

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 OIL,  
INC. FOR UNIT EXPANSION, ETC.,  
LEA COUNTY, NEW MEXICO.

Case No. 12171

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Gillespie Oil, Inc.  
P.O. Box 2557  
Midland, Texas 79702  
(915) 683-1765  
Attention: Mark Mladenka

APPLICANT'S ATTORNEY

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

OTHER PARTIES

Energen Resources Corporation  
  
Snyder Ranches, Inc.  
  
Yates Petroleum Corporation  
Hanley Petroleum, Inc.  
  
Charles B. Gillespie, Jr.

OTHER PARTIES' ATTORNEYS

J. Scott Hall  
  
W. Thomas Kellahin  
  
William F. Carr  
  
James Bruce

STATEMENT OF THE CASE

APPLICANT

The West Lovington-Strawn Pool was unitized effective October 1, 1995, and expanded on November 1, 1997. A pressure maintenance project was successfully instituted in the unitized Strawn interval. A second expansion of the unit is now proposed, to include substantial additional acreage and two more Strawn wells.

There is general agreement between interest owners on a number of issues. There are also areas of disagreement. Gillespie Oil, Inc., on behalf of the Technical Committee, has proposed expansion as set forth in the application filed herein. In addition, Charles B. Gillespie, Jr. will make a presentation regarding unit expansion. The parties ask the Division to decide the disputed issues.

OPPONENT**PROPOSED EVIDENCE**APPLICANT

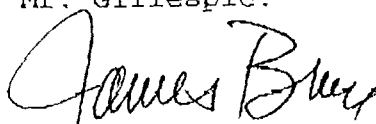
<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Mark Mladenka (Engineer)	20 min.	5
John McDermott (Engineer)	5 min.	
Lyn Charuk (Geologist)	35 min.	10

OPPONENT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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**PROCEDURAL MATTERS**

The applicant proposes that all evidence and discussion regarding the Technical Committee proposal be heard first, followed by the presentation on behalf of Mr. Gillespie.



James Bruce  
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CERTIFICATE OF SERVICE

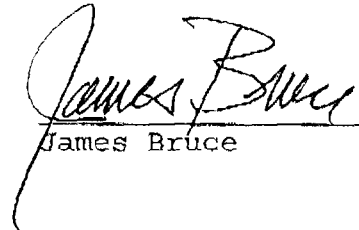
I hereby certify that a copy of the foregoing Pre-Hearing Statement was served upon the following counsel of record via facsimile transmission this 26<sup>th</sup> day of May, 1999:

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