



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
ROSWELL DISTRICT OFFICE
2909 West Second Street
Roswell, New Mexico 88202



IN REPLY REFER TO:

NMNM91055X
3180 (06200)

NOV 25 1996

Gillespie-Crow, Inc.
Attention: Mr. William R. Crow
P. O. Box 2557
Midland, TX 79702

Gentlemen:

Your application of November 11, 1996, filed with the BLM requests the designation of the expansion to the West Lovington Strawn Unit area, embracing 1458.95 acres, more or less, Lea County, New Mexico, as logically subject to secondary operations under the unitization provisions of the Mineral Leasing Act as amended. Expansion of the unit will increase the unit area by 160.00 acres to 1618.95 acres.

Pursuant to unit plan regulations 43 CFR 3180 and Section 4 of the unit agreement, the land requested as outlined on your plat marked Gillespie-Crow, Inc., West Lovington Strawn Expansion Area, Lea County, New Mexico, is hereby designated as a logical unit area expansion for the purpose of conducting secondary recovery operations by waterflooding.

Your basis for allocation of unitized substances are acceptable. This designation is valid for a period of one year from the date of this letter.

If conditions are such that modification of said standard form is deemed necessary, two copies of the proposed modifications with appropriate justification must be submitted to this office for preliminary approval.

In the absence of any type of land requiring special provisions or any objections not now apparent, a duly executed agreement identical with said form, modified as outline above, will be approved if submitted in approvable status within a reasonable period of time. However, notice is hereby given that the right is reserved to deny approval of any executed agreement submitted which in our opinion, does not have the full commitment of sufficient lands to afford effective control of operations in the unit area.

When the executed agreement is transmitted to the BLM for for final approval, please include revised Exhibits A, B, C, the proposed effective date of the expansion, and a revised plan of operations.

Inasmuch as this unit agreement involves State and Fee lands, we are sending a copy of the letter to the Commissioner of Public Lands and the NMOCD. Please contact the State of New Mexico before soliciting joinders regardless of prior contacts or clearances from the state.

Sincerely,

for

Tony L. Ferguson
Assistant District Manager,
Minerals Support Team

NEW MEXICO
OIL CONSERVATION DIVISION

Gillespie-Crow EXHIBIT 22

CASE NO. 11724