

# BIRD CREEK RESOURCES, INC.

April 10, 1990

Santa Fe Energy Operating Partners, L.P.  
500 W. Illinois  
Fifth Floor  
Midland, TX 79701

BEFORE EXAMINER STOGNER
Oil Conservation Division
Bird Creek Exhibit No. <u>6</u>
Case No. <u>9959</u>

Attention: Mr. Vernon Dyer

Re: West Loving Prospect  
Proposed 6,300' Delaware Test  
SE/4 SE/4, Section 15-23S-28E  
Eddy County, New Mexico

*no written  
2/7/90*

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 SE/4 SE/4 of Section 15-23S-28E, Eddy County, New Mexico. In this regard, please find enclosed two (2) copies of our AFE.

If you desire to participate in this test, please execute one copy of the AFE and forward to this office.

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 October 1, 1990, 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 SE/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 SE/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 furnish all geological and well information on any well drilled on the farmout acreage.

5. The proration unit shall be covered by mutually acceptable 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*  
 Lawrence W. Robinette  
 Land Manager

Enclosures

PS Form 3811, July 1982

● **SENDER:** Complete items 1, 2, 3, and 4.  
 Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
 Show to whom and date delivered ..... \$  
 Show to whom, date, and address of delivery .. \$  
 2.  **RESTRICTED DELIVERY** ..... \$  
(The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$ \_\_\_\_\_

3. **ARTICLE ADDRESSED TO:**  
*Santa Fe Energy Operations*  
*500 West Elliptical*  
*Midland, TX 79701*

4. **TYPE OF SERVICE:** **ARTICLE NUMBER**  
 REGISTERED       INSURED      *1699 246325*  
 CERTIFIED       COD  
 EXPRESS MAIL

(Always obtain signature of addressee or agent)

I have received the article described above.  
**SIGNATURE:**  Addressee     Authorized agent

5. **DATE OF DELIVERY**      **POSTMARK**  
*4-16-90*      (may be on reverse side)

6. **ADDRESSEE'S ADDRESS (Only if requested)**  
*Wanda Wade*

7. **UNABLE TO DELIVER BECAUSE:**      7c. **EMPLOYEE'S INITIALS**

RETURN RECEIPT

4 GPO: 1982-479-663