



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

July 20, 1999

Gillespie Oil, Inc.  
c/o James Bruce  
P. O. Box 2265  
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Re: Case No. 12171: Application for Unit Expansion, Statutory Unitization, and Qualification of the Expanded Area for the Recovered Oil Tax Rate and Certification of a Positive Production Response Pursuant to the "New Mexico Enhanced Oil Recovery Act," Lea County, New Mexico.

Dear Mr. Bruce:

Reference is made to your letter dated July 17, 1999 (see copy attached) requesting an extension of time in which to provide me with a proposed draft order in this matter. This one time request shall be granted. If, however, a proposed order has not been received in this office by 5:00 p.m. MDST on July 26, 1999, I will: (i) take the necessary steps in issuing a subsequent directive in Division Order No. R-10448 that cancels the authority to inject gas into the West Lovington Strawn Unit Well No. 7 (API No. 30-025-31646), formerly the Speight Fee Well No. 1, located 660 feet from the North line and 2310 feet from the West line (Lot 3/Unit C) of irregular Section 1, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico; and (ii) issue an order in this case solely based on record that was presented at the hearing on May 27, 1999.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner  
Acting Director

cc: Scott Hall – Santa Fe [Telefax No. (505) 989-9857]  
W. Thomas Kellahin - Santa Fe [Telefax No. (505) 982-2047]  
William F. Carr – Santa Fe [Telefax No. (505) 983-6043]  
Paul Cooter – Albuquerque [Telefax No. (505) 746-5480]  
Case File 12171  
Chris Williams, Supervisor - NMOCD, Hobbs  
Rand Carroll, Legal Counsel - NMOCD, Santa Fe  
Florene Davidson - OCD, Santa Fe  
Ms. Lori Wrotenbery, Director – NMOCD, Santa Fe