



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

July 20, 1999

Gillespie Oil, Inc.
c/o James Bruce
P. O. Box 2265
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Re: Case No. 12171: Application for Unit Expansion, Statutory
Unitization, and Qualification of the Expanded Area for the Recovered Oil
Tax Rate and Certification of a Positive Production Response Pursuant to the
"New Mexico Enhanced Oil Recovery Act, " Lea County, New Mexico.

Dear Mr. Bruce:

Reference is made to your letter dated July 17, 1999 (see copy attached) requesting an extension of time in which to provide me with a proposed draft order in this matter. This one time request shall be granted. If, however, a proposed order has not been received in this office by 5:00 p.m. MDST on July 26, 1999, I will: (i) take the necessary steps in issuing a subsequent directive in Division Order No. R-10448 that cancels the authority to inject gas into the West Lovington Strawn Unit Well No. 7 (API No. 30-025-31646), formerly the Speight Fee Well No. 1, located 660 feet from the North line and 2310 feet from the West line (Lot 3/Unit C) of irregular Section 1, Township 16 South, Range 35 East, NMPM, Lea County, New Mexico; and (ii) issue an order in this case solely based on record that was presented at the hearing on May 27, 1999.

Thank you for your cooperation.

Sincerely,

Michael E. Stogner
Acting Director

cc: Scott Hall - Santa Fe [Telefax No. (505) 989-9857]
W. Thomas Kellahin - Santa Fe [Telefax No. (505) 982-2047]
William F. Carr - Santa Fe [Telefax No. (505) 983-6043]
Paul Cooter - Albuquerque [Telefax No. (505) 746-5480]
Case File 12171
Chris Williams, Supervisor - NMOCD, Hobbs
Rand Carroll, Legal Counsel - NMOCD, Santa Fe
Florene Davidson - OCD, Santa Fe
Ms. Lori Wrotenbery, Director - NMOCD, Santa Fe