## STEVENS OIL COMPANY

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December 24, 1979

DON STEVENS CURTIS STEVENS 505-622-7273

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

## Gentlemen:

Stevens Oil Company seeks an exception to Rule 309-A under the provisions of 309-C to permit the production from its O'Brien "J" lease located in the SE $\frac{1}{4}$ SW $\frac{1}{4}$  and SE $\frac{1}{4}$  Section 30, and E $\frac{1}{2}$ Section 31, Township 8 South, Range 29 East, Chaves County, New Mexico, to be transported prior to measurement to its Citgo-State "A" lease located in Unit A of Section 36, Township 8 South, Range 28 East, Chaves County, New Mexico for storage thereon. The only current producing well on the O'Brien "J" lease is the No. 1 well located in Unit N of Section 30. The ownership of the O'Brien "J" lease is as follows:

- Stevens Oil Company is the operator with a 100.00% 1. working interest.
- 2. The royalty interest is owned as follows: W. B. O'Brien et al 75.0%, Tenneco, Inc. 12.5%, Marshall & Winston, Inc., et al 12.5%.

The ownership of Unit A of Section 36, Township 8 South, Range 28 East, Chaves County, New Mexico is as follows:

Stevens Oil Company is the operator with a 100% working

OF COME OPERator with a 100% workin GEO 200329 Overriding royalties are owned by H. Lee Harvard 1%, George Conley 2%, Len Mayer .5%, Robert L. Haynie .5%. OIL COME WATE The State of New Mexico is the

SANTA E The State of New Mexico is the owner of a 12.5% royalty interest.

Enclosed is a plat showing the wells on the leases and the location of the projected tank battery and flowlines. The tank battery has been located in this site to take advantage of shorter existing roads and considerably lessened expense in emplacing caliche for all weather use of the roads. The roads to the tank battery are flat and smooth while roads to the wellsite lease are

Secretary-Director

rough, traversing high sand dunes and mesquite hillocks, which would necessitate considerable time and expense to prepare for oil tank trucks. Cost will also be reduced since caliche is available at the tank battery site and is unavailable on the wellsite lease. 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 applicant further states:

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- 1. All production between the two leases is from the same common source of supply.
- 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 lease have consented in writing to the off-lease storage or will consent in writing to the off-lease storage or have been mailed registered certified mail of Stevens Oil Company's intent to transport as set out herein. Evidence of the above will be furnished the Division.
- 5. State lands are involved and evidence will be furnished that the Commissioner of Public Lands will consent to the proposed off-lease storage.

Yours very truly,

STEVENS OIL COMPANY

Donald G. Stevens

Enclosure 

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