

STEVENS OPERATING CORPORATION

118 WEST FIRST STREET

P. O. BOX 2203

ROSWELL, NEW MEXICO 88201

505 /622-7273

JUN 21 1982

OIL CONSERVATION

SANTA FE

June 18, 1982

Secretary-Director
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Stevens Operating Corporation seeks an exception to Rule 309-A under the provisions of 309-C to permit the production from its O'Brien "DB" Lease located in the S/2 of Section 12, Township 9 South, Range 28 East, Chaves County, New Mexico to be transported prior to measurement to its tank battery located in Unit D of Section 1, Township 9 South, Range 28 East, Chaves County, New Mexico, for storage thereon. The only current producing well on the O'Brien "DB" Lease is the No. 1 well located in Unit I of Section 12. Other wells will be drilled including the No. 2 as shown. The ownership of the O'Brien "DB" Lease is as follows:

1. Stevens Oil Company has a 68.75% working interest, Tenneco Oil Company has a 12.50% working interest and TXO has an 18.75% working interest.
2. The royalty interest is owned as follows: Moon Company has 75% of 3/16, Marshall & Winston, Inc., et al, has 12.50% of 1/4, Tenneco has 12.50% of 1/8, Columbia Oil and Gas has an overriding royalty of 18.75% of 3/16 and J. M. Huber has an overriding royalty of 18.75% of 3/8.

The ownership of Unit D of Section 1, Township 9 South, Range 28 East, Chaves County, New Mexico is as follows:

1. Stevens Oil Company has a 100% working interest.
2. The royalty interest is owned as follows: Moon Company has 75% of 1/8, Tenneco has 6.25% of 1/8, Marshall & Winston, Inc., et al, has 6.25% of 1/8 and Barbara Sweeney has an overriding royalty of 3.125% of 7/8.

Enclosed is a plat showing the wells on the leases and the location of the tank battery and flowlines. The flowlines and battery are marked in red.

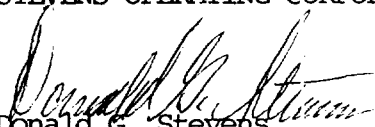
June 18, 1982

This excellent battery is unused at this time, being formerly a part of the O'Brien "C" Battery, and a considerable investment savings will be effected by returning it to use. No increase in back pressure due to the long flowline will result since a separate flowline for gas from the annulus will be run to the separator at the battery. Ease of operation cost and security will be enhanced by the location adjacent to the O'Brien "C" Battery. The surface owner of the land prefers this location since less road will be caliched, it will not be necessary to caliche additional roadways and it tends to concentrate tank batteries rather than having them scattered throughout the field. The application further states:

1. All production between the two leases is from the same common source of supply.
2. Commingling of production from the two leases will not result.
3. There will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease.
4. All parties owning a working or royalty interest in the leases have been notified by certified mail of Stevens Operating Corporation's intent to transport as set out herein, evidenced by the enclosed copies of the receipts.

Yours very truly,

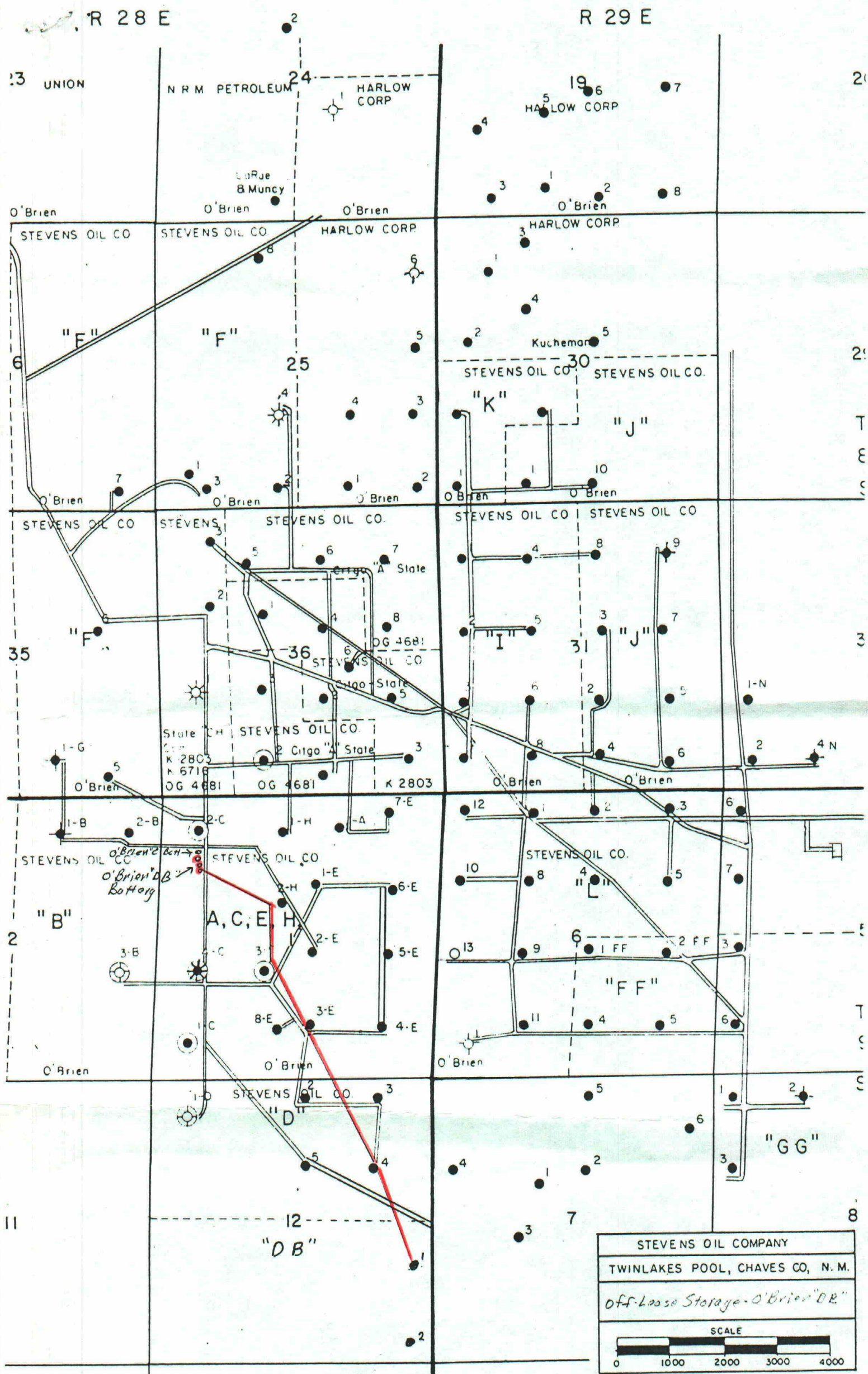
STEVENS OPERATING CORPORATION



Donald G. Stevens
President

DGS/pt

Enclosures



RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

| | | | | | |
|---|--|-------------------|-------------------------|-----------------------------|--|
| SENT TO Moon Company, Trustee STREET AND NO. P. O. Box 9588 P.O. STATE AND ZIP CODE Amarillo, TX 79105 | | POSTAGE \$.20 | CERTIFIED FEE \$.75 | CONSULT POSTMASTER FOR FEES | |
| SPECIAL DELIVERY RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY | | | | | |
| RETURN RECEIPT SERVICE | | | | | |
| OPTIONAL SERVICES | | | | | |
| TOTAL POSTAGE AND FEES | | \$ 1.55 | | | |
| POSTMARK OR DATE | | JUN 172 | | | |

PS Form 3800, Apr. 1976

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

| | | | | | |
|--|--|-------------------|-------------------------|-----------------------------|--|
| SENT TO Columbia Gas Development Attn: Exploration Mgr STREET AND NO. P. O. Box 1350 P.O. STATE AND ZIP CODE Houston, TX 77001 | | POSTAGE \$.20 | CERTIFIED FEE \$.75 | CONSULT POSTMASTER FOR FEES | |
| SPECIAL DELIVERY RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY | | | | | |
| RETURN RECEIPT SERVICE | | | | | |
| OPTIONAL SERVICES | | | | | |
| TOTAL POSTAGE AND FEES | | \$ 1.55 | | | |
| POSTMARK OR DATE | | JUN 172 | | | |

PS Form 3800, Apr. 1976

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

| | | | | | |
|---|--|-------------------|-------------------------|-----------------------------|--|
| SENT TO TXO Production Corporation STREET AND NO. 900 Wilco Building P.O. STATE AND ZIP CODE Midland, TX 79701 | | POSTAGE \$.20 | CERTIFIED FEE \$.75 | CONSULT POSTMASTER FOR FEES | |
| SPECIAL DELIVERY RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY | | | | | |
| RETURN RECEIPT SERVICE | | | | | |
| OPTIONAL SERVICES | | | | | |
| TOTAL POSTAGE AND FEES | | \$ 1.55 | | | |
| POSTMARK OR DATE | | JUN 172 | | | |

PS Form 3800, Apr. 1976

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

| | | | | | |
|---|--|-------------------|-------------------------|-----------------------------|--|
| SENT TO TXO Production Company STREET AND NO. 2700 Fidelity Union Tower P.O. STATE AND ZIP CODE Dallas, TX 75201 | | POSTAGE \$.20 | CERTIFIED FEE \$.75 | CONSULT POSTMASTER FOR FEES | |
| SPECIAL DELIVERY RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY | | | | | |
| RETURN RECEIPT SERVICE | | | | | |
| OPTIONAL SERVICES | | | | | |
| TOTAL POSTAGE AND FEES | | \$ 1.55 | | | |
| POSTMARK OR DATE | | JUN 172 | | | |

PS Form 3800, Apr. 1976

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

| | | | | | |
|---|--|-------------------|-------------------------|-----------------------------|--|
| SENT TO Barbara Sweeney STREET AND NO. P. O. Box 2148 P.O. STATE AND ZIP CODE Santa Fe, NM 87501 | | POSTAGE \$.20 | CERTIFIED FEE \$.75 | CONSULT POSTMASTER FOR FEES | |
| SPECIAL DELIVERY RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY | | | | | |
| RETURN RECEIPT SERVICE | | | | | |
| OPTIONAL SERVICES | | | | | |
| TOTAL POSTAGE AND FEES | | \$ 1.55 | | | |
| POSTMARK OR DATE | | JUN 172 | | | |

PS Form 3800, Apr. 1976

P 324 575 008

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

| | | | | | |
|--|--|-------------------|-------------------------|-----------------------------|--|
| SENT TO Tenneco Oil Company STREET AND NO. Suite 6800 Park Ten Blvd, 200N P.O. STATE AND ZIP CODE San Antonio, TX 78213 | | POSTAGE \$.20 | CERTIFIED FEE \$.75 | CONSULT POSTMASTER FOR FEES | |
| SPECIAL DELIVERY RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY | | | | | |
| RETURN RECEIPT SERVICE | | | | | |
| OPTIONAL SERVICES | | | | | |
| TOTAL POSTAGE AND FEES | | \$ 1.55 | | | |
| POSTMARK OR DATE | | JUN 172 | | | |

PS Form 3800, Apr. 1976

P 324 575 006

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

| | | | | | |
|---|--|-------------------|-------------------------|-----------------------------|--|
| SENT TO Marshall & Winston, Inc STREET AND NO. P. O. Box 874 P.O. STATE AND ZIP CODE Midland, TX 79701 | | POSTAGE \$.20 | CERTIFIED FEE \$.75 | CONSULT POSTMASTER FOR FEES | |
| SPECIAL DELIVERY RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY | | | | | |
| RETURN RECEIPT SERVICE | | | | | |
| OPTIONAL SERVICES | | | | | |
| TOTAL POSTAGE AND FEES | | \$ 1.55 | | | |
| POSTMARK OR DATE | | JUN 172 | | | |

PS Form 3800, Apr. 1976

P 324 575 007

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL
(See Reverse)

| | | | | | |
|---|--|-------------------|-------------------------|-----------------------------|--|
| SENT TO J. M. Huber Corporation STREET AND NO. 1900 Wilco Bldg P.O. STATE AND ZIP CODE Midland, TX 79701 | | POSTAGE \$.20 | CERTIFIED FEE \$.75 | CONSULT POSTMASTER FOR FEES | |
| SPECIAL DELIVERY RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY | | | | | |
| SHOW TO WHOM AND DATE DELIVERED WITH RESTRICTED DELIVERY | | | | | |
| SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY WITH RESTRICTED DELIVERY | | | | | |
| RETURN RECEIPT SERVICE | | | | | |
| OPTIONAL SERVICES | | | | | |
| TOTAL POSTAGE AND FEES | | \$ 1.55 | | | |
| POSTMARK OR DATE | | JUN 172 | | | |

PS Form 3800, Apr. 1976