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March 18, 1997

Via Fax

David Catanach
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Case 11724 (Application of Gillespie-Crow, Inc. for unit expansion, etc.)

Dear Mr. Catanach:

Yates Petroleum Corporation and Hanley Petroleum, Inc. (collectively, "Yates") have filed a motion for continuance in the above matter. Gillespie-Crow, Inc. strenuously objects to the granting of a continuance, for the following reasons:

1. This matter has already been voluntarily continued once, from the February 20th hearing to the March 20th hearing, at Yates' request. Yates has had sufficient time to prepare for hearing.[1]

2. Yates obtained a subpoena from the Division in February, directing Gillespie-Crow to produce voluminous amounts of data. Counsel for Gillespie-Crow, Inc. and Yates met to discuss and resolve the subpoena issues on February 28th. Gillespie-Crow was willing to provide (or had already provided) much of the requested data to Yates, and objected to producing confidential and irrelevant data, or data which was already of public record. Yet Yates has taken until a few days before hearing to respond to Gillespie-Crow, Inc.'s offer. Any delay in reviewing data is solely the fault of Yates.

3. The two wells which Gillespie-Crow, Inc. seeks to bring into the unit are benefitting from the unit's pressure

[1]Yates was first approached about unit expansion over a year ago.

maintenance project, and it is costing the unit approximately $50,000 per month to inject gas to make up for production from those two wells. Any delay in the hearing causes harm to the interest owners in the unit.

As a result of the foregoing, Gillespie-Crow, Inc. requests that the motion for a continuance be denied. If the continuance is granted, Gillespie-Crow, Inc. requests that it be conditioned upon Yates, *et al.* agreeing to shut-in the two wells until an order is issued in Case 11724.[2]

Very truly yours,

James Bruce

Attorney for Gillespie-Crow, Inc.

cc: William F Carr (via fax)

[2]This offer was made to Yates and Hanley yesterday, but refused.