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"NEW MEXICO BOARD OF LEGAL SPECIALIZATION RECOGNIZED SPECIALIST IN THE AREA OF NATURAL RESOURCES-OIL AND GAS LAW JASON KELLAMIN (RETIRED 1991)

W. THOMAS KELLAHIN*

August 20, 1996

YIA FACSIMILE (505) 827-8177

Mr. David R. Catanach Hearing Examiner Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

Re: NMOCD Case 11599

Application of Gillespie-Crow, Inc, for an Allowable Reduction in the West Lovington-Strawn Pool Lea County, New Mexico.

Dear Mr. Catanach:

On behalf of Chesapeake Oil Company, an adversely affecting interest owner, please find enclosed our Entry of Appearance in the referenced case which is currently set for hearing on the August 22, 1996 docket.

W. Thomas Kellahin

cfx: James Bruce, Esq.
Attorney for Gillespie-Crow, Inc.
William F. Carr, Esq.
Attorney for Yates & Hanley
Chesapeake Oil Company
Attn: Mike Hazlip

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

IN THE MATTER OF THE APPLICATION OF GILLESPIE-CROW, INC. FOR ALLOWABLE REDUCTION, LEA COUNTY, NEW MEXICO

CASE NO. 11599

ENTRY OF APPEARANCE

Comes now Chesapeake Oil Company, by its attorneys, Kellahin and Kellahin, and enters its appearance in this case as an interested party in this case.

W. Thomas Kellahin Kellahin & Kellahin P. O. Box 2265 Santa Fe, New Mexico 87504 (505) 982-4285

CERTIFICATE OF MAILING

I certify that a copy of this pleading was transmitted by facsimile to counsel of record this 20th day of August, 1996.

W. Thomas Kellahin

State "S" #1

Bottom Hote Pressure History

| Date | BHP (psia) | Cum Prod (BO) |
|----------|---------------|------------------|
| 09/24/95 | 32 86* | -0- |
| 11/21/95 | 3261 | 14770 |
| 07/19/96 | 3295 | 57000 |

^{*} Initial Bottom Hole Pressure

^{**} The initial resrevior presure of the WSLU pool was 4392 psia

^{**} On 9/18/95 the Bottom Hole Pressure of the WLSU pool was 3294 psia

^{**} White running a BHP SVY on the State "S" #1 from 7/19/96 to 7/29/96 the WLSU wells were put on production while the State "S" was kept shut-in. At the time the WLSU field was put back on production the presure build-up curve in the State "S" #1 immediately flattened indicating extremely good pressure communication with the rest of the field, (the curve then declined)

^{**} The Average Bottom Hole Pressure of the WLSU pool on 7/19/96 was 3279 psia.

AUG-21-1996 13:22



PHILLIPS PETROLEUM COMPANY

HOUSTON, TEXAS 77251-1967 ...

August 21, 1996

BELLAIRE, TEXAS 6330 WEST LOOP SOUTH PHILLIPS BUILDING

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

Attn: Mr. William R. Crow

NURTH AMERICA

PRODUCTION DIVISION

Re:

Application For A Reduced Allowable State "S" Well No. 1 -

Undesignated West Lovington-Strawn Pool

Phillips Petroleum Company, as a working interest owner in the West Lovington Strawn Unit in Lea County, New Mexico, supports the operator in the subject application as filed. The operator is hereby authorized to read this letter to the New Mexico Oil Conservation Division in support of the application.

Sincerely,

R. Weatherspoon

Operations Engineer

CENTRAL ASSET TEAM

RW:jj

State "S" #1

Bottom Hote Pressure History

| Date | BHP (psia) | Cum Prod (BO) |
|----------|---------------|------------------|
| 09/24/95 | 3286* | -0- |
| 11/21/95 | 3261 | 14770 |
| 07/19/96 | 3295 | 57000 |

^{*} Initial Bottom Hole Pressure

^{**} The initial resrevior presure of the WSLU pool was 4392 psia

^{**} On 9/18/95 the Bottom Hole Pressure of the WLSU pool was 3294 psia

^{**} While running a BHP SVY on the State "S" #1 from 7/19/96 to 7/29/96 the WLSU wells were put on production while the State "S" was kept shut-in. At the time the WLSU field was put back on production the presure build-up curve in the State "S" #1 immediately flattened indicating extremely good pressure communication with the rest of the field, (the curve then declined)

^{**} The Average Bottom Hole Pressure of the WLSU pool on 7/19/96 was 3279 psia.