticipated order resulting from Bird Creek's requested Compulsory Pooling hearing which is currently pending with the Oil Conservation Division. Therefore, Bird Creek hereby agrees that this Agreement shall be the entire Agreement which shall govern Santa Fe's interest in the Initial and Option Well described herein and also agrees that the anticipated order from the Oil Conservation Division regarding the Compulsory Pooling hearing shall be null and void as the same applies to Santa Fe's interest in the subject wells.

If the foregoing correctly sets forth your understanding of our agreement, please evidence same by having this Agreement executed on behalf of Bird Creek Resources, Inc. and thereafter return one executed copy to the attention of the undersigned. Thereafter, you should make the necessary changes to the Operating Agreement as outlined hereinabove and forward substitute pages to Santa Fe to be inserted into Santa Fe's copy of the Operating Agreement covering the NE/4NE/4 of said Section 15.

Thank you for your cooperation in handling this matter. If you have any questions, please advise.

Yours very truly,

SANTA FE ENERGY OPERATING PARTNERS, L.P. By: Santa Fe Pacific Exploration Company, Managing General Partner

Bv:

Vernon D. Dyer, CPL #3174

District Landman

VDD/pt

Agreed and	accepted this day
of	, 1990
Bird Creek	Resources, Inc.
By:	
Title:	

WELL COST ESTIMATE

6,300' Delaware Test, NE/4 NE/4, Section 15-23S-28E Eddy County, New Mexico

	Producer	Dry Hole
Tangible Well Cost		
Tubulars - 500' 8-5/8 @ \$ 9.40/ft 6,300' 5-1/2 @ \$ 5.60/ft 6,300' 2-7/8 @ \$ 3.00/ft Transportation and hauling Wellhead Assembly Subsurface Equipment Separation Facilities Tanks Flow Lines Pumping Unit & Compressor Other Equipment	\$ 4,700 35,300 18,900 3,500 6,500 4,000 4,000 15,000 3,000	\$ 4,700 - 3,500 1,500 - - -
Total Tangibles	\$ 96,900	\$ 9,700
Intangible Well Cost		
Permits, Surveys Location, Road & Damages Contract Drilling6300 @ \$12/ft	1,000	\$ 2,000 8,000 75,600 8,000 1,000 1,000 1,000 2,000 8,000 3,000 3,000 3,000 1,000 3,000 1,000 3,000
Total Intangibles	<u>\$224,600</u>	\$159,100
TOTAL SANTA FE ENERGY OPERATING PARTNERS, L.P COMPANYBy: Santa Fe Pacific Exploration Compan	\$321,500	\$168,800

General Partner APPROVED

T. S. Parker, Attorney-in-Fact

DATE:

			ARTICLE XVI.			
		1	MISCELLANEOUS			
ፕ ኤ:	s agreement shall be bindin				an alimin i i i i i i i i i i i i i i i i i i	tan da ta i
	resentatives, successors and			the parties hereto and	to their respective ne	ils, devisces,
Thi	s instrument may be execu-	ted in any number o	f counterparts, each	of which shall be consi	dered an original for	ali purposes.
IN	WITNESS WHEREOF, this	s agreement shall be	effective as of 15th	day of Feb	ruary	19 <u>90</u> .
			OPERATOR	DD CREEN TECO	unozo Anio	
ATIT	STr. 7-	• • • • • • • • • • • • • • • • • • • •	B I	RD CREEK RESO	URCES,/INC.	
				X-		
	Krusim	uk-	· 	1 auch		
	2				()	£u
May				\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \		
,	Commence of the second section in the s					¥.;
		N	ON-OPERATO	R \$		
WITN	ESS:			VIA FE ENERGY Santa Fe Pac		
			БУ	Managing Gen		ion compa.
				JE L	4	
			B <u>v</u>		V. , Attorney-in	-Fact
				11 Di, Tarker	, meconicy in	
			•			
-						

			,	Onsurez #1		
	∜ Pecos Irricati	on #1			Атос	o Federal
dez #1	0		∤} Pardue Farms ∦:	.1	Amoc	∯ o Federal
			and bounder			
		535'		Teledyne #1		
∜ Nymeyer #1			Tout fact	• \$	rasco Com #1	
	Yarbro "A" Com	Q+560 ± 2105 '	Su of Car	RGA 11	∜ SCB Uni	12
				RGA ₹2		
	٠.					SCB Un
	Ingalls Unit		Donalds	on #1-A 3¦\$	♥ SCB	
ដុំ Brantley Gas Uni	#1	Jasso 11	SCB Unit 123-2	SCB Unit #23-1		

CREEK EXHIBIT NO. 1

CASE NO. 9890 & 9891

BIRD CREEK RESOURCES, INC.

February 7, 1990

Pogo Producing Co. P.O. Box 10340 Midland, TX 79702

BEFORE	BEFORE EXAMINER STOGNER								
OIL CONSERVATION DIVISION									
BIRD CREEK	EXHIBIT	N	o	2					
CASE NO.	9890	&	9891						

Re: Loving Prospect

Proposed 6,300' Delaware Test NE/4 NE/4, Section 15-23S-28E Eddy County, New Mexico

Gentlemen:

This is to advise that Bird Creek Resources, Inc. hereby formally proposes the drilling of a 6,300' Delaware test at a legal location in the NE/4 NE/4 of Section 15-23S-28E, Eddy County, New Mexico. In this regard, please find enclosed two copies of our AFE and one copy of our proposed Operating Agreement with extra signature page.

If you desire to participate in this test, please execute one copy of the AFE and forward to this office. In addition, if the Operating Agreement meets with your approval, we would request that you execute the extra signature page and forward it along with the executed AFE. In the event you have some problem with any provision of the Operating Agreement, please let us know and we will see if we can accommodate your concerns. Also please be advised that Bird Creek owns or has the right to interest making it the largest working interest owner in the NE/4 NE/4 of Section 15.

If you do not desire to participate, we hereby offer to take a farmout of your interest on the following basis:

- On or before June 1, 1989, Bird Creek Resources, Inc. shall commence or cause to be commenced the actual drilling of a 6,300' Delaware test at a legal location in the NE/4 NE/4 of Section 15-23S-28E, Eddy County, New Mexico.
- 2. Upon completion of the initial test as a well capable of producing oil and/or gas in commercial quantities, farmoutor shall assign to Bird Creek all of its interest in the NE/4 NE/4 of Section 15 from the surface down to

100 feet below the stratigraphic equivalent of the total depth drilled or to the base of the Delaware formation, whichever is the lesser.

- 3. Farmoutor shall reserve an overriding royalty interest equal to the difference between the existing leasehold burdens and 25%. At payout of the test well, said override shall be convertible to a proportionately reduced 25% working interest.
- 4. Bird Creek shall have the option to conduct a continuous drilling program in the remainder of the E/2 of Section 15 with no more than 120 days between the completion of the preceding test well and the spudding of the next test to earn the same rights in remaining farmout acreage on a well-by-well basis.
- 5. Bird Creek shall furnish all geological and well information on any well drilled on the farmout acreage.
- 6. Each proration unit shall be covered by a Joint Operating Agreement.

We are requesting that you reply within 30 days from the date of this letter after which time it will be necessary for us to file with the Oil Conservation Division for a force pooling hearing so that this operation may be commenced on schedule.

If you have any questions or require further information in this regard, please do not hesitate to contact me.

Sincerely,

Lawrence W. Robinette

Land Manager

Enclosures

WELL COST ESTIMATE

6,300' Delaware Test, NE/4 NE/4, Section 15-23S-28E Eddy County, New Mexico

	<u>Producer</u>	Dry Hole
Tangible Well Cost		
Tubulars - 500' 8-5/8 @ \$ 9.40/ft 6,300' 5-1/2 @ \$ 5.60/ft 6,300' 2-7/8 @ \$ 3.00/ft Transportation and hauling Wellhead Assembly Subsurface Equipment Separation Facilities Tanks Flow Lines Pumping Unit & Compressor Other Equipment	\$ 4,700 35,300 18,900 3,500 6,500 4,000 4,000 15,000 3,000	\$ 4,700 - 3,500 1,500 - - - -
Total Tangibles	\$ 96,900	\$ 9,700
<u>Intangible Well Cost</u>		
Permits, Surveys Location, Road & Damages Contract Drilling6300 @ \$12/ft 3 days @ \$4300/day Bits Completion Unit 5 days @ \$1200/day Cementing Drilling Fluids Fuel and Water Supplies Mud Logging Wireline Service - Logging Perforating Formation Treating Transportation and Hauling Rentals and Miscellaneous Contract Labor Direct Supervision Engineering Supervision Geological Supervision Insurance and Tax Overhead Contingencies Total Intangibles	\$ 2,000 8,000 75,600 12,900 1,000 6,000 22,000 10,000 1,000 5,000 8,000 3,000 5,000 6,000 6,000 6,000 3,000 2,000 1,000 3,000 2,000 1,000 3,000 2,000	\$ 2,000 8,000 75,600 8,000 1,000 - 5,000 1,000 500 2,000 8,000 - - 2,000 3,000 3,000 3,000 2,000 1,000 3,000
Total Intaligibles	9224,000	\$159,100
TOTAL	\$321,500	\$168,800
COMPANY		
BY:	DATE:	

BIRD CREEK RESOURCES, INC.

February 13, 1989

J. R. Rowan, Inc.
P.O. Box 162
Midland, TX 79708

Re: Loving Prospect

Proposed 6,300' Delaware Test NE/4 SE/4, Section 15-23S-28E Eddy County, New Mexico

BEFORE EXAMINER STOGNER OIL CONSERVATION DIVISION

৶

0686

CASE NO

Dear Mr. Rowan,

This is to advise that Bird Creek Resources, Inc. hereby formally proposes the drilling of a 6,300' Delaware test at a legal location in the NE/4 SE/4 of Section 15-23S-28E, Eddy County, New Mexico. In this regard, please find enclosed two copies of our AFE and one copy of our proposed Operating Agreement with extra signature page.

If you desire to participate in this test, please execute one copy of the AFE and forward to this office. In addition, if the Operating Agreement meets with your approval, we would request that you execute the extra signature page and forward it along with the executed AFE. In the event you have some problem with any provision of the Operating Agreement, please let us know and we will see if we can accommodate your concerns. Also please be advised that Bird Creek owns or has the right to interest making it the largest working interest owner in the NE/4 SE/4 of Section 15.

If you do not desire to participate, we hereby offer to take a farmout of your interest on the following basis:

- 1. On or before July 1, 1989, Bird Creek Resources, Inc. shall commence or cause to be commenced the actual drilling of a 6,300' Delaware test at a legal location in the NE/4 SE/4 of Section 15-23S-28E, Eddy County, New Mexico.
- 2. Upon completion of the initial test as a well capable of producing oil and/or gas in commercial quantities, farmoutor shall assign to Bird Creek all of its interest in the NE/4 SE/4 of Section 15 from the surface down to 100 feet below the stratigraphic equivalent of the total depth drilled or to the base of the Delaware formation, whichever is the lesser.

- 3. Farmoutor shall reserve an overriding royalty interest equal to the difference between the existing leasehold burdens and 25%. At payout of the test well, said override shall be convertible to a proportionately reduced 25% working interest.
- 4. Bird Creek shall have the option to conduct a continuous drilling program in the remainder of the E/2 of Section 15 with no more than 120 days between the completion of the preceding test well and the spudding of the next test to earn the same rights in remaining farmout acreage on a well-by-well basis.
- 5. Bird Creek shall furnish all geological and well information on any well drilled on the farmout acreage.
- 6. Each proration unit shall be covered by a Joint Operating Agreement.

We are requesting that you reply within 30 days from the date of this letter after which time it will be necessary for us to schedule a force pooling hearing so that this operation may be commenced on schedule.

If you have any questions or require further information in this regard, please do not hesitate to contact me.

Sincerely,

Lawrence W. Robinette

Land Manager

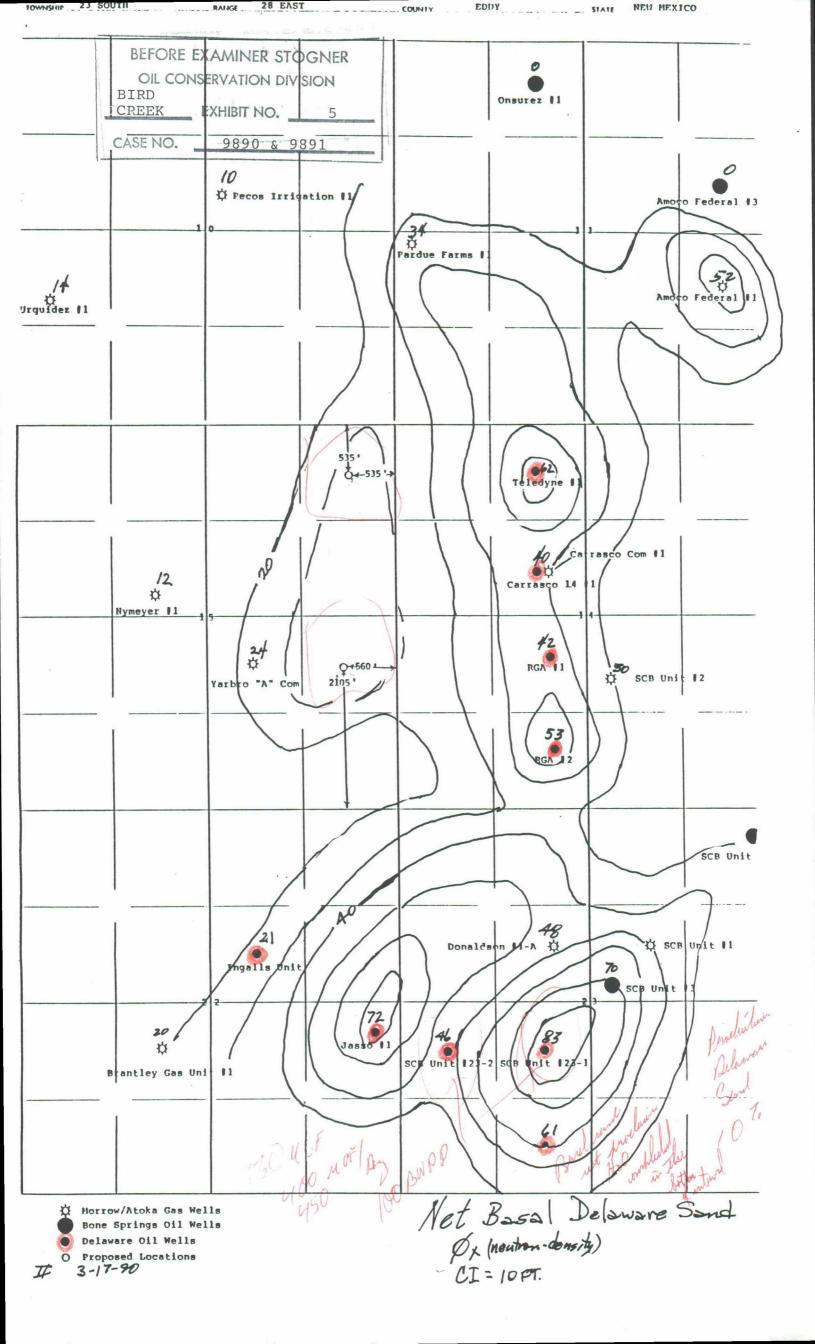
Enclosures

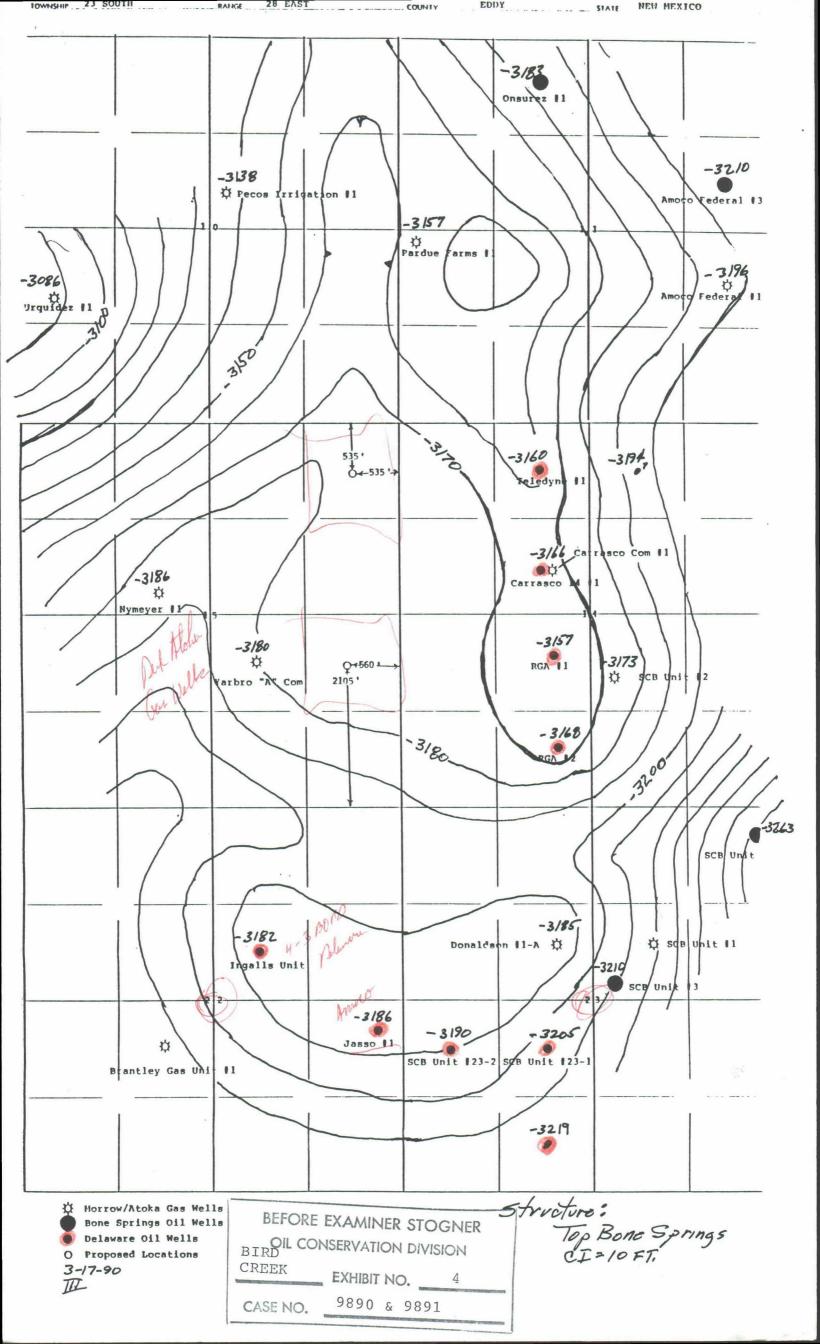
WELL COST ESTIMATE

6,300' Delaware Test, NE/4 SE/4, Section 15-23S-28E Eddy County, New Mexico

	Producer	Dry Hole
<u>Tangible Well Cost</u>		
Tubulars - 500' 8-5/8 @ \$ 9.40/ft 6,300' 5-1/2 @ \$ 5.60/ft 6,300' 2-7/8 @ \$ 3.00/ft Transportation and hauling Wellhead Assembly Subsurface Equipment Separation Facilities Tanks Flow Lines Pumping Unit & Compressor Other Equipment	\$ 4,700 35,300 18,900 3,500 6,500 4,000 4,000 15,000 3,000	\$ 4,700 - 3,500 1,500 - - - -
Total Tangibles	\$ 96,900	\$ 9,700
<u>Intangible Well Cost</u> Permits, Surveys	\$ 2,000	\$ 2,000
Location, Road & Damages	8,000	8,000
Contract Drilling6300 @ \$12/ft	75,600	75,600
3 days @ \$4300/day	12,900	8,000
Bits	1,000	1,000
Completion Unit 5 days @ \$1200/day	6,000	
Cementing	22,000	5,000
Drilling Fluids	10,000	10.000
Fuel and Water	1,000	1,000
Supplies	500	500
Mud Logging Wireline Service - Logging	2,000	2,000
Wireline Service - Logging Perforating	8,000	8,000
Formation Treating	3,000 18,000	_
Transportation and Hauling	5,000	2,000
Rentals and Miscellaneous	5,000	3,000
Contract Labor	6,000	3,000
Direct Supervision	6,000	5,000
Engineering Supervision	3,000	3,000
Geological Supervision	2,000	2,000
Insurance and Tax	1,000	1,000
Overhead	3,600	3,000
Contingencies	<u>23,000</u>	<u>16,000</u>
Total Intangibles	\$224,600	\$159,100
		_
TOTAL	\$321,500	\$168,800
COMPANY J. R. ROWAN, luc.		
~ 10		

DATE: March 7, 1980





Bird Creek Exhibits 1 through > Incomplete Set

				×	Onsurez 1		
		☼ Pecos Irriga	tion #1		. 1	Amoç	Federal
☆ puidez 1	1	0		∤} Pardue Farms ∦:	1	Amoc	∜ Federal
					:		
			535 ' 6 -535 ' -		Teledyne #1		,
	☆ Nymeyer #1				•\$	rasco Com #1	
°4		Yarbro "A" Com	Q-4-5-60 · → →		RGA 11	∯ SCB Unit	12
					RGA 12		
		* .	6			¥	SCB Uni
		Ingalls Unit		Donalds	son ∥1-A -☆	→ ☆ scb	
	∜ Brantley Gas Uni	2	Jasso 11	SCB Unit 123-2	2 SCB Unit 123-	1	

Morrow/Atoka Gas Wells
Bone Springs Oil Wells
Delaware Oil Wells
O Proposed Locations

BEFORE EXAMINER STOGNER
OIL CONSERVATION DIVISION
BIRD
CREEK EXHIBIT NO. 1

CASE NO. 9890 & 9891

BIRD CREEK RESOURCES, INC.

February 7, 1990

Pogo Producing Co. P.O. Box 10340 Midland, TX 79702

BEFORE	EXAMINER ST	OGNER
	SERVATION DI	VISION
BIRD		_
CREEK	EXHIBIT NO.	2

9890 & 9891

Re: Loving Prospect

CASE NO.

Proposed 6,300' Delaware Test NE/4 NE/4, Section 15-23S-28E

Eddy County, New Mexico

Gentlemen:

This is to advise that Bird Creek Resources, Inc. hereby formally proposes the drilling of a 6,300' Delaware test at a legal location in the NE/4 NE/4 of Section 15-23S-28E, Eddy County, New Mexico. In this regard, please find enclosed two copies of our AFE and one copy of our proposed Operating Agreement with extra signature page.

If you desire to participate in this test, please execute one copy of the AFE and forward to this office. In addition, if the Operating Agreement meets with your approval, we would request that you execute the extra signature page and forward it along with the executed AFE. In the event you have some problem with any provision of the Operating Agreement, please let us know and we will see if we can accommodate your concerns. Also please be advised that Bird Creek owns or has the right to interest making it the largest working interest owner in the NE/4 NE/4 of Section 15.

If you do not desire to participate, we hereby offer to take a farmout of your interest on the following basis:

- 1. On or before June 1, 1989, Bird Creek Resources, Inc. shall commence or cause to be commenced the actual drilling of a 6,300' Delaware test at a legal location in the NE/4 NE/4 of Section 15-23S-28E, Eddy County, New Mexico.
- 2. Upon completion of the initial test as a well capable of producing oil and/or gas in commercial quantities, farmoutor shall assign to Bird Creek all of its interest in the NE/4 NE/4 of Section 15 from the surface down to

100 feet below the stratigraphic equivalent of the total depth drilled or to the base of the Delaware formation, whichever is the lesser.

- 3. Farmoutor shall reserve an overriding royalty interest equal to the difference between the existing leasehold burdens and 25%. At payout of the test well, said override shall be convertible to a proportionately reduced 25% working interest.
- 4. Bird Creek shall have the option to conduct a continuous drilling program in the remainder of the E/2 of Section 15 with no more than 120 days between the completion of the preceding test well and the spudding of the next test to earn the same rights in remaining farmout acreage on a well-by-well basis.
- 5. Bird Creek shall furnish all geological and well information on any well drilled on the farmout acreage.
- 6. Each proration unit shall be covered by a Joint Operating Agreement.

We are requesting that you reply within 30 days from the date of this letter after which time it will be necessary for us to file with the Oil Conservation Division for a force pooling hearing so that this operation may be commenced on schedule.

If you have any questions or require further information in this regard, please do not hesitate to contact me.

Sincerely,

Lawrence W. Robinette

Land Manager

Enclosures

WELL COST ESTIMATE

6,300' Delaware Test, NE/4 NE/4, Section 15-23S-28E Eddy County, New Mexico

·		
	Producer	Dry Hole
Tangible Well Cost		
Tubulars - 500' 8-5/8 @ \$ 9.40/ft 6,300' 5-1/2 @ \$ 5.60/ft 6,300' 2-7/8 @ \$ 3.00/ft Transportation and hauling Wellhead Assembly Subsurface Equipment Separation Facilities Tanks Flow Lines Pumping Unit & Compressor Other Equipment	\$ 4,700 35,300 18,900 3,500 6,500 4,000 15,000 3,000 - 2,000	\$ 4,700 - 3,500 1,500 - - - -
Total Tangibles	\$ 96,900	\$ 9,700
Intangible Well Cost	\$ 2,000	\$ 2,000
Permits, Surveys Location, Road & Damages	\$ 2,000 8,000	\$ 2,000 8,000
Contract Drilling6300 @ \$12/ft	75,600	75,600
3 days @ \$4300/day	12,900	8,000
Bits	1,000	1,000
Completion Unit 5 days @ \$1200/day	6,000	
Cementing	22,000	5,000
Drilling Fluids	10,000	10.000
Fuel and Water	1,000	1,000
Supplies	500	500
Mud Logging	2,000	2,000
Wireline Service - Logging	8,000	8,000
Perforating	3,000	
Formation Treating	18,000	-
Transportation and Hauling	5,000	2,000
Rentals and Miscellaneous	5,000	3,000
Contract Labor	6,000	3,000
Direct Supervision Engineering Supervision	6,000 3,000	5,000
Geological Supervision	2,000	3,000
Insurance and Tax	1,000	2,000 1,000
Overhead	3,600	3,000
Contingencies	23,000	<u>16,000</u>
,		
Total Intangibles	\$224,600	\$159,100
TOTAL	\$321,500	\$168,800
COMPANY		

DATE:

BY:

BIRD CREEK RESOURCES, INC.

February 13, 1989

J. R. Rowan, Inc. P.O. Box 162 Midland, TX 79708

Re: Loving Prospect

Proposed 6,300' Delaware Test NE/4 SE/4, Section 15-23S-28E

BEFORE EXAMINER STOGNER CONSERVATION DIVISION

9890

CASE NO

Eddy County, New Mexico

Dear Mr. Rowan,

This is to advise that Bird Creek Resources, Inc. hereby formally proposes the drilling of a 6,300' Delaware test at a legal location in the NE/4 SE/4 of Section 15-23S-28E, Eddy County, New Mexico. In this regard, please find enclosed two copies of our AFE and one copy of our proposed Operating Agreement with extra signature page.

If you desire to participate in this test, please execute one copy of the AFE and forward to this office. In addition, if the Operating Agreement meets with your approval, we would request that you execute the extra signature page and forward it along with the In the event you have some problem with any executed AFE. provision of the Operating Agreement, please let us know and we will see if we can accommodate your concerns. Also please be advised that Bird Creek owns or has the right to interest making it the largest working interest owner in the NE/4 SE/4 of Section 15.

If you do not desire to participate, we hereby offer to take a farmout of your interest on the following basis:

- 1. On or before July 1, 1989, Bird Creek Resources, Inc. shall commence or cause to be commenced the actual drilling of a 6,300' Delaware test at a legal location in the NE/4 SE/4 of Section 15-23S-28E, Eddy County, New Mexico.
- 2. Upon completion of the initial test as a well capable of producing oil and/or gas in commercial quantities, farmoutor shall assign to Bird Creek all of its interest in the NE/4 SE/4 of Section 15 from the surface down to 100 feet below the stratigraphic equivalent of the total depth drilled or to the base of the Delaware formation, whichever is the lesser.

1412 South Boston, Suite 550 • Tulsa, Oklahoma 74119 • (918) 582-4242 • Telecopy (918) 560-4930

- 3. Farmoutor shall reserve an overriding royalty interest equal to the difference between the existing leasehold burdens and 25%. At payout of the test well, said override shall be convertible to a proportionately reduced 25% working interest.
- 4. Bird Creek shall have the option to conduct a continuous drilling program in the remainder of the E/2 of Section 15 with no more than 120 days between the completion of the preceding test well and the spudding of the next test to earn the same rights in remaining farmout acreage on a well-by-well basis.
- 5. Bird Creek shall furnish all geological and well information on any well drilled on the farmout acreage.
- 6. Each proration unit shall be covered by a Joint Operating Agreement.

We are requesting that you reply within 30 days from the date of this letter after which time it will be necessary for us to schedule a force pooling hearing so that this operation may be commenced on schedule.

If you have any questions or require further information in this regard, please do not hesitate to contact me.

Sincerely,

Lawrence W. Robinette

Land Manager

Enclosures

WELL COST ESTIMATE

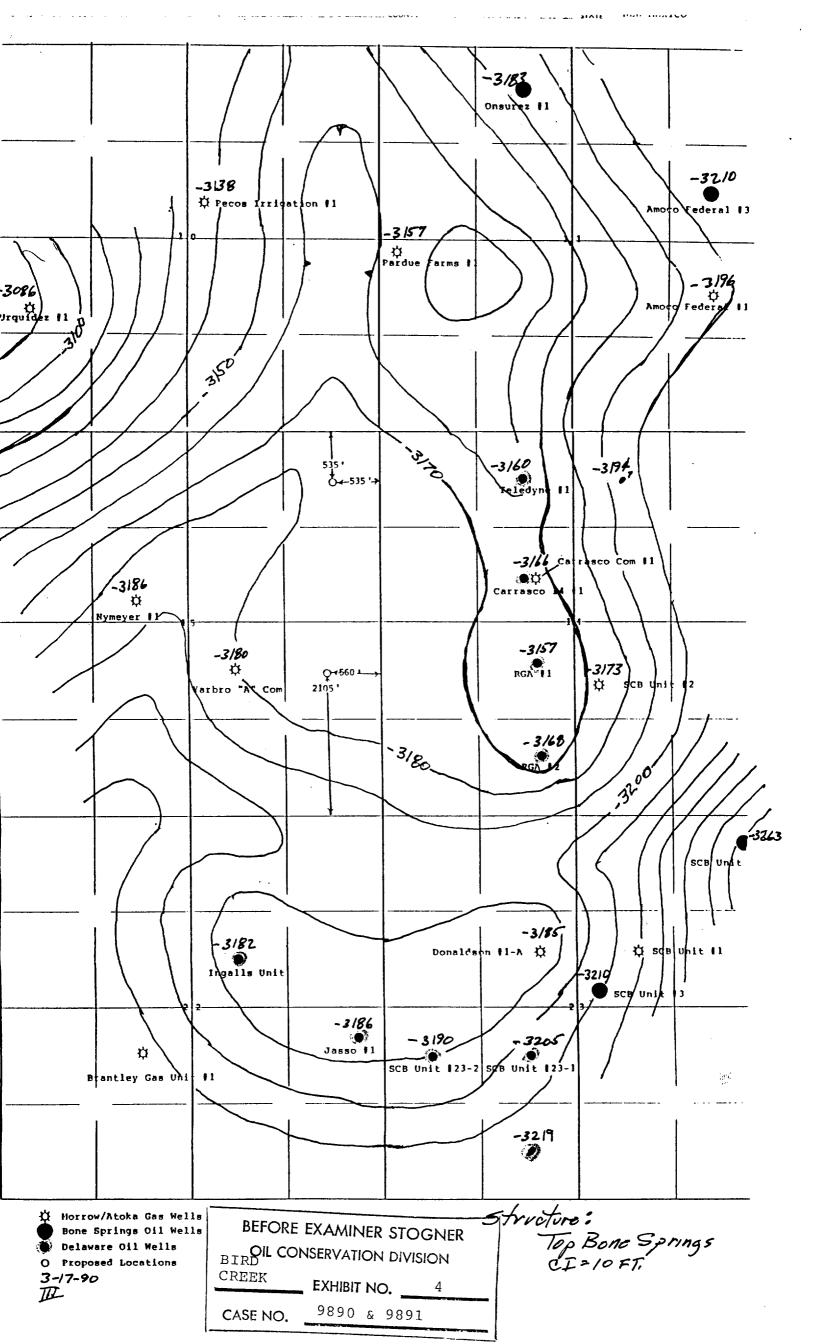
6,300' Delaware Test, NE/4 SE/4, Section 15-23S-28E Eddy County, New Mexico

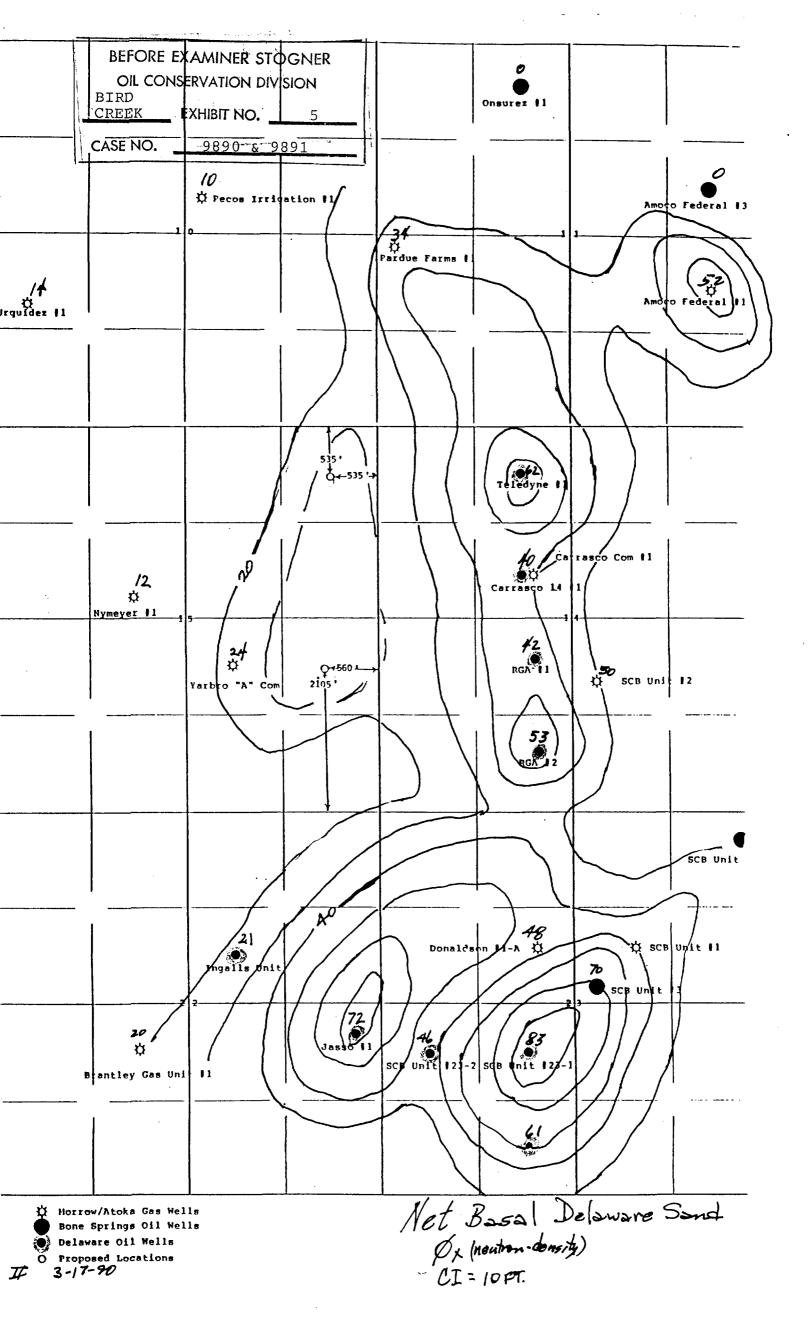
	<u>Producer</u>	Dry Hole
Tangible Well Cost		
Tubulars - 500' 8-5/8 @ \$ 9.40/ft 6,300' 5-1/2 @ \$ 5.60/ft 6,300' 2-7/8 @ \$ 3.00/ft Transportation and hauling Wellhead Assembly Subsurface Equipment Separation Facilities Tanks Flow Lines Pumping Unit & Compressor	\$ 4,700 35,300 18,900 3,500 6,500 4,000 4,000 15,000 3,000	\$ 4,700 - 3,500 1,500 - - -
Other Equipment	2,000	-
Total Tangibles	\$ 96,900	\$ 9,700
Intangible Well Cost		
Permits, Surveys Location, Road & Damages Contract Drilling6300 @ \$12/ft	\$ 2,000 8,000 75,600 12,900 1,000 6,000 22,000 10,000 1,000 5,000 3,000 18,000 5,000 6,000 6,000 3,000 2,000 1,000 3,000 2,000	\$ 2,000 8,000 75,600 8,000 1,000 - 5,000 1,000 2,000 8,000 - 2,000 3,000 3,000 5,000 3,000 2,000 1,000 3,000
Total Intangibles	\$224,600	\$159,100
COMPANY J. R. Rowan, luc.	\$321,500	\$168,800

BY:

Kowan

DATE: March 7, 1980





STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 9891

CERTIFICATE OF MAILING

AND

COMPLIANCE WITH ORDER R-8054

In Accordance with Division Rule 1207 (Order R-8054) I hereby certify that on February 28, 1990, I caused to be mailed by certified mail return receipt requested notice of this hearing and a copy of the Application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for March 21, 1990, to the parties shown in the Application as evidence by the attached copies of return receipt cards.

Karen Aubrev

SUBSCRIBED AND SWORN to before me this 20th day of March, 1990.

Notary Public

My Commission Expires:

7-6-91

MOTARY

CASE NO. 9890 & 9891

SENDER: Complete Items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional serviceis) requested. The stricted Delivery for additional serviceis addresse. (Extra charge)	4. Article Nun	ype of Service:	9710 Hegistered Insured Certified COD Control COD Control Cod	ways obtain signature	8. Addressee's Address (ONLY if requested and fee paid)		U.S.G.P.O. 1988–212–865 DOMESTIC RETURN RECEIPT	and 2 when additional services are desired, and complete items	3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional feas the following services are available. Consult postmaster for fees and check boxles) for additional service(s) requested. 3. □ Restricted Delivery.	harge) (Extra charge) 4. Article Number	d .	S (70) Type of Service:		NE/4SE/4 Always obtain algnature of addressee or seem and DATE DELIVERED.	B. Addressee's Address (ONLY if requested and fee paid)		2 / 6	U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
3	3. Article Addressed to:	lnsured	Receipt Midland, TX the chandles	1808 KA-Bira Creek	Address (ONLY if 5. Signature - Address	8. Signature - Agent	DOMESTIC RETURN RECEIPT PS Form 3811, Mar. 1988 *	SENDER: Complete Items 1		3. An	931 Ruth D. Roberts	C/O Mr. P.O. Box	dise Austin, T	KA Bird Creek	Idress (ONLY if 5. Signature - Address X	6. Signapher Agent	7. Date of Delivery	DOMESTIC RETURN RECEIPT PS Form 3811, Mar/1988 * U
2 25 0 1	4. Article Num Compan ⁻⁷ P. 5672 12	Type of Service	NE / 4 ME / 4		8. Addressee's Address yequested and fee paid)	-2.100n	.0. 1988–212–865	and 2 when additional services are desired, and complete	Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return fecelot fee will provide you the name of the person delivered to end the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested. 1. X□ Show to whom delivered, date, and addressee's address. 2. □ Restricted Delivery (Extra charge)	Ž	P 572 124 Type of Service:		Creek NE/4SE/4 Express Mail Return Rece	or agent and DATE DELIVERED	Ale HO requested and fee paid)	Page 15	ST BOTTON	* U.S.G.P.O. 1988-212-865 DOMEST
Put-your address in the "RETU card from being returned to you to and the date of delivery. For tor fees and check box(ss) for 1. IX Show to whom delivere (Ex)	3. Article Addressed to: Pogo Producing	F.O. BOX 1932			5. Signature — Address X	6. Signature — Agent X III CLUS C. 7. Date of Delivery MAR	PS Form 3811, Mar. 1988	SENDER: Complete Items 1 and 3 and 4.	Put your address in the "RETURN card from being returned to you. II to faid the date of delivery. For adfort fees and check box(es) for ad 1. X Show to whom delivered, (Extra	18	R.C. Roberts	ner,	. WA-Bird Creek		5. Signature – Address X		7. Date of Delivery	'S Form 3811, Mar. 1988 *

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from helm returned to you. The return receipt the will provide you the name of the parent delivered.	to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(as) for additional service(s) requested. 1. LX Show to whom delivered, after, and addressee's addresse. 2. Restricted Delivery forms than the service of the ser	4. Article Nun	C. Ray Allen ~ P 572 124 927	DX 630 CT	Midland, TX 79701	KA-Bird Creek NE/4SE/4		Signature - Address 8.	6. Signatura - Agent	& Date of Delivery	PS Form 3811, Mar, 1988 * U.S.QP.Q. 1988-212-865 DOMESTIC RETURN RECEIPT			SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4 your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this		1. Show to whom delivered, and addressee's address. (Extra charge)	3. Article Addressed to: 6. Article Number 5. 124 843	Ray Allen	. O. Box 2373	Midland, TX 79702 XXCentified COD COD	EA-Bird Creek NE/45E/4	or agent and DATE DELIVERED.	6. Signature — Address (ONLY if requested and fee paid)	6. Signature - Agent	TO LONG	Compared to the contract of th	PS Form 3811, Mar. 1988 * U.S.Q.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT
2 when additional services are desired, and complete items Space on the reverse side. Failure to do this will prevent this un receipt fee will provide you the name of the person delivered	g services are available. Consult postmaster sted. idress. 2. ☐ Restricted Delivery (Extra charge)	. Article Number	Type of Service:	Registered Insured		gnature	or agent and DATE DELIVERED.	8. Addressee's Address (ONLY if requested and fee paid)			-865 DOMESTIC RETURN RECEIPT	The second secon	when additional services are desired, and complete Items	irse side. Failure to do this will prevent this arovide you the name of the person delivered	g services are evaliable. Consult postmaster sted. Tited.	(Extra charge)	P 572 124 926	108:	X Certified	Express Mail	Always obtain signature of addresses	8. Addressee's Address (ONLY if	requested and fee paid)				-865 DOMESTIC RETURN RECEIPT
SENDER: Complete Items 1 and 2 when additional 3 and 4. Put your address in the "RETURN TO" Space on the rever card from being returned to you. The return receipt fee will p	o and the date of delivery. For additional fees the following services are evallable. Consult postmaster for fees and check box(ss) for additional service(s) requested. 1. ☑ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)	3. Article Addressed to:	. Calder	10	Roswell, NM 88201	KA-Bird Creek NE/4SE/4	- 1	5. Signature — Address X	6. Signature – Agent	7. Date of Delivery	PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865	5	SENDER: Complete Items 1 and 2 when additional 3 and 4.	Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt the will provide you the name of the person delivered to and the date of delivery.	for fees and check box(es) for additional service(s) request 1. X Show to whom delivered, date, and addresses a successive services.	3. Article Addressed to:	Liberty National Bank	627	gton,	Mr. Mike	(KA-Bird Creek NE/4SE/4	5. Signaturg Address		o. Signature - Agent X	f Deliver		'S rorm 30 1, Mar. 1988 * U.S.G.P.O. 1988-212-865



Hamilian I Hambling I Hambling

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

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

CASE NO. 9890

CERTIFICATE OF MAILING

AND

COMPLIANCE WITH ORDER R-8054

In Accordance with Division Rule 1207 (Order R-8054) I hereby certify that on February 28, 1990, I caused to be mailed by certified mail return receipt requested notice of this hearing and a copy of the Application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for March 21, 1990, to the parties shown in the Application as evidence by the attached copies of return receipt cards.

Karen Aubrey

SUBSCRIBED AND SWORN to before me this 20th day of March, 1990.

Notary Public

My Commission Expires:

7-6-91

CASE NO. 9890 & 9891

865 DOMESTIC RETURN RECEIPT	rm 3811, Mar. 1988 * U.S.G.P.O. 1986-212-865
	Ignature - Agent ACCO COTT OOD etc of Delivery 3-2-91
8. Addressee's Address (ONLY if requested and fee paid)	Ignature Address
Always obtain signature of addressee or agent and DATE DELIVERED.	
<u>₹</u> □ [d Crapk
Type of Service: Registered Insured Scartified Con	O. Box 1
P 572 124 938	T. Calder Ezzell
ress. 2. L. Restricted Delivery (Extra charge)	Show to whom delivered, date, and addressee's add (Extra charge)
s side. Failure to do this will prevent this wilde you the name of the person delivered services are available. Consult postmaster d.	I and 4. our address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this from being returned to you. The return receipt fee will provide you the name of the person delivered of the date of delivery. For additional fees the following services are available. Consult postmaster see and check box(es) for additional service(s) requested.
66 DOMESTIC RETURN RECEIPT	m 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865
	ite of Delivery 97
	Hature - Agent Sicth
8. Addressee's Address (ONLY if requested and fee paid)	gnature – Address
Always obtain signature of addressee or agent and DATE DELIVERED.	
Express Mail Return Receipt for Merchandise	KA-Bird Creek NE/4NE/4
	P.O. Box 133 Midland, TX 79702
P 5/2 1/4 935	nc.
4. Article Number	ticle Addressed to:
ess. 2. Restricted Delivery (Extra charge)	Show to whom delivered, date, and addressee's add (Extra charge)
ervices are available. Consult postmaster	the date of delivery. For additional fees the following as and check box(es) for additional service(s) requests
vide you the name of the person delivered	our address in the "RETURN TO" Space on the reverse side. Fallure to do this will prevent this rom being returned to you. The return receipt fee will provide you the name of the person delivered

185 DOMESTIC RETURN RECEIPT	PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865
.,	7. Data of Delivery S-S-A)
	8. Signature Agany
8. Addressee's Address (ONLY if requested and fee paid)	5. Signature – Address
Always obtain signature of addressee or agent and DATE DELIVERED.	
☐ Registered ☐ Insured ☐ COD ☐ Express Mail ☐ Feturn Receipt ☐ For Merchandise	P.O. Box 630 Midland, TX 79702 TA-Bird Creek NE/4NE/4
P. 572 124 937	Ray Allen
ess. 2. Restricted Delivery (Extra charge)	1. X Show to whom delivered, date, and addressee's addition (Extra charge)
side. Failure to do this will prevent this vide you the name of the person delivered ervices are available. Consult postmaster d.	RN TO" S The return additional additional
whose are desired, and complete Rame	RENDERS Complete terms 1 and 2 when additional environs
:-885 DOMESTIC RETURN RECEIP	PS Form 3811, Mar. 1988 + U.S.G.P.O. 1988-212-865
	7. Date of Delivery MAR 0 6 1990
	6. Signature - Agent ()
8. Addressee's Address (ONLY if requested and fee paid)	S. Sighatury - Andress x GD (The United
Always obtain, signature of addressee or agent and DATE DELIVERED.	KA-Bird Creek NE/4NE/4
Registered Insured Contified Return Receipt Express Mail	x 11313 , TX 7
4. Article Number P 572 124 936	E. Phil
rse side. Failure to do this will prevent this arounds you the name of the person delivered gervices are available. Consult postmaster sted. 2. Restricted Delivery (Extra charge)	Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxles) for additional services; requested. 1. □XShow to whom delivered, date, and addressee's address. 2. □ Restricted Delivery (Extra charge)
when additional services are desired, and complete items	SENDER: Complete Items 1 and 2 when additional

The second contract of

PS Form 3811, Mar. 1988	-865 DOMESTIC RETURN RECEIPT	PS Form 3811, Mar. 1988 * U.S.G.P.O. 1986-212-865
6. Signature — Agent X — Soft 7. Date of Palivery		7. Date of Delivery 3—3—9
5. Signature – Address	8. Addresseo's Address (ONLY if requested and fee paid)	Signature -
NA-BIEG CEGEK	ways obtain signature of addressingers and DATE DELIVERED.	WU-DIIG CIEEV NE/4ME/4
•	Centified COD Express Mail Return Receipt for Merchandise	C C C 8 J
l1,711 Memori	Type of Service:	x 37v11
ddresse	P 572 12.4 941	3. Article Addressed to: Conclise (ii) & Gas
for tees and check box(es)	dress. 2. Restricted Delivery (Extra charge)	1. ② Show to whom delivered, date, and addressee's ex (Exira charge)
SENDER: Complete ite 3 and 4. Put your address in the "RE card from being returned to y to and the date of delivery."	se side. Failure to do this will prevent this royide you the name of the person delivered services are available. Consult postmaster	3 and 4. 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster
PS Form 3811, Mar. 19		1 1, Mag. 1700
7. Date of Delivery	DOMESTIC BETTIEN BECEIPT	Date of Delivery 3-5
8. Signatura - Agent	Same	
5. Signature - Addres	8. Addressee's Address (UNLX if requested and fee paid)	Signature -
KA-Blra Ci		KA-Bird Creek NE/4NE/4
	Express Mail Return Receipt for Merchandise	land, Ťy
56		
	P 5/2 124 939	3. Article Addressed to: CHI Energy, Inc.
10 fees and check box	eddrese. 2. Restricted Delivery (Extra charge)	1. Show to whom delivered, date, and addressee's (Extra charge)
Put your address in the card from being returned to and the date of deliver	verse side. Failure to do this will prevent this a provide you the name of the person delivered on the person delivered on the person delivered on the person delivered on the postmaster of the person delivered on the postmaster of the person delivered on the person deli	Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster
SENDER: Complete	si services are desired, and complete items	SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

8. Addressee's Address (ONLY if requested and fee paid)	5. Signature — Address	
Always obtain signature of addressee or agent and DATE DELIVERED.		
Express Meil Return Receipt for Merchandise	KA-Bird Creek NE/4NE/4	
Certified COD	Houston, TX 77024	
ice:	1 Mem	
P 572 124 942	Betsy Ann Stillwagon	
4. Article Number	3. Article Addressed to:	
Iress. 2. Restricted Delivery (Extra charge)	 El Show to whom delivered, date, and addressee's add (Eura charge) 	
ovide you the name of the person delivered services are available. Consult postmaster and	card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for iges and check box(es) for additional service(s) requested.	
and 2 when additional services are desired, and complete items	Bit your address in the "BETTIEN TO" Space on the rowse	
	Para de la companya d	~
3,		
12-865 DOMESTIC RETURN RECEIP	PS Form 3811, Mar. 1988 + U.S.G.P.O. 1988-212-865	
	OF C. S. Alakular to alar	
) s	
8. Addressee's Address (ONLY if	5. Signature - Address	
Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .		
Express Mail for Merchandise	KA-Bird Creek NE/4NE/4	
XX Certified COD	Denver, CO '89237	
Type of Service:	x 3/861	
i i	Quinoco Consolidated Partne	
4. Article Number	3. Article Addressed to:	
eddress. 2. Restricted Delivery (Extra charge)	1. XX Show to whom delivered, date, and addressee's (Extra charge)	
<u>il provide you the name of the person delivered</u> Ing services are available. Consult postmaste lested.	to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxles) for additional fees the following services are available. Consult postmaster	
verse side. Failure to do this will prevent this	Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this	
	SENDER: Complete tems 1 and 2 when addition	

* U.S.G.P.O. 1988-212-865

PS Form 3811, Mar. 19	-885 DOMESTIC RETURN RECEIPT	PS Form 3811, Mar. 1988 + U.S.G.P.O. 1988-212-865
7. Date of Deliver 0		7. Date of Delivery
6. Signaturo - Agent		6. Signertyle - Appent Tort
5. Signature – Addres	8. Addressee's Address (ONLY if requested and fee paid)	5. Signature — Address X
A-Bira	Always obtain signature of addressee or again and DATE DELIVERED.	MIDIA O
AK	Express Mail Return Receipt for Merchandise	e
Venture Lock Box 70		Midland Fry K7974
Westway Pet	P 572 124 945	• 1-13
3. Article Addressed t	4. Article Number	3. Article Addressed to:
1. DxShow to whom	sted. ddress. 2. Restricted Delivery (Extra charge)	for fees and check box(es) for additional service(s) requested. 1. ☑ Show to whom delivered, date, and addressee's address. (Extra charge) (Extra charge)
card from being returned to and the date of delive	grse side. Failure to do this will prevent this provide you the name of the person delivered a services are available. Consult postmaster	Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster
SENDER: Complete	Complete items 1 and 2 when additional services are desired, and complete items	 SENDER: Complete Items 1 and 2 when additions 3 and 4.
PS Form 3811, Mar.	DOMESTIC RETURN RECEIPT	PAK 0 1000
7. Date of Delivery		7. Date of Delivery
× D to to		x D For Labr
Cindo	<u> </u>	
5. Signature - Addre	or agent and DATE DELIVERED. 8. Addressee's Address (DNX) if	drass
	Always obtain signature of addressee	KA-Bird Creek NE/4NE/4
KA-Bird	Express Mail Gor Merchandise	Midland, Tx 79701
Midland,	Registered Insured	all
K.	P 572 124 943	James E. Kieline
3. Article Addressed	4. Article Number	3. Article Addressed to:
1. Ox Show to whom	sted. ddress. 2. Restricted Delivery (Extra charge)	 for fees and check box(es) for additional service(s) required. 1. Show to whom delivered, date, and addressee's (Extra charge)
card from being returned to and the date of delive	erse side. Fallure to do this will prevent this provide you the name of the person delivered generates are available. Consult postmaster	Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to entire the date of delivery. For additional fees the following services are available. Consult postmaster
SENDER: Complete 3 and 4.	services are desired, and complete items	Send 4.

-865 DOMESTIC RETURN RECEI	PS Form 3811, Mar. 1988 + U.S.G.P.O. 1988-212-865
	7. Date of DNARY 0 6 1990
÷	Signaturb Agent X
8. Addressee's Address (ONLY if requested and fee paid)	X A A
or agent and DATE DELIVERED.	KA-Bird Creek N
Express Mail Return Receipt for Merchandise	500 N. Akard Street Dallas, Tx 75201
Registered Insured	Lock Box 70
572	Westway Petro, Texas Joint
(Extra charge) 4. Article Number	3. Article Addressed to:
covide you the name of the person delivere revide you the name of the person delivere services are available. Consult postmaste ted. dress. 2. Restricted Delivery	to and from being returned to you. The return receipt fee will provide you the name of the person delivere to and the date of delivery. For additional fees the following services are available. Consult postmaste for fees and check box(es) for additional services(s) requested. 1. XShow to whom delivered, date, and addressee's address. 2. Restricted Delivery
services are desired, and complete item se side. Failure to do this will prevent thi	Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this
2-865 DOMESTIC RETURN REC	PS Form 3811, Mar. 1988 * U.S.Q.P.O. 1988-212-865
	7. Date of Delivery
1	8. Signatura - Agent X D + O C C C C C C C C C C C C C C C C C C
8. Addressee's Address (UNL. I) requested and fee paid) March & M. March & M.	5. Signature — Address
	} } }
Me. ■	Creek
Registered Insured	₩. w and,
P 572 124 944	3. Article Addressed to: Gary L. Kiehne
idress. 2. Restricted Delivery (Extra charge)	for fees and check box(8s) for duditions of roots, required to the feet of the
rse side. Failure to do this will prevent th provide you the name of the person deliver: g services are available. Consult postmast tred.	3 and 4. 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent the Your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent the person delivers card from being returned to you. The return receipt fee will provide you the name of the person delivers card from being returned to you. The return receipt fee will provide you the name of the person delivers to and the date of delivery. For additional fees the following services are available. Consult postmast to and the date of delivery.
2 when additional services are desired, and complete item	SENDER: Complete Items 1 and 2 when additional

985	PS Form 3811, Mar. 1988 * U.S.Q.P.O. 1988-212-865		-865 DOMESTIC RETURN RECEIPT	PS Form 3811, Mar. 1988 * U.S.Q.P.O. 1988-212-865
•	7. Date of Delivery MAK U 3			MAR 0 6 1990
ŏ	Signature Agent			11.00
			requested and fee paid)	6. Signature — Agent
8. A	5. Signature - Address		8. Addressee's Address (ONLY if	5. Signature — Address
Alwa)			Always obtain signature of addressee or agent and DATE DELIVERED.	
	Crook N.		¥a∏	KA-Bird Creek NE/4NE/4
5 ₹ 2 □	Houston, Tx 77253		Certified COD	and,
Type U	oco Production Co.		Type of Services	Pogo Producing Company P.O. Box 10340
4. A	3. Article Addressed to:		Article Number	Gressed to:
088.	1. Show to whom delivered, dete, and addressee's addre	٠.	ddress. 2. Restricted Delivery (Extra charge)	1. W Show to whom delivered, date, and addressee's ad (Extra charge)
ALVICA B SIGB	Put your address in the "RETURN TO" Space on the reverse side card from being returned to you. The return receipt fee will provide to and the date of delivery. For additional fees the following services to and the date of delivery and the date of delivery.		noe side. Failure to do this will prevent tris <u>Drovide you the name of the person delivered</u> g services are available. Consult postmaster sted.	card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.
service	SENDER: Complete items 1 and 2 when additional se 3 and 4.		when additional services are desired, and complete items	Put your address in the "RETIEN TO" Space on the country
212-86	PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212	,	2-865 DOMESTIC RETURN RECEIPT	PS Form 3811, Mar. 1988 * U.S.G.P.O. 1988-212-865
L	7. Date of Delivery 20			7. Date of Delivery MAR 0 5 1990
	6. Signature — Agent			X Exall. Lech
· e	S. Signature — Address		requested and fee paid)	Clare
<u>و</u>	KA-BIE		8. Addressee's Address (ONLY if	5. Signature - Address
≱	land, $TX = 79702$		Always obtain signature of addressee or agent and DATE DELIVERED.	KA-Bird Creek NE/4NE/4
	Illino		Express Mail Return Receipt for Merchandise	TX 75261
	rtners, L.P.			awer 612
ַן יַּט	Santa Fe, Energy Operating		e of Service:	Harken Oil & Gas, Inc.
4.	3. Article Addressed to:		4. Article Number P 572 124 947	3. Article Addressed to:
ddres	for fees and check box(es) for additional service(s) reques 1. ∑∑X Show to whom delivered, date, and addressee's ac (Extra charge)	<u>.</u>	ddress. 2. Aestricted Delivery (Extra charge)	1X⊠ Show to whom delivered, date, and addressee's a (Extra charge)
ing serving	Put your address in the "HE IUKN IO" space on the reverse secret from being returned to you. The return receipt fee will provide to and the date of delivery, For additional fees the following service and the date of delivery.		provide you the name of the person delivered ng services are available. Consult postmaster sted.	card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional sea the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.
νes	SENDER: Complete items 1 and 2 when additional serving 3 and 4.		erse side. Failure to do this will prevent this	Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this
		-	I amilian as desired and complete temp	One of the second second in the second secon

30	8. Signature Agent XX MAR 0.5 1990 7. Date of Delivery MAR 0.5 1990
8. Addressee's Address (ONLY if requested and fee paid)	5. Signature - Address X
Always obtain signature of addressee or agent and DATE DELIVERED.	
Express Mail Return Receipt for Merchandise	Crapk .
Registered Insured	P.U. Box 3092 Houston, Tx 77253
P 572 124 950	Amoco Production Co.
d. Restricted Delivery (Extra charge)	ור ו
side. Failure to do this will prevent this wide you the name of the person delivered the person delivered to the person delivered to the person delivered to the person delivered to the person delivered the person delive	3 and 4. 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster
arvices are desired, and complete items	SENDER: Complete items 1 and 2 when additional services
-865 DOMESTIC RETURN RECEI	PS Form 3811, Mar. 1988 * U.S.Q.P.O. 1988-212-865
	7. Date of Delivery 20
Show	6. Signature — Agent
8. Addréssee's Address (ONLY if requested and fee paid)	5. Signature — Address X
Alwaya obtain signature of eddressee or agent and DATE DELIVERED.	Creek
Express Mail Return Receipt for Merchandise	Migland, TX 79702
	Partners, L.P.
P*5/2 124 948	 Santa Fe, Energy Operating
4. Article Number	3. Article Addressed to:
g services are available. Consult postmaste sted. Restricted Delivery (Exira charge)	to and the date of delivery. For additional fees the following services are evaliable. Consult postmaste for fees and check box(6s) for additional service(s) requested. 1. **D\cdot Show to whom delivered, date, and addressee's address. 2. (Extra charge)
rse side. Failure to do this will prevent this provide you the name of the person delivered	3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered.
services are desired, and complete items	SENDER: Complete items 1 and 2 when additional services

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

JASON KELLAHIN OF COUNSEL

KAREN AUBREY

W. THOMAS KELLAHIN

CANDACE HAMANN CALLAHAN

February 26, 1990

TELEPHONE (505) 982-4285 TELEFAX (505) 982-2047

1377

and a posterior below

FEF 27 mg

OIL CONCLUSION WIV.

SANIA FE

9891

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 March 21, 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,

Karen Aubrey

KA/dm

xc: Larry Robinette

<u>Certified Return Receipt Requested</u> Working interest owners listed in Paragraph 3 of Application

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

9891

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

APPLICATION

COMES NOW BIRD CREEK RESOURCES, INC., by and through 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 6,300 feet, whichever is deeper, underlying the NE/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 2080 FSL and 660 FEL to a depth of approximately 6,300 feet. In support of this application, applicant would show:

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

POGO PRODUCING COMPANY P.O. Box 10340 Midland, TX 79702	9.17936%
SANTA FE ENERGY OPERATING PARTNERS, L.P. 500 W. Illinois Fifth Floor Midland, TX 79702	16.62411%
OXY USA, INC. P.O. Box 50250 Midland, TX 79710	12.59214%
R. C. ROBERTS P.O. Box 640 Gilmer, TX 75644	5.70516%
RUTH D. ROBERTS c/o Mr. Dan Roberts P.O. Box 807 Austin, TX 78767	5.70516%
J. R. ROWAN, INC. P.O. Box 162 Midland, TX 79708	11.41032%
T. CALDER EZZELL P.O. Box 10 Roswell, NM 88201	6.29607%
C. RAY ALLEN P.O. Box 630 Midland, TX 79701	6.29607%

LIBERTY NATIONAL BANK P.O. Box 1627 Lovington, NM 88260 Attn: Mr. Mike Abbott

Total 92.558%

- 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 March 21, 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) ₁982/4285

Bv:

Karen Aubrey

KA/dm

KELLAHIN, KELLAHIN AND AUBREY

ATTORNEYS AT LAW

EL PATIO BUILDING

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265 February 26, 1990 TELEPHONE (505) 982-4285 TELEFAX (505) 982-2047

RECEIVED

FFB 27 1090

OIL CONSERVATION DIV. SANTA FE

9890

Re: Compulsory Pooling, Bird Creek Resources, Inc.

Dear Mr. LeMay:

P.O. Box 2088

Mr. William J. LeMay

Santa Fe, NM 87504

Oil Conservation Division

W. THOMAS KELLAHIN

CANDACE HAMANN CALLAHAN

KAREN AUBREY

JASON KELLAHIN OF COUNSEL

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 March 21, 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,

Karen Aubrey

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 &

RECEIVED

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

FEB 27 1990

OIL CONSERVATION DIV. SANTA FE

APPLICATION

9890

COMES NOW BIRD CREEK RESOURCES, INC., by and through 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 6,300 feet, whichever is deeper, underlying the NE/4NE/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 560 FNL and 560 FEL to a depth of approximately 6,300 feet. In support of this application, applicant would show:

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

AMOCO PRODUCTION COMPANY P.O. Box 3092 Houston, TX 77253	14.17837%
POGO PRODUCING COMPANY P.O. Box 10340 Midland, TX 79702	18.54095%
SANTA FE ENERGY OPERATING PARTNERS, L.P. 500 W. Illinois Fifth Floor Midland, TX 79702	10.90644%
HARKEN OIL & GAS, INC. P.O. Drawer 612007 Dallas, TX 75261	7.48956%
WESTWAY PETRO, TEXAS JOINT VENTURE Lock Box 70 500 N. Akard Street Dallas, TX 75201	4.29042%
R. F. FORT P.O. Box 2044 Midland, TX 79702	2.53197%
GARY L. KIEHNE 201 W. Wall Midland, TX 79701	2.53197%
JAMES E. KIEHNE 201 W. Wall Midland, TX 79701	1.61033%
BETSY ANN STILLWAGON 11,711 Memorial #717 Houston, TX 77024	1.61033%

CONCISE OIL & GAS P.O. Box 378111 Denver, CO 80237	1.15964%
QUINOCO CONSOLIDATED PARTNERS P.O. Box 378111 Denver, CO 80237	1.15964%
CHL ENERGY, INC. c/o Mr. Charles Hopkins 407 N. Big Spring Midland, TX 70701	1.06849%
C. RAY ALLEN P.O. Box 630 Midland, TX 79702	1.60147%
T. CALDER EZZELL P.O. Box 10 Roswell, NM 88201	1.60147%
ED E. PHILLIPS P.O. Box 11313 Midland, TX 79702	3.22193%
NAVIS, INC. P.O. Box 133 Midland, TX 79702	3.22066%
Total	76.637%

- 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 March 21, 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.

espectfully submitted

Karen Aubrev

KA/dm