



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5799

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5768

ADMINISTRATIVE MGMT.
(505)-827-5790

LEGAL
(505)-827-5713

PLANNING
(505)-827-5732

December 20, 1996

Gillespie-Crow, Inc.
P.O. Box 2557
Midland, Texas 79702

Attn: Mr. William R. Crow

Re: Preliminary Approval Request
Expansion of West Lovington Strawn Unit
Lea County, New Mexico

Dear Mr. Crow:

We have reviewed your proposed request for the expansion of the West Lovington Strawn Unit Area, Lea County, New Mexico. The Commissioner of Public Lands hereby grants Gillespie-Crow, Inc. preliminary approval to expand the boundaries of the West Lovington Strawn Unit.

Expansion of the unit will increase the unit area to 1,618.95 acres. It is our understanding that the following lands containing an additional 160.00 acres will be added to the existing unit area:

Township 15S, Range 15E

Section 34: W/2SE/4
Section 28: S/2SE/4

Preliminary approval shall not be construed to mean final approval of this expansion in any way and will not extend any short term leases, until final approval and an effective date has been given.

NEW MEXICO
OIL CONSERVATION DIVISION

Gillespie-Crow EXHIBIT 21

CASE NO. 11724

When submitting your agreement for final approval, please submit the following:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
3. Evidence that Section 4 "Expansion" of the unit agreement has been complied with.
4. An amended plan of operation pursuant to Section 11 of the agreement.
5. Copies of revised Exhibits "A", "B" and "C".
6. Approval by the Bureau of Land Management.
7. A copy of the Unit Operating Agreement.
8. Our approval will be contingent upon all the applicable New Mexico Oil Conservation requirements being met.
9. A re-designation of the well names and numbers.
10. The filing fee for a unit agreement expansion is thirty (\$30.00) dollars for every section or partial section thereof. Please submit a filing fee in the amount of \$60.00.

Gillespie-Crow, Inc.
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If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: *Jami Bailey*
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/cpm

cc: Reader File

OCD-Mr. Roy Johnson

Commissioner's File

BLM: Mr. Armando Lopez