

HINKLE, COX, EATON, COFFIELD & HENSLEY
P.L.L.C.*

ATTORNEYS AT LAW

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MARK C. DUW
FRED W. SCHWENDIMANN
JAMES M. HUDSON

LEWIS C. COX, JR. (1924-1993)
CLARENCE E. HINKLE (1901-1985)

OF COUNSEL
O. M. CALHOUN* JOE W. WOOD
RICHARD L. CAZZELL** RAY W. RICHARDS**
L. A. WHITE**

AUSTIN AFFILIATION
HOFFMAN & STEPHENS, P.C.
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TOM D. STEPHENS*
RONALD C. SCHULTZ, JR.*
JOSE CANO*

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MARGARET CARTER LUDEWIG
S. BARRY PAISNER
MARTIN MEYERS
WYATT L. BROOKS**
DAVID M. RUSSELL**
ANDREW J. CLOUTIER
STEPHANIE LANDRY
KIRT E. MOELLING**
DIANE FISHER
JULIE P. NEERKEN
WILLIAM P. SLATTERY
CHRISTOPHER M. MOODY

JAMES A. GILLESPIE
MARGARET R. MCNETT
LISA K. SMITH*
NORMAN D. EWART
DARREN T. GROCE*
MOLLY MCINTOSH
MARCIA B. LINCOLN
SCOTT A. SHUART*
PAUL G. NASON
R. "TREY" ARVIZU, III
AMY C. WRIGHT**
BRADLEY G. BISHOP*
KAROLYN KING NELSON
ELLEN T. LOUDERBOUGH
BARBARA GREGG GLENN
JAMES H. WOOD*

*REGISTERED IN NEW MEXICO
AS HINKLE, COX, EATON,
COFFIELD & HENSLEY, P.L.L.C., LTD., CO.

*NOT LICENSED IN NEW MEXICO
*FORMERLY COMPRISING THE FIRM OF
CULTON, MORGAN, BRITAIN & WHITE, P.C.

May 9, 1995

HAND-DELIVERY

Florene Davidson
Oil Conservation Division
State Land Office Building
Santa Fe, NM 87503

Re: Case No. 11,195

Dear Florene:

Enclosed is a letter amending the Application of Charles B. Gillespie, Jr. in Case No. 11195. Please see that this matter is advertised for the June 1, 1995 hearing. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, P.L.L.C., Ltd., Co.


James Bruce

Enclosure

JB/sp

RECEIVED

MAY 9 1995

Oil Conservation Division

HINKLE, COX, EATON, COFFIELD & HENSLEY

P.L.L.C.*

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*REGISTERED IN NEW MEXICO
AS HINKLE, COX, EATON,
COFFIELD & HENSLEY, P.L.L.C., LTD., CO.

May 9, 1995

HAND DELIVERED

Mr. William LeMay
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87501

RECEIVED

MAY 9 1995

Oil Conservation Division

Re: Case No. 11,194 and 11,195 (Charles B. Gillespie, Jr.)

Dear Mr. LeMay:

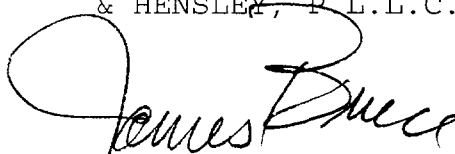
Please consider this an amended application regarding Case No. 11,195 (an application for statutory unitization). The application was originally filed on December 7, 1994, and stated that the acreage involved was 1457.05 acres. The correct figure is 1458.95 acres. In addition, Exhibits A, B, and C to the Unit Agreement have been amended, and corrected copies are enclosed. As a result of the foregoing, we ask that the case be readvertised for the June 1, 1995 Examiner Hearing. A corrected advertisement is enclosed.

Due to the readvertisement of Case No. 11,195, we ask that the companion Case No. 11,194 be continued to June 1, 1995.

Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, P.L.L.C., Ltd., Co.


James Bruce

Enclosures

cc: W. Thomas Kellahin (w/encl.)
JB/sp

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MAY 9 1995

AMENDED ADVERTISEMENT

Case 11195: Application of Charles B. Gillespie, Jr. ^{Oil Conservation Division}
statutory unitization, Lea County, New Mexico. Applicant, in the
above-styled cause, seeks an order unitizing, for the purpose of
establishing a pressure maintenance project, all mineral
interests in the designated and Undesignated West Lovington-
Strawn Pool underlying its proposed West Lovington Strawn Unit
Area encompassing some 1458.95-acres, more or less, of Federal,
State, and Fee lands comprising all of Section 33 and the W½ of
Section 34 of Township 15 South, Range 35 East, a portion of
Section 1, Township 16 South, Range 35 East, and a portion of
Section 6, Township 16 South, Range 36 East. Among the matters
to be considered at the hearing, pursuant to the "New Mexico
Statutory Unitization Act," Sections 70-7-1 et. seq., NMSA, will
be the necessity of unit operations; the designation of a unit
operator; the determination of horizontal and vertical limits of
the unit area; the determination of the fair, reasonable and
equitable allocation of production and costs of production,
including capital investments, to each of the various tracts in
the unit area; the determination of credits and changes to be
made among the various owners in the unit area of their
investment in wells and equipment; and such other matters as may
be necessary and appropriate for carrying on efficient unit
operations, including, but not necessarily limited to unit voting
procedures, selection, removal or substitution of the unit
operator, and time of commencement and termination of unit
operations. Said unit area is centered approximately 4.5 miles
West-Northwest of Lovington, New Mexico.

T 15 S
T 16 S



CHARLES B. GILLESPIE, JR.
MIDLAND, TEXAS

EXHIBIT "B"
SCHEDULE SHOWING THE PERCENTAGE AND KIND OF OWNERSHIP OF OIL AND GAS INTERESTS
WEST LOVINGTON (STRAWN) UNIT AREA
LEA COUNTY, NEW MEXICO

Ownership as to the Strawn Formation

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
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FEDERAL LANDS:

1.	T15S-R35E, N.M.P.M. Sec. 33; S/2	320.00	NM-04411 Effective 8-1-51 HBP	U.S.A. - All (12.5% royalty)	Phillips Petroleum Company 100%	Charles B. Gillespie, Jr. Randall Capps, dba Xeric Oil & Gas Corp. William R. Crow GPC Oil & Gas Corp. Donald R. Curry Kevin L. Widner & Patricia Widner	Charles B. Gillespie, Jr. DALEN Resources Oil & Gas Co. Phillips Petroleum Company 25%
						2%	37.5%
						1.640625%	37.5%
						.578125%	
						.546875%	
						.15625%	
						.078125%	

1	FEDERAL	TRACTS	TOTALING	320.00	ACRES	OR	21.93%	OF	UNIT	AREA
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TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
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STATE LANDS:

2.	T16S-R35E, N.M.P.M. Sec. 1: Lots 1,2,7,8	182.42	E-9116 Effective 6-21-55 HBP	State of New Mexico - All (12.5% royalty)	Charles B. Gillespie, Jr. 50% DALEN Resources Oil & Gas Co. 50%	Ernestine Gillespie 5.46875%	Charles B. Gillespie, Jr. 50% DALEN Resources Oil & Gas Co. 50%
3.	T15S-R35E, N.M.P.M. Sec. 34: N/2NW/4, SE/4NW/4, E/2SW/4	200.00	VA-644 Effective 12-1-91 HBP	State of New Mexico - All (12.5% royalty)	Charles B. Gillespie, Jr. 50% DALEN Resources Oil & Gas Co. 50%	None	Charles B. Gillespie, Jr. 50% DALEN Resources Oil & Gas Co. 50%
4.	T15S-R35E, N.M.P.M. Sec. 33: N/2NW/4, SW/4NW/4	120.00	V-4065 Effective Expires 9-7-97	State of New Mexico - All (16.666667% royalty)	Charles B. Gillespie, Jr. 50% DALEN Resources Oil & Gas Co. 50%	None	Charles B. Gillespie, Jr. 50% DALEN Resources Oil & Gas Co. 50%

3	STATE	TRACTS	TOTALING	502.42	ACRES	OR	34.44%	OF	UNIT	AREA
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revised May 8, 1995

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
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PATENTED LANDS:

5.	T16S-R35E, N.M.P.M. Sec. 1: Lots 3,4,5,6	182.06	HBP	June Danglede Speight 43.75% (25% royalty)	Charles B. Gillespie, Jr. 47.5% DALEN Resources Oil & Gas Co. 47.5% Monty D. McLaine 3.75%	Lawrence J. Seright .009375%	Charles B. Gillespie, Jr. 47.5% DALEN Resources Oil & Gas Co. 47.5% Monty D. McLaine 3.75%
			HBP	Dorothy Lee Lusk 9.271978% (16.667% royalty)			
			HBP	Marjorie Smart, Trustee of Marjorie C. Smart Revocable Trust dated 5/9/90 6.25% (16.667% royalty)			
			HBP	Clarence V. Shelfer 3.296703% (16.667% royalty)			
			HBP	Annie Laura Sturdivant 3.296703% (16.667% royalty)			
			HBP	Teddie Darrell Shelfer 3.296703% (16.667% royalty)			

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
5. cont'd			HBP	Roy G. Barton, Jr., Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust 3.125% (25% royalty)			
			HBP	Richard H. Power 2.747253% (16.667% royalty)			
			HBP	Jean Benson 2.747253% (16.667% royalty)			
			HBP	Betty Louise Pieper 2.08333% (18.75% royalty)			
			HBP	Robert L. Brown 2.08333% (18.75% royalty)			
			HBP	Effie Shelfer 1.648352% (16.667% royalty)			
			HBP	James Darrell Shelfer 1.648352% (16.667% royalty)			
			HBP	Jane Bowers Stoneman 1.25% (18.75% royalty)			

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
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5. cont'd

HBP	Rickie Don Thompson	1.098901% (16.667% royalty)					
HBP	Treva Joyce Thompson	2.197802% (16.667% royalty)					
HBP	Penelope Louise Holcomb	1.041667% (18.75% royalty)					
HBP	Monty D. McLane	1.041667% (16.667% royalty)					
HBP	Laverne W. Colby	.416667% (18.75% royalty)					
HBP	Lester F. Colby	.416667% (18.75% royalty)					
HBP	Dorothy C. Feltz	.416667% (18.75% royalty)					

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5. cont'd							
			HBP	Milton M. Krasne .416666% (16.667% royalty)			
			HBP	Patrick J. Cesarano Revocable Trust .354167% (16.667% royalty)			
			HBP	Francis J. Moynihan, Jr. .208333% (18.75% royalty)			
			HBP	Berkeley N. Moynihan .208333% (18.75% royalty)			
			HBP	Barbara M. Gallagher .208333% (18.75% royalty)			
			HBP	Suzanne M. Chambers .138889% (16.667% royalty)			
			HBP	David Graham McDonald .138889% (16.667% royalty)			

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5. cont'd

HBP	The Estate of John William McDonald, Anita M. McDonald as Independent Executrix .138889% (16.667% royalty)						
HBP	Kelly H. Baxter .0625% (16.667% royalty)						
HBP	Henry W. Lawton .625% (20% royalty)						
HBP	Joan Sermak .625% (20% royalty)						
HBP	Nancy O'Connor .625% (20% royalty)						
HBP	Lewis E. McLaughlin .3125% (20% royalty)						
HBP	Lois M. McLaughlin .3125% (20% royalty)						
HBP	Michael Stadwick .15625% (25% royalty)						

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5. cont'd			HBP	Cherie Weichel .15625% (25% royalty)			
			HBP	Lois H. Stadwick .15625% (25% royalty)			
			HBP	Robert Stadwick .15625% (25% royalty)			
			HBP	Todd Stadwick .15625% (25% royalty)			
			HBP	Harvard Stadwick, Jr. .15625% (25% royalty)			
			HBP	John Stadwick .15625% (25% royalty)			
			HBP	Keith Stadwick .15625% (25% royalty)			
			Unleased	Geraldine Anderson Hill .625% (12.5% royalty)	Unleased	100%	Geraldine Anderson Hill .625%
			Unleased	Leonard S. Anderson, Jr. .625% (12.5% royalty)	Unleased	100%	Leonard S. Anderson, Jr. .625%

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6.	<u>T15S-R35E, N.M.P.M.</u> Sec. 34: W/2SW/4, SW/4NW/4	254.47	HBP	Snyder Ranches, Inc. 100% (20% royalty)	Charles B. Gillespie, Jr. DALEN Resources Oil & Gas Co. 50%	None	Charles B. Gillespie, Jr. DALEN Resources Oil & Gas Co. 50%
	<u>T16S-R36E, N.M.P.M.</u> Sec. 6: Lots 3,4,5						
7.	<u>T15S-R35E, N.M.P.M.</u> Sec. 33: SE/4NW/4	40.00	7-20-95	First Interstate Bank of Albuquerque, Trustee of the L. Jay Root Royalty Trust Agreement dated 4/28/83 100% (18.75% royalty)	Charles B. Gillespie, Jr. DALEN Resources Oil & Gas Co. 50%	None	Charles B. Gillespie, Jr. DALEN Resources Oil & Gas Co. 50%

revised May 8, 1995

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8. T15S-R35E, N.M.P.M.
Sec. 33: SW/4NE/4

40.00	HBP	United Bank of Lea County, Trustee for Chad L. and Norma B. Wiley	DALEN Resources Oil & Gas Co. Charles B. Gillespie, Jr. William R. Crow	None	DALEN Resources Oil & Gas Co. Charles B. Gillespie, Jr. William R. Crow
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50%
(18.75% royalty)

Mary Katherine Garrett Noble

25%
*(18.75% royalty)

HBP

Billie Garrett Lytle

25%
*(18.75% royalty)

*Subject to the following

Non-Participating
Royalty Owner:
Charles B. Gillespie, Jr. 3.125%

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9. T15S-R35E, N.M.P.M.
Sec. 33: SE/4NE/4

40.00	HBP	Mildred A. Wright, Trustee under Trust Agreement No. 1 dated 9/9/80	75% *(12.5% royalty)	DALEN Resources Oil & Gas Co. Charles B. Gillespie, Jr. William R. Crow	50% 47.5% 2.5%	DALEN Resources Oil & Gas Co. Charles B. Gillespie, Jr. William R. Crow	50% 47.5% 2.5%
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HBP

Thomas W. Pettit
25%
*(12.5% royalty)

*Subject to the following

Non-Participating

Royalty Owners:

Parallel Petroleum Corporation

.9375%

Rebel Oil Company .78125%

Robert H. Hannifin .78125%

Eva H. Matson & Ephraim G.

Matson J/T .78125%

Emily Irene Park & Thomas

S. Park .625%

Winfield S. Carson .625%

Wilbur W. Irvin & Jamaeah S.

Irvin J/T .46875%

Roy G. Barton, Jr., Trustee of

the Roy G. Barton, Sr. and

Opal Barton Revocable Trust

.3125%

Lanis Palmer .3125%

The heirs or devisees of Paul

Paulk, apparently Selma Paulk

.3125%

Felix Corley .3125%

C. R. Alderson & Arlene

Alderson (h&w) .3125%

Total: 6.5625%

revised May 8, 1995

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
10.	T15S-R35E, N.M.P.M. Sec. 33: NW/4NE/4	40.00	HBP	Roy G. Barton, Jr., Trustee of the Roy G. Barton, Sr. and Opal Barton Revocable Trust 40% (25% royalty)	DALEN Resources Oil & Gas Co. 47.949219% Charles B. Gillespie, Jr. 44.184571% William R. Crow 2.397461%	None	DALEN Resources Oil & Gas Co. 47.949219% Charles B. Gillespie, Jr. 44.184571% William R. Crow 2.397461%
			HBP	Faye L. Lipsett Klein 25% (16.667% royalty)			
			HBP	Grace Starmer 5% (18.75% royalty)			
			HBP	Elaine Graham Krasne & Milton Krasne (w&h) 4.166667% (18.75% royalty)			
			HBP	The Grooms Trust u/a dated 12/15/82 3.75% (18.75% royalty)			
			Unleased	Charles B. Gillespie, Jr. 3.315429% (12.5% royalty)	Unleased	100%	Charles B. Gillespie, Jr. 3.315429%
			HBP	Vance Lee Mason 2.5% (18.75% royalty)			

revised May 8, 1995

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10. cont'd

HBP	The Estate of John Sewell Randall 2.5% (25% royalty)						
Unleased	DALEN Resources Oil & Gas Co. 2.050781% (12.5% royalty)			Unleased	100%	None	DALEN Resources Oil & Gas Co. 2.050781%
HBP	Dorothy Fuller Lundeen 1.822916% (18.75% royalty)						
HBP	Russell Pang & Ann Pang (h&w) 1.5625% (18.75% royalty)						
HBP	The Estate of John William McDonald 1.388889% (18.75 % royalty)						
HBP	David Graham McDonald 1.388889% (18.75% royalty)						
HBP	Margot Suzanne McDonald Chambers 1.388889% (18.75% royalty)						

revised May 8, 1995

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
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10. cont'd

HBP Heidi C. Barton
1.215278%
(25% royalty)

HBP Brett C. Barton
1.215278%
(25% royalty)

HBP Roy G. Barton, III
1.215278%
(25% royalty)

HBP Kelly H. Baxter
.416667%
(18.75% royalty)

Unleased William R. Crow
.102539%
(12.5% royalty)

William R. Crow
.102539%

11. T15S-R35E, N.M.P.M.
Sec. 33: NE/4NE/4

HBP 40.00 Roy G. Barton, Jr.,
Trustee of the Roy
G. Barton, Sr. and
Opal Barton
Revocable Trust
25%
(25% royalty)

DALEN Resources Oil
& Gas Co. 50.0%
Charles B. Gillespie, Jr.
47.5%
William R. Crow 2.5%

DALEN Resources Oil
& Gas Co. 50.0%
Charles B. Gillespie, Jr.
47.5%
William R. Crow 2.5%

HBP Faye L. Lipsett
Klein 25%
(16.667% royalty)

HBP Roy G. Barton, Jr.
12.5%
(25% royalty)

revised May 8, 1995

TRACT NO.	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER AND EXPIRATION DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD AND PERCENTAGE	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
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11. cont'd

HBP	Norma J. Chanley 12.5% (25% royalty)
HBP	Joan L. Yarnell Rine 12.5% (12.5% royalty)
HBP	William Robert Yarnell 12.5% (18.75% royalty)

7	PATENTED	TRACTS	TOTALING	636.53	ACRES	OR	43.63%	OF	UNIT	AREA
11	TRACTS	TOTALING	1,458.95	ACRES	IN	UNIT	AREA			

revised May 8, 1995

EXHIBIT "C"

Attached to and made a part of the Unit Agreement for the
West Lovington Strawn Unit Area
Lea County, New Mexico

<u>Tract No.</u>	<u>Tract Participation</u>
1	28.0140037%
2	17.7235496%
3	5.5420300%
4	7.4670668%
5	21.2593893%
6	6.3299740%
7	6.3063828%
8	3.5613180%
9	1.9382478%
10	1.4701997%
11	<u>0.3878383%</u>
Total	100.0000000%