

Gillespie-Crow, Inc.

*Oil & Gas
Exploration & Production
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October 19, 1995

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attention: Mr. William J. LeMay

Re: Request for Authorization
of Off Lease Storage
State "S" Well No. 1
1650' FSL & 1650' FEL
Section 34, T-15-S, R-35-E
Lea County, New Mexico

Dear Mr. LeMay:

Pursuant to the provisions of Rule 309-C of the Division Rules and Regulations, Gillespie-Crow, Inc. hereby requests administrative approval to transport production prior to measurement from its State "S" No. 1 well located in the NW/4 SE/4 of Section 34, Township 15 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and store it off-lease at a location in the NW/4 SW/4 of the same Section 34.

This request is being made because the subject well is located near the surface owner of the lands residence and he has concerns about a tank battery being constructed to close to his home. Furthermore, Amoco, who will buy the crude oil, and Feagan Gathering, who will buy the casinghead gas, already have existing pipelines at the proposed battery site, and electricity is also available there, which will save everyone involved from additional expenses.

The State "S" No. 1 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, an 80 acres proration unit consisting of the W/2 SE/4 of Section 34, T-15-S, R-35-E, will be communitized (see attachments). State of New Mexico Oil and Gas Leases No. VA-644 and No. VC-0011 are the two leases which will make up the required proration unit.