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

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,

Jelling R. Croed

William R. Crow

President

Enclosures

cc: Oil Conservation Division - Hobbs

Attention: Mr. Jerry T. Sexton

DISTRICT I P.O. Bex 1980, Hobbs, NN 68240

State of New Mexico

Energy. Emerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office

State Lease - 4 Copies
Pee Lease - 3 Copies

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT IV PO BOX 2088, SANTA FE, NY 67504-2088

1000 Rio Brazos Rd., Aztec, NM 87410

PO BOX SORR' EVAL	A PK, NM G73	1 94 -2084	WELL LO	CATION	AND ACREA	AGE DEDICATI	ON PLAT			
API		Pool Code			Pool Name					
30-025-33068			4	0875	<u> </u>	West Lovington Strawn				
Property Code /7388			Froperty Name STATE "S"				Well Number			
OGRED No. 148085				GIL	Operator Nam LESPIE — C			1	Elevation 3956	
Surface Location										
UL or lot No.	Section	Township	Runge	Lot Ida	Feet from the	North/South line	Feet from the	Engl/West line	Coupty	
J	34	15 S 35 E 165			1650	SOUTH	EAST LEA			
Bottom Hole Location If Different From Surface										
UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feel from the	East/West line	County	
Dedicated Acres Joint or Infill Consolidation Code Order No.										

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

			OPERATOR CERTIFICATION I hereby certify the the enformation contained herein is true and complete to the best of my knowledge and belts. Craw Signature William R. Crow Printed Name President: Thile 8-18-95 Date SURVEYOR CERTIFICATION
State "S" Battery	VA-644		I hereby certify that the well location shown on this plat was plotted from field notes of actual rurves made by me ar under my supervison, and that the same is true and correct to the best of my belief.
Fee	State "S" #1	7 650°	Date Surveyed G. E/O. SUA Stenature A Sect of CO.
	VC-11 05		W. 53 Purm. 55-11-1914 Certifically 17 F5 F76 Certifically 17 F550 F

Gillespie-Crow, Inc.

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

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

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.

Page 2 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.

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:
 - 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:
 - Charles B. Gillespie, Jr.
 P.O. Box 8
 Midland, TX 79702
 Attention: Mr. William R. Crow
 - 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

10-19-95 Postmark or Date

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Receipt for

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Receipt for

Inc.

Snyder Ranches,

P.O. Box 2158

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