

Gillespie-Crow, Inc.

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

141K
JAN 10 1996
POSITIVE PRODUCTION RESPONSE
(915) 683-5060
Fax (915) 683-1491

January 18, 1996

Mr. William LeMay
Oil Conservation Division
P.O. Box 2308
Santa Fe, New Mexico 87502-2308

Re: West Lovington Strawn Unit
Lea County, New Mexico

Dear Mr. LeMay:

In reference to my letter dated September 15, 1995, whereby Gillespie-Crow, Inc., the designated Operator of the West Lovington Strawn Unit pursuant to the State of New Mexico Oil Conservation Division Order No. R-10449, requested the Division to issue a Certificate of Qualification for the Recovered Oil Tax Rate covering the project area for said Unit, as approved in the Division's Order No. R-10448, please be advised that the West Lovington Strawn Unit became effective October 1, 1995, and Gillespie-Crow, Inc. began injecting gas into the Strawn formation for the purpose of pressure maintenance on October 12, 1995.

The injection of gas into the Strawn reservoir at volumes capable of maintaining the current bottomhole pressure of the West Lovington Strawn Pool has allowed the Operator to increase production from all of the wells within the West Lovington Strawn Unit, thereby creating a positive production response of over 4000 barrels of oil per month throughout the entire project area. Beginning in January, 1996, the Operator plans to increase flow rates even more and a 20,000 barrels of oil per month increase in production is expected from the Unit.

All ten (10) of the producing wells within the West Lovington Strawn Unit, those being the WLSU Wells No. 1, 2, 3, 4, 5, 6, 8, 9, 10 and 11, should be eligible for the Enhanced Oil Recovery credit as of October, 1995, and therefore, Gillespie-Crow, Inc. hereby applies to the Division for administrative approval of Certification of Positive Production Response.

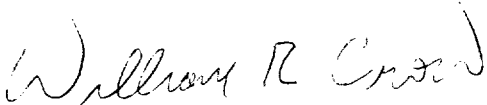
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Included herewith are copies of the Division's Order No. R-10448 approving this enhanced recovery project, a plat of the affected area within the West Lovington Strawn Unit showing the injection and producing wells within said Unit and a production graph for the Unit with supporting data demonstrating a positive production response and listing the volumes of gas that have been injected within the Unit since October, 1995.

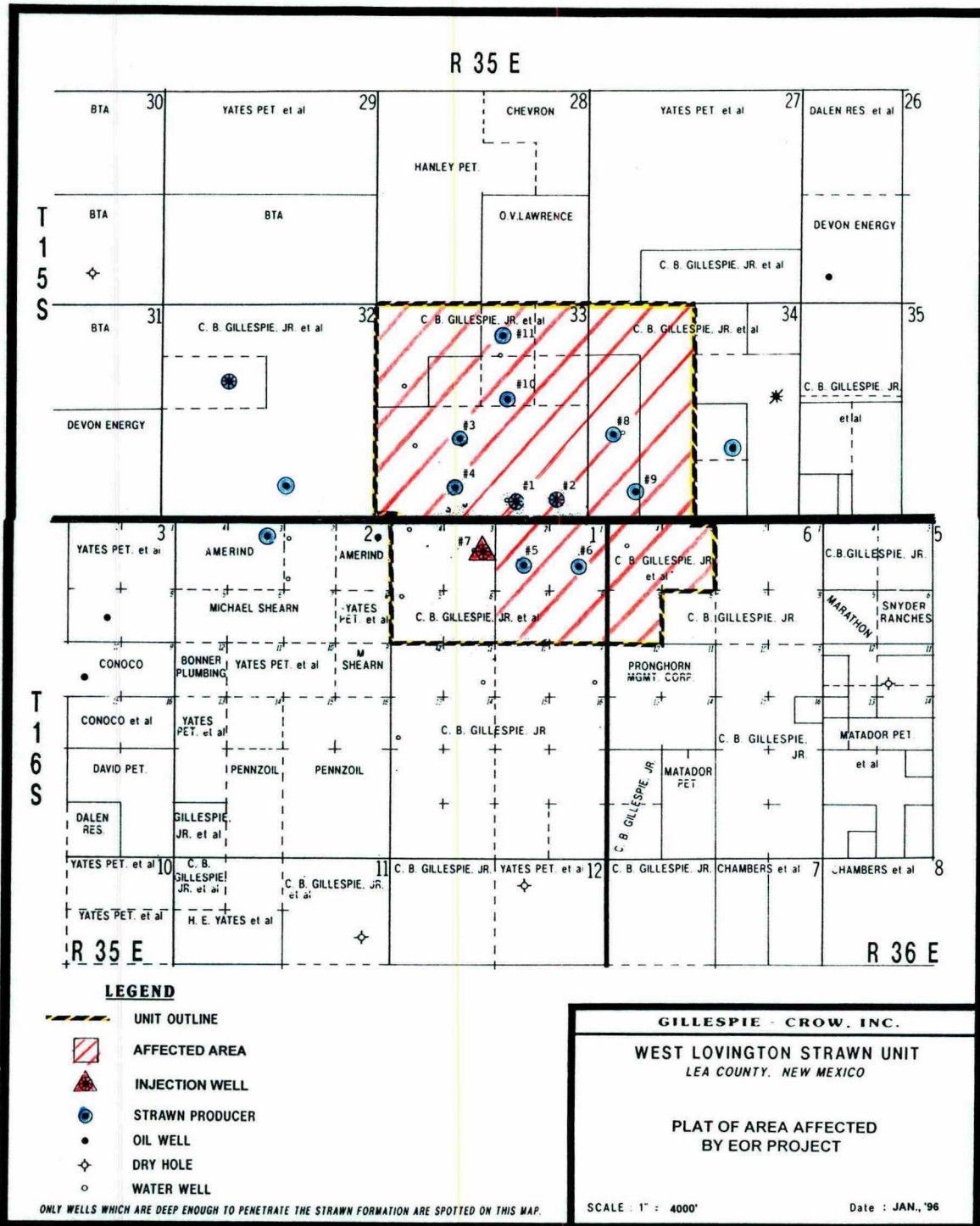
Should you require anything further regarding this application, please advise.

Yours very truly,

GILLESPIE-CROW, INC.

A handwritten signature in dark ink, appearing to read "William R. Crow". The signature is written in a cursive, flowing style.

William R. Crow
President



WEST LOVINGTON STRAWN FIELD

RE -DESIGNATION OF WELL NAMES

Previous Well Name and Number

Hamilton #1
Hamilton #2
Hamilton #3
Hamilton #4
Earnestine #1
Earnestine #2
Speight Fee #1
Snyder S Com #1
Snyder S Com #2
Wiley Fee #1
Klein Fee #1

Unit Well Name and Number

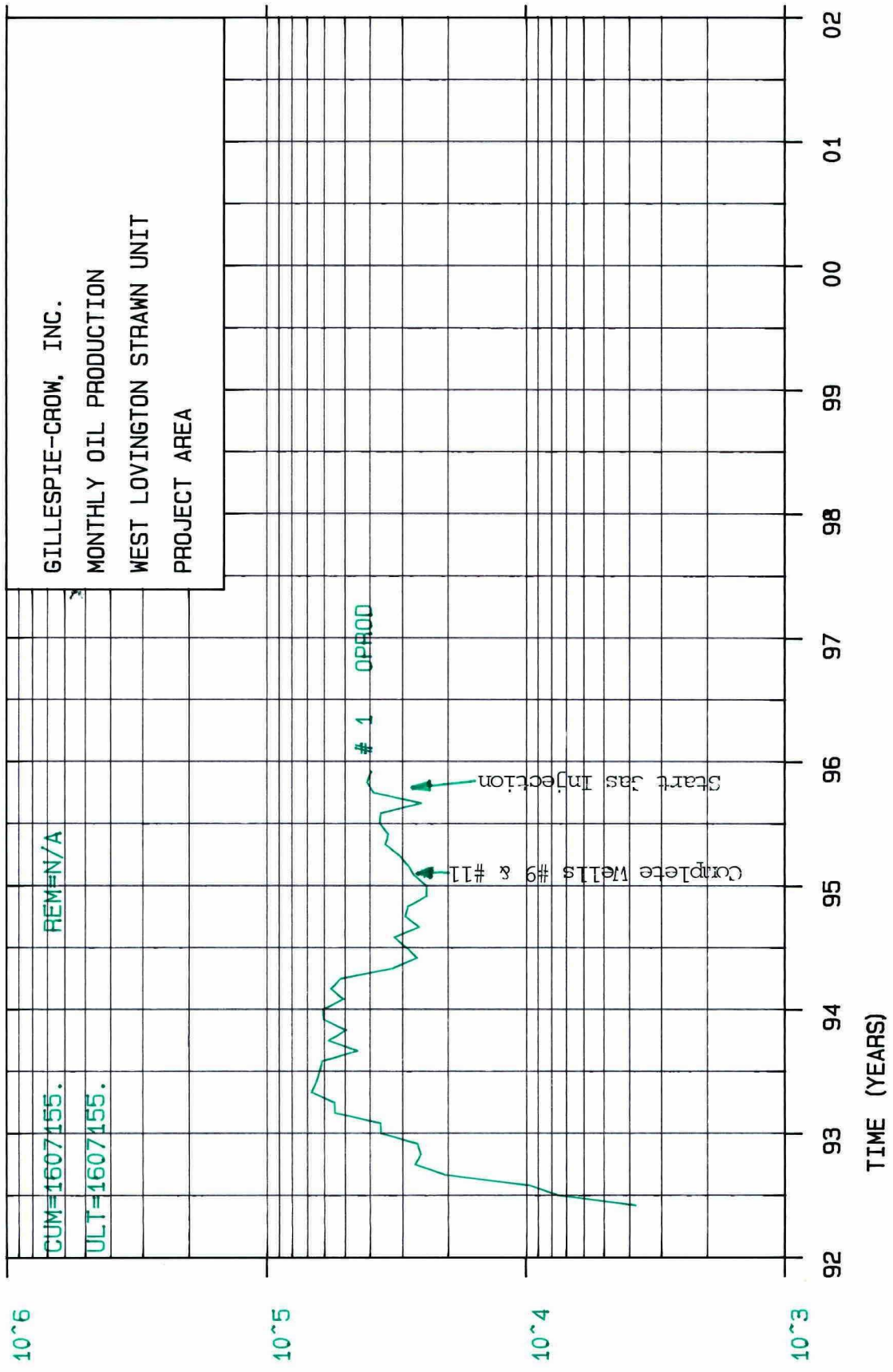
West Lovington Strawn Unit #1
West Lovington Strawn Unit #2
West Lovington Strawn Unit #3
West Lovington Strawn Unit #4
West Lovington Strawn Unit #5
West Lovington Strawn Unit #6
West Lovington Strawn Unit #7
West Lovington Strawn Unit #8
West Lovington Strawn Unit #9
West Lovington Strawn Unit #10
West Lovington Strawn Unit #11

Could use "WLSU" to abbreviate for West Lovington Strawn Unit

WEST LOVINGTON STRAWN FIELD

WELL COMPLETION HISTORY

<u>WELL NAME</u>	<u>COMPLETION DATE</u>	<u>POTENTIAL</u>
Hamilton Federal #1	06-30-92	408 BO & 1200 MCF
Hamilton Federal #2	01-10-93	492 BO & 1026 MCF
Hamilton Federal #3	11-03-93	484 BO & 958 MCF
Hamilton Federal #4	12-19-93	487 BO & 970 MCF
Earnestine #1	03-03-93	515 BO & 1039 MCF
Earnestine #2	03-23-93	436 BO & 894 MCF
Speight Fee 1	09-09-92	525 BO & 1081 MCF
Snyder "S" Com #1	03-24-94	583 BO & 1117 MCF
Snyder "S" Com #2	04-13-95	308 BO & 564 MCF
Wiley Fee #1	07-31-94	500 BO & 998 MCF
Klein Fee #1	04-02-95	456 BO & 544 MCF



OIL PRODUCTION in BBL/MON

GILLESPIE-CROW, INC.

WEST LOVINGTON STRAWN UNIT

PROJECT AREA

MONTHLY OIL PRODUCTION

MONTH	OIL
1992	
January	0
February	0
March	0
April	0
May	0
June	3774
July	8182
August	9751
September	20268
October	26959
November	26017
December	25508
TOTAL	120459

1993	
January	35896
February	36044
March	62039
April	55471
May	66543
June	66996
July	64097
August	61113
September	46584
October	56575
November	50378
December	60477
TOTAL	662213

1994	
January	60598
February	50168
March	56396
April	51518
May	32512
June	26125
July	28768
August	32113
September	25644
October	29078
November	28362
December	23988
TOTAL	445270

MONTH	OIL	
1995		
January	24091	
February	26870	
March	28498	
April	30052	
May	34810	
June	33741	
July	36580	
August	36134	
September	25234	
October	38485	** STARTED GAS INJECTION
November	40983	
December	39309	
Total	394787	

WEST LOVINGTON STRAWN UNIT**MONTHLY GAS INJECTION SUMMARY****MONTH: OCTOBER 1995**

DAY	TOTAL FLOW (MCF)	FUEL (MCF)	GAS INJECTED (MCF)	CUM GAS INJ (MCF)
1	0	0	0	0
2	0	0	0	0
3	0	0	0	0
4	0	0	0	0
5	0	0	0	0
6	0	0	0	0
7	0	0	0	0
8	0	0	0	0
9	0	0	0	0
10	0	0	0	0
11	0	0	0	0
12	1101	29	1072	1072
13	2757	69	2688	3760
14	3708	95	3610	7370
15	2075	69	2009	9379
16	1445	39	1406	10785
17	2340	60	2280	13065
18	3515	92	3423	16488
19	838	23	815	17303
20	0	0	0	17303
21	0	0	0	17303
22	3632	92	3540	20483
23	2317	58	2259	23098
24	1536	36	1500	24958
25	2677	64	2613	27211
26	2558	74	2484	26695
27	2625	74	2551	32246
28	3805	104	3701	35947
29	4137	110	4027	39974
30	3910	108	3807	43776
31	661	18	643	44419
TOTAL	45637	1214	44419	

WEST LOVINGTON STRAWN UNIT

MONTHLY GAS INJECTION SUMMARY

MONTH: NOVEMBER 1995

DAY	TOTAL FLOW (MCF)	FUEL (MCF)	GAS INJECTED (MCF)	CUM GAS INJ (MCF)
1	3282	89	3193	47612
2	3954	112	3872	51484
3	3294	55	3205	54689
4	1136	30	1106	55795
5	3370	89	3281	59076
6	2291	77	2214	61290
7	3296	91	3205	64495
8	3631	98	3533	68028
9	2642	75	2567	70595
10	656	22	634	71229
11	3732	93	3639	74868
12	4194	112	4082	78950
13	4044	111	3933	82883
14	4126	114	4012	86895
15	2704	80	2624	89519
16	2893	73	2520	93229
17	3484	82	3402	95741
18	518	14	504	96245
19	0	0	0	96245
20	2054	54	2030	98275
21	4689	108	4581	102856
22	4662	110	4552	107408
23	4532	106	4431	111839
24	2942	71	2871	114710
25	1346	34	1312	116022
26	4265	105	4160	120182
27	4290	105	4155	124367
28	4382	104	4278	128645
29	4204	96	4108	132753
30	4085	103	3982	136735
TOTAL	94968	2413	91986	

WEST LOVINGTON STRAWN UNIT**MONTHLY GAS INJECTION SUMMARY****MONTH: DECEMBER 1995**

DAY	TOTAL FLOW (MCF)	FUEL (MCF)	GAS INJECTED (MCF)	CUM GAS INJ (MCF)
1	4266	105	4161	140896
2	4276	103	4173	145569
3	4264	100	4164	149733
4	3813	103	3710	153443
5	4235	103	4132	157757
6	3472	91	3381	160956
7	4964	116	4848	165804
8	5062	113	4949	170753
9	5090	117	4973	175726
10	5113	118	4995	180721
11	4755	112	4643	185364
12	4395	110	4285	189649
13	4753	107	4646	194295
14	4737	108	4629	198924
15	4738	110	4628	203552
16	4831	115	4716	208268
17	4661	114	4547	212815
18	4032	92	3940	216761
19	4862	112	4750	221511
20	4821	114	4707	226218
21	4846	114	4782	231000
22	4761	112	4649	235149
23	4820	113	4707	239856
24	4857	113	4744	244600
25	4925	116	4809	249400
26	4840	115	4724	254128
27	5038	118	4920	259048
28	4793	112	4681	263729
29	4751	114	4637	268366
30	4938	115	4823	273189
31	4869	115	4754	277943
TOTAL	144578	3420	141207	

WEST LOVINGTON STRAWN UNIT

MONTHLY GAS INJECTION SUMMARY

MONTH: JANUARY 1996

DAY	TOTAL FLOW (MCF)	FUEL (MCF)	GAS INJECTED (MCF)	CUM GAS INJ (MCF)
1	4863	117	4746	282689
2	5039	117	4922	287611
3	4464	116	4348	291959
4	4773	116	4657	296616
5	4860	117	4743	301359
6	4992	116	4876	306235
7	5015	117	4898	311133
8	4864	117	4748	315881
9	3866	117	3689	319570
10	4815	119	4696	324266
11	3662	93	3569	327835
12	4045	89	3956	331791
13	4045	118	3927	335718
14	4894	118	4776	340494
15	4468	117	4457	344022
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