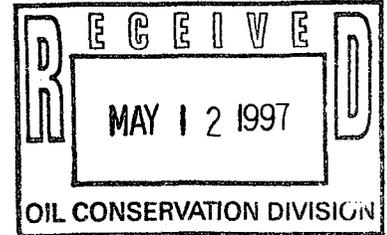


JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

SUITE B
612 OLD SANTA FE TRAIL
SANTA FE, NEW MEXICO 87501

(505) 982-2043
(505) 982-2151 (FAX)



May 12, 1997

Hand Delivered

Florene Davidson
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case 11724 (Application of Gillespie-Crow, Inc.)

Dear Florene:

Enclosed are an original and two copies of a Pre-Hearing Statement in the above matter.

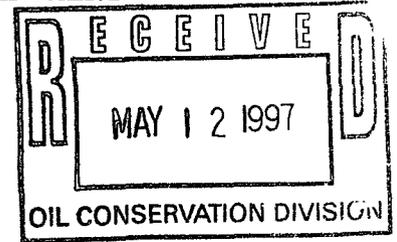
Very truly yours,

A handwritten signature in cursive script, appearing to read "Jim Bruce".

James Bruce

Attorney for Gillespie-Crow, Inc.

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF GILLESPIE-CROW,
INC. FOR UNIT EXPANSION, ETC.,
LEA COUNTY, NEW MEXICO.

CASE NO. 11724

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Gillespie-Crow, Inc.
P.O. Box 2557
Midland, TX 79702
(915) 683-1765
Attn: Mark Mladenka

APPLICANT'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

OTHER PARTY

Enserch Exploration, Inc.

Snyder Ranches, Inc.

OTHER PARTY'S ATTORNEY

J. Scott Hall

W. Thomas Kellahin

OPPONENT

Yates Petroleum Corporation
Hanley Petroleum, Inc.

OPPONENT'S ATTORNEY

William F. Carr

STATEMENT OF THE CASE

APPLICANT

The West Lovington Strawn Pool was unitized effective October 1, 1995. The unit contains approximately 1460 acres. A pressure maintenance project was successfully instituted in the unitized Strawn interval, which has allowed the interest owners inside and outside the unit to recover substantially more oil than if the project had not been instituted. Applicant seeks to expand the unit to include two 80 acre tracts on which wells were drilled

after unitization. Without expanding the unit, the two additional wells will benefit from the project without paying a share of the project's costs, which impairs the rights of the interest owners in the unit. Applicant's proposed expansion is reasonable and complies with statute.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Ralph Nelson (Geologist)	15 min.	five
Mark Mladenka (Engineer)	40 min.	ten
John McDermott (Engineer)	10 min.	_____
Paul Conner (Landman)	10 min.	five

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
------------------	------------------	-----------------

PROCEDURAL MATTERS

The following motions are pending: (1) Motion by applicant to restrict or shut-in production from the two new wells pending unitization; (2) Motion to Strike filed by Enserch Exploration, Inc.; and (3) Motion to Dismiss filed by Yates Petroleum Corporation and Hanley Petroleum, Inc.



James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Gillespie-Crow,
Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Pre-Hearing Statement was sent via facsimile transmission this 12th day of May, 1997 to each of the following persons:

William F. Carr
Campbell, Carr, Berge & Sheridan, P.A.
P.O. Box 2208
Santa Fe, New Mexico 87504
(505) 983-6043

J. Scott Hall
Miller, Stratvert & Torgerson, P.A.
P.O. Box 1986
Santa Fe, New Mexico 87504
(505) 989-9857

W. Thomas Kellahin
Kellahin & Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-2047



James Bruce