

Gillespie-Crow, Inc.

Oil & Gas
Exploration & Production
P.O. Box 2557
Midland, Texas 79702

(915) 683-5060
Fax (915) 683-1491

October 19, 1995

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

OCT 23 1995

Attention: Mr. William J. LeMay

Re: Request for Authorization
of Off Lease Storage
State "S" Well No. 1
1650' FSL & 1650' FEL
Section 34, T-15-S, R-35-E
Lea County, New Mexico

Dear Mr. LeMay:

Pursuant to the provisions of Rule 309-C of the Division Rules and Regulations, Gillespie-Crow, Inc. hereby requests administrative approval to transport production prior to measurement from its State "S" No. 1 well located in the NW/4 SE/4 of Section 34, Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and store it off-lease at a location in the NW/4 SW/4 of the same Section 34.

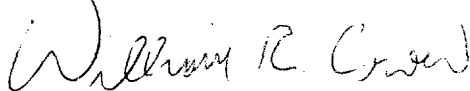
This request is being made because the subject well is located near the surface owner of the lands residence and he has concerns about a tank battery being constructed to close to his home. Furthermore, Amoco, who will buy the crude oil, and Feagan Gathering, who will buy the casinghead gas, already have existing pipelines at the proposed battery site, and electricity is also available there, which will save everyone involved from additional expenses.

The State "S" No. 1 well is located within the boundaries of the Lovington Strawn, West Pool and therefore, in accordance with Division Orders No. R-9722 and R-9722-A, an 80 acres proration unit consisting of the W/2 SE/4 of Section 34, T-15-S, R-35-E, will be communitized (see attachments). State of New Mexico Oil and Gas Leases No. VA-644 and No. VC-0011 are the two leases which will make up the required proration unit.

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A copy of this letter has been sent via facsimile. Your prompt attention to this matter will be greatly appreciated. Should you have any questions or require additional information, please do not hesitate to call.

Yours very truly,

A handwritten signature in cursive script, appearing to read "William R. Crow".

William R. Crow
President

Enclosures

cc: Oil Conservation Division - Hobbs
Attention: Mr. Jerry T. Sexton

Gillespie-Crow, Inc.

Oil & Gas
Exploration & Production
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Midland, Texas 79702

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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

October 19, 1995

Addressees listed on
Exhibit "A" attached hereto

Re: Off Lease Storage
of Produced Oil and Gas
from the State "S" Lease
located in Lea County, New Mexico

To Whom It May Concern:

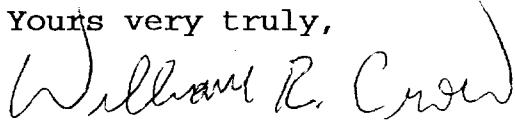
Gillespie-Crow, Inc. will be attempting a completion of its State "S" No. 1 well which was drilled at a legal location 1650 feet from the south line and 1650 feet from the east line of Section 34, Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico. The well is located within the boundaries of the Lovington Strawn, West Pool and therefore, in accordance with Division Orders No. R-9722 and R-9722-A, if commercial production is established, an 80 acres proration unit will be required. This unit will consist of the W/2SE/4 of said Section 34.

Gillespie-Crow, Inc. has requested permission from the New Mexico Oil Conservation Division to take any produced oil, gas or water from its State "S" No. 1 well off-lease and store it at a new battery located in the NW/4SW/4 of Section 34, one-half (1/2) mile west. The new State "S" battery has been constructed off-lease for the convenience and safety of the surface owner who lives nearby the State "S" wellsite.

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October 19, 1995
Off Lease Storage

Should you have any questions or concerns regarding this matter,
please do not hesitate to call me at (915) 683-5060.

Yours very truly,

A handwritten signature in cursive script, reading "William R. Crow". The signature is written in dark ink and is positioned above the printed name and title.

William R. Crow
President

WRC/lcf

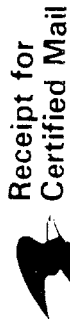
Attachments

cc: New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505
Attention: Mr. William J. LeMay

EXHIBIT "A"
Notification List

- A. Interest Owners in the State "S" Lease
W/2SE/4 of Section 34, T-15-S, R-35-E.
New Mexico Oil & Gas Leases No. VA-644 and VC-0011:
1. Charles B. Gillespie, Jr.
P.O. Box 8
Midland, TX 79702
Attention: Mr. William R. Crow
 2. Enserch Exploration Inc.
6688 N. Central Expressway, Suite 1000
Dallas, TX 75206-3922
Attention: Mr. Jerry Anderson
 3. William R. Crow
5007 Canterbury Dr.
Midland, TX 79705
 4. State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504
Attention: Mr. Ray Powell
- B. Interest Owners in the Snyder Ranches, Inc. Fee Lease
NW/4SW/4 of Section 34, T-15-S, R-35-E:
1. Charles B. Gillespie, Jr.
P.O. Box 8
Midland, TX 79702
Attention: Mr. William R. Crow
 2. Enserch Exploration, Inc.
6688 N. Central Expressway, Suite 1000
Dallas, TX 75206-3922
Attention: Mr. Jerry Anderson
 3. Snyder Ranches, Inc.
P.O. Box 2158
Hobbs, NM 88241
Attention: Mr. Larry Squires

P 322 140 122



**Receipt for
Certified Mail**
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

To: Enserch Exploration, Inc.	
6688 N. Central Expressway	
Suite 1000, TX 75206-3922	
Postage	\$.55
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2.75
Postmark or Date 10-19-95	

PS Form 3800, June 1991

P 322 140 124



**Receipt for
Certified Mail**
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

To: State of New Mexico	
P.O. Box 1148	
Santa Fe, NM 87504	
Postage	\$.55
Certified Fee	1.10
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.10
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$ 2.75
Postmark or Date 10-19-95	

PS Form 3800, June 1991

P 322 140 125



**Receipt for
Certified Mail**
No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

To: Snyder Ranches, Inc.	
P.O. Box 2158	
Hobbs, NM 88241	
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Certified Fee	1.10
Special Delivery Fee	
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Postmark or Date 10-19-95	

PS Form 3800, June 1991