

Charles B. Gillespie, Jr.

Oil Producer-Investor
P.O. Box Eight
Midland, Texas 79702

OIL CONSERVATION
DIVISION
RECEIVED

1994 JUL 14 PM 8:58
(915) 683-1765
Fax (915) 683-1491

July 15, 1994

Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

*Label OK
7-20-94*

Attention: Mr. William LeMay

Re: Wiley Fee No. 1
Section 33, T-15-S, R-35-E
Lea County, New Mexico

Dear Mr. LeMay:

In June of 1994 Charles B. Gillespie, Jr. drilled a successful development well approximately 4 miles Northwest of Lovington, New Mexico. The well, the Wiley Fee No. 1, is part of the West Lovington Strawn field operated by Charles B. Gillespie, Jr.

There are eight wells in the West Lovington Strawn field that produce into four separate tank batteries. At present time, the process of gathering the necessary information and data to unitize the field is underway. Since it is intended to unitize the field, it is felt it would be needless to construct yet another tank battery for one well.

Thus, Charles B. Gillespie, Jr. is requesting permission to take the produced oil and gas from the Wiley Fee No. 1 off lease and store it at the Snyder "S" Com battery located within the field. The Snyder "S" Com battery is designed and built large enough to accommodate three top allowable wells and currently has only one well producing into it, the Snyder "S" Com No.1.

The Battery will be re-designed into two completely separate systems so the produced oil and gas from the two leases cannot be commingled, (see attached diagram). Allowing the oil and gas to go off lease will also save a tremendous amount of expense in gathering the gas. A separate meter run can be installed at the Snyder location versus laying a six inch gas pipeline three quarters of a mile to the Wiley location.

It can be seen that a significant amount of time and money can be saved by utilizing an existing battery for the new well. Again this request is being made mainly because it is hoped to have the field unitized within the next six to eight months.

July 15, 1994
Wiley Fee No. 1
Page 2

Your prompt attention to this matter would be greatly appreciated. Should you have any questions or need additional information, please feel free to contact me at (915) 683-1765.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kevin Widner".

Kevin Widner
Production Manager

KLW/dlw

Enclosure

1-

11 JUL 1994 Charles B. Gillespie, Jr.
Oil Producer-Investor
P.O. Box Eight
Midland, Texas 79702
1994 JUL 26 10 50

(915) 683-1765
Fax (915) 683-1491

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

July 26, 1994

NM OGD
David Catarack

Addresses listed on
Exhibit "A" attached hereto

Re: Off Lease Storage
of Produced Oil and Gas
from the Wiley Fee Lease
located in Lea County, New Mexico

To Whom It May Concern:

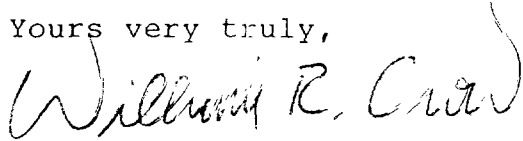
Charles B. Gillespie, Jr. will be attempting a completion of its Wiley Fee No. 1 well which was drilled at a legal location 2310 feet from the north line and 1980 feet from the east line of Section 33, Township 15 South, Range 35 East, Lea County, New Mexico. The well is located within the boundaries 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 S/2NE/4 of said Section 33.

Charles B. Gillespie has requested permission from the New Mexico Oil Conservation Division to take any produced oil, gas or water from its Wiley Fee No. 1 well off lease and store it at its Snyder "S" Com battery located within the Lovington Strawn, West field in the NW/4SW/4 of Section 34, one-half (1/2) mile east. The Snyder "S" Com battery has been redesigned so that produced oil and gas from the two leases cannot be commingled (see attached diagram). A separate meter run has been installed at the battery to measure any produced gas from the Wiley Fee lease.

Page 2
July 26, 1994
Off Lease Storage

Should you have any questions or concerns regarding this matter,
please do not hesitate to call me at (915) 683-1765.

Yours very truly,

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

William R. Crow
Exploration Manager

WRC/dlw

Attachments

cc: New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088
Attention: Mr. David Catanach

EXHIBIT "A"
Notification List

A. Interest Owners in the Wiley Fee Lease
S/2NE/4 of Section 33, T-15-S, R-35-E:

1. Charles B. Gillespie, Jr.
P.O. Box 8
Midland, TX 79702
Attention: Mr. William R. Crow
2. PG&E Resources Company
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. United New Mexico Trust
Company, Trustee of the Chad L.
and Norma B. Wiley Trust
P.O. Box 5614
Hobbs, NM 88241
Attention: Trust Dept.
5. Billie Garrett Lytle
24466 County Road E
Cortez, CO 81321
6. Mary Kathryn Garrett Noble
613 Paseo Del Mar NE
Albuquerque, NM 87123
7. Mildred A. Wright, Trustee
P.O. Box 15057
Farmington, NM 87401
8. Thomas W. Pettit
151 West Trinity Rd.
Glen Ellen, CA 95442

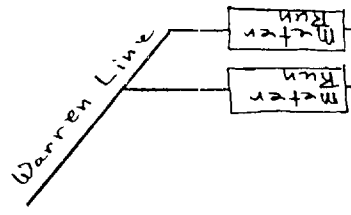
Page 2
July 26, 1994
Notification List

B. Interest Owners in the Snyder "S" Com Lease
N/2SW/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. PG&E Resources Company
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
4. State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504
Attention: Mr. Ray Powell

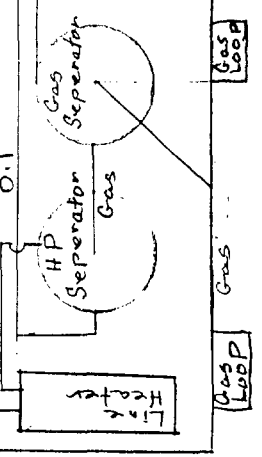
Snyder S. Com #1

Flow Line



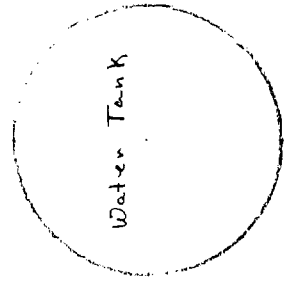
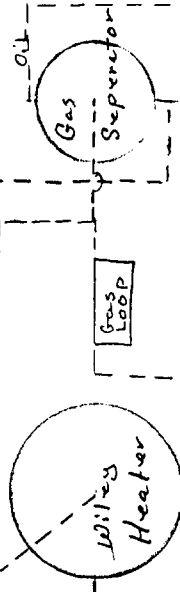
Oil Flow Line
Gas Flow Line
From Wiley

CHARLES B. GILLESPIE JR
SNYDER S. COMM + WILEY BTRY
SNYDER BTRY
WILEY BTRY



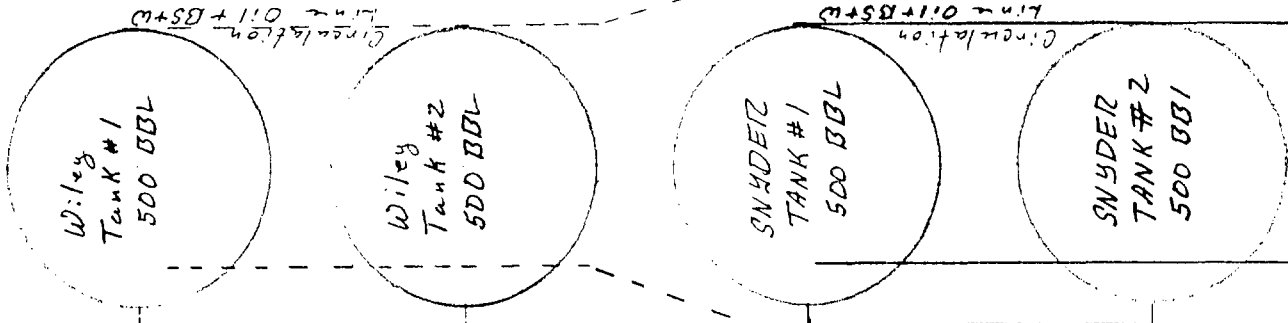
Oil from Wiley

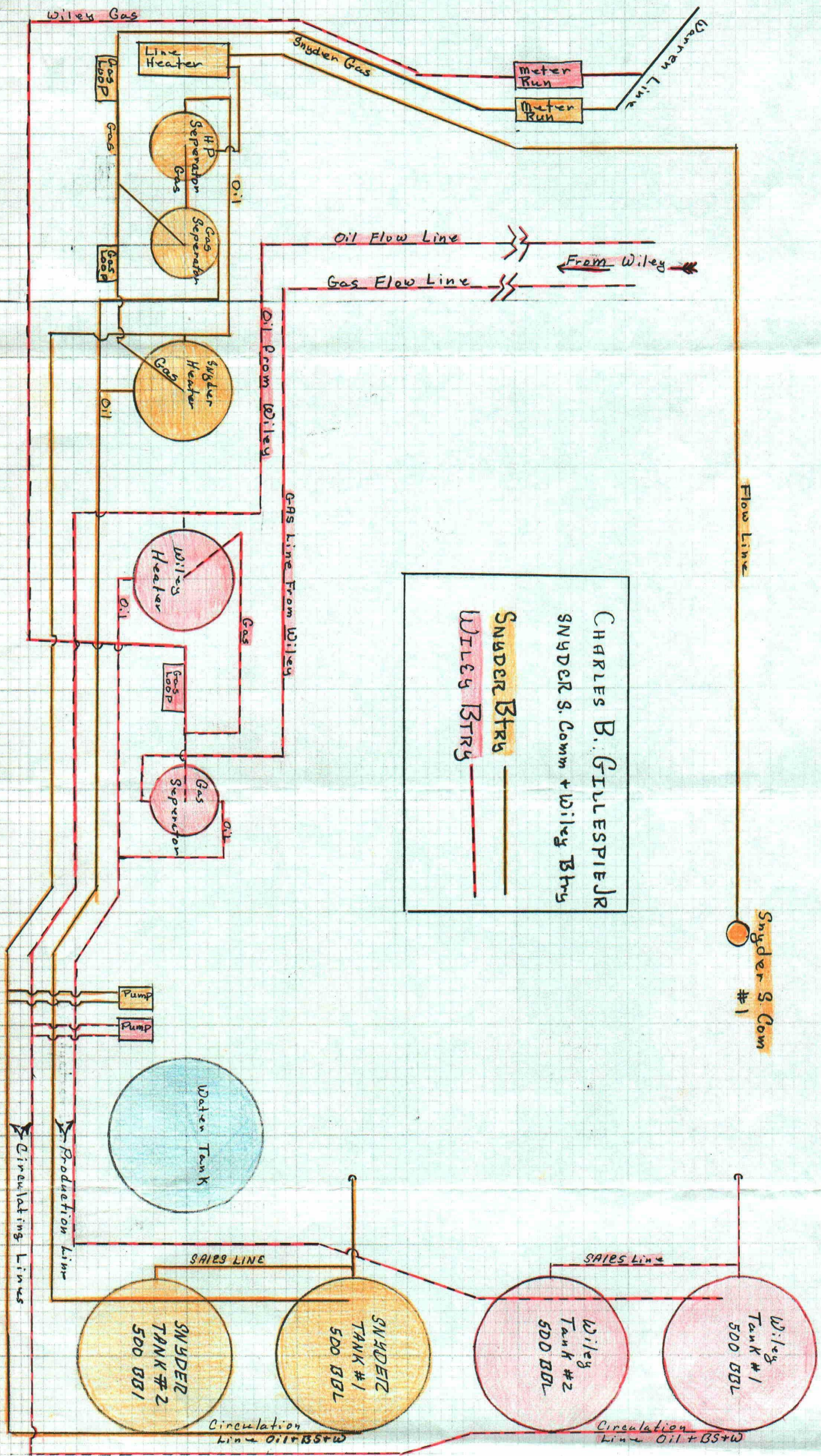
Gas Line From Wiley



Production Line

Circulating Lines





CHARLES B. GILLESPIE JR
SNYDER BTRD
WILEY BTRD