

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

IN THE MATTER OF THE APPLICATION
OF STEVENS OPERATING CORPORATION
FOR POOL CREATION, SPECIAL POOL RULES,
AND A DISCOVERY ALLOWABLE,
CHAVES COUNTY, NEW MEXICO.

RECEIVED
APR 11 1981
OIL CONSERVATION DIVISION

CASE NO. _____

APPLICATION

STEVENS OPERATING CORPORATION, by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an order (1) designating a new pool as result of discovery of hydrocarbons in the Devonian formation in its McClellan No. 1 Federal Well located 2,190 feet from the North line and 1,990 feet from the East line in Unit H of Section 28, Township 13 South, Range 29 East, N.M.P.M. Chaves County, New Mexico, (2) promulgating special rules and regulations for this pool, including (a) 160-acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis; (b) the dedication of the NE/4 of said Section 28 to the McClellan No. 1 Federal Well, and (c) special well location requirements and (3) assignment of a discovery allowable, and in support of this application states:

1. Applicant has recently completed its McClellan No. 1 Federal Well in the Devonian formation, capable of producing oil and gas in paying quantities located 2,190 feet from the North line and 1,990 feet from the East line of Section 28, Township 13 South, Range 29 East, Chaves County, New Mexico. Said well is producing through the

open hole from 9,843 feet to 9,848 feet and was swab tested at a calculated rate of 552 barrels of oil per day.

2. Applicant believes that the following described lands are reasonably proven to be productive of oil and gas in paying quantities from the Devonian formation and should be included in the original definition of the pool to be created because of this discovery:

²⁹
Township 13 South, Range ~~35~~ East, N.M.P.M.

Section 28: NE/4

3. In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and otherwise prevent waste and protect correlative rights, special rules and regulations providing for 160-acre spacing units should be promulgated for the new pool.

4. Applicant respectfully requests that the special pool rules provide that each well should be located on a standard unit containing 160-acres, more or less, consisting of a governmental quarter section and that each well shall be located no closer than 330 feet to the outer boundary of the spacing unit.

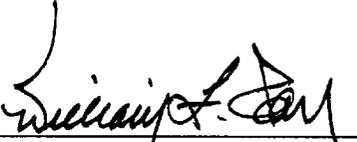
5. Pursuant to the provisions of Division Rule 509, Stevens Operating Corporation seeks assignment of a discovery allowable to its McClellan No. 1 Federal Well.

WHEREFORE, Stevens Operating Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 16, 1991, that notice be given as required by law and the rules of the Division, and that the

application be approved.

Respectfully submitted,

CAMPBELL & BLACK, P.A.

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