

BEFORE THE OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

**APPLICATION OF GILLESPIE OIL, INC. FOR
UNIT EXPANSION, STATUTORY UNITIZATION,
AND 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.**

Case No. 12171

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Miller, Stratvert & Torgerson, P.A. on behalf of Energen Resources Corporation, as required by the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEY

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APPLICANT

Gillespie Oil, Inc.

OTHER INTERESTED PARTY'S ATTORNEY

J. Scott Hall, Esq.
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INTERESTED PARTY

Energen Resources Corporation

OPPOSING PARTY'S ATTORNEY

None to date/unknown

OPPOSING PARTY

STATEMENT OF THE CASE

APPLICANT

Applicant seeks Division approval of (1) the second expansion of the West Lovington Strawn Unit, (2) amendment of the participation formula provision of the Unit Agreement, and (3) qualification of the expanded unit area for the recovered oil tax rate and certification of two wells for a positive production response.

PROPOSED EVIDENCE

WITNESSES:	Est. Time	No. of Exhibits
Barney Kahn Petroleum Engineer	30 Minutes	4
Dave Cromwell Geologist	30 minutes	11
Ken Gray Landman	25 Minutes	3

PROCEDURAL MATTERS

None.

Respectfully submitted,

MILLER, STRATVERT & TORGERSON, P.A.



J. Scott Hall
Attorneys for Energen Resources
Corporation

CERTIFICATE OF SERVICE

I hereby certify that on the 24 day of May, 1999, a copy of the foregoing pleading was faxed to:

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