

BEFORE THE
OIL CONSERVATION DIVISION
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

RECEIVED

IN THE MATTER OF THE APPLICATION
OF STEVENS OPERATING CORPORATION
FOR DIRECTIONAL DRILLING AND AN
UNORTHODOX WELL LOCATION,
CHAVES COUNTY, NEW MEXICO.

FEB 25 1991

OIL CONSERVATION DIV.
SANTA FE

CASE NO. 10271

APPLICATION

COMES NOW STEVENS OPERATING CORPORATION, through its undersigned attorneys, and hereby makes application pursuant to Oil Conservation Division Rule 111 for an Order authorizing the directional drilling of the Intex No. 1 Gulf State Well and for an unorthodox bottomhole location for said well and in support thereof states:

1. Applicant is the operator of a 320-acre state oil and gas lease in the N/2 of Section 11, Township 13 South, Range 28 East, N.M.P.M. Chaves County, New Mexico.
2. Applicant proposes to reenter the Intex No. 1 Gulf State Well which was drilled to 8840 in 1959 and is located 660 feet from the North and East lines of Section 11 and plug back, then directionally drill this well to a true vertical depth of approximately 8800 feet with a bottomhole location within a target area located from 130 feet to 530 feet from the North line and from 1400 feet to 1800 feet from the East line of said Section 11.
3. Applicant is also seeking approval of a possible unorthodox well location for the well to be located within the bottomhole target in the event the bottomhole location is closer to the North line of Section 11 or farther to the east in a standard forty acre

proration unit than permitted by Division rules.

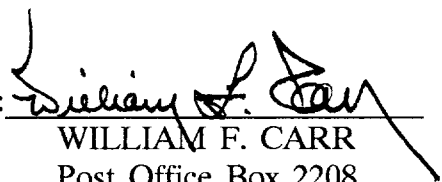
4. The directional drilling of this well will reduce the cost of developing this acreage and thereby will enable applicant to produce the reserves which underlie this proration unit in the most efficient and economical manner.

5. Approval of this Application will enable the Applicant to produce hydrocarbons that otherwise would not be recovered and will otherwise be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on March 21, 1991, that notice be given as required by law and the rules of the Division, and that the Division enter its Order granting Stevens Operating Corporation authority to reenter and directionally drill the Intex No. 1 Gulf State Well to a standard or, in the alternative non-standard bottomhole location as provided herein above and granting such other relief as is appropriate.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

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