

NEW MEXICO OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

OFF-LEASE STORAGE ORDER OLS-123

Company: Stevens Oil Company
Address: P. O. Box 2203
City, State, Zip: Roswell, New Mexico 88201

Attention:

As an exception to the requirements of Rule 309-A of the Division Rules and Regulations, and pursuant to the provisions of Rule 309-C, the above-named company is hereby authorized off-lease storage for pool production from the following lease:

Lease Name: O'Brien "D"
Description: N/2 Sec. 12, T-9-S, R-28-E, Chaves County

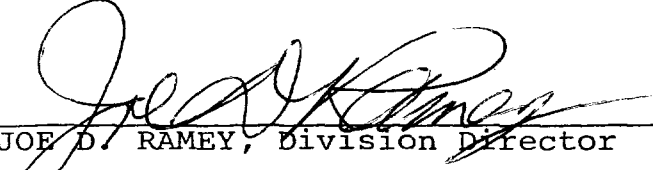
The aforesaid production is to be transported prior to measurement to its own tank battery to be located in

Unit Letter M Section 1 Township 9 South Range 28 East
on the O'Brien "C" Lease.

Note: This installation shall be operated in accordance with the provisions of Rules 309-A and 309-B of the Division Rules and Regulations, and there shall be no intercommunication of the handling, separating, treating, or storage facilities designated to each of the above leases.

REMARKS:

DONE at Santa Fe, New Mexico, on this 3rd day of December, 1980.


JOE D. RAMEY, Division Director

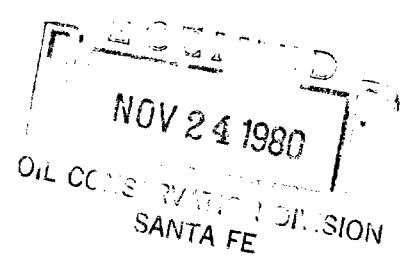
cc: Oil Conservation Division - Artesia
Oil & Gas Engineering Committee - Hobbs

STEVENS OIL COMPANY

919 SECURITY NATIONAL BLDG.

P. O. BOX 2203

ROSWELL, NEW MEXICO 88201



DON STEVENS
CURTIS STEVENS
505-622-7273

November 19, 1980

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 "D" lease located in the N/2 Section 12, Township 9 South, Range 28 East, Chaves County, New Mexico, to be transported prior to measurement to its O'Brien "C" abandoned tank battery located in Unit M 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 "D" lease is the No. 2 well located in Unit B of Section 12. The ownership of the O'Brien "D" lease is as follows:

1. Stevens Oil Company is the operator with a 87.5% working interest and Tenneco Oil Company has a 12.5% working interest.
2. The royalty interest is owned as follows: W. B. O'Brien, et al 75.0% and Marshall & Winston, Inc., et al 12.5%.

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

1. Stevens Oil Company is the operator with a 100% working interest.
2. The royalty interest is the same as in the "D" lease.

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 the existing excellent tank battery on the "C" lease. The surface owner of the land prefers this location since

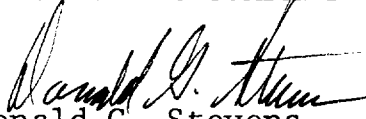
November 19, 1980

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:

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 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 shortly.

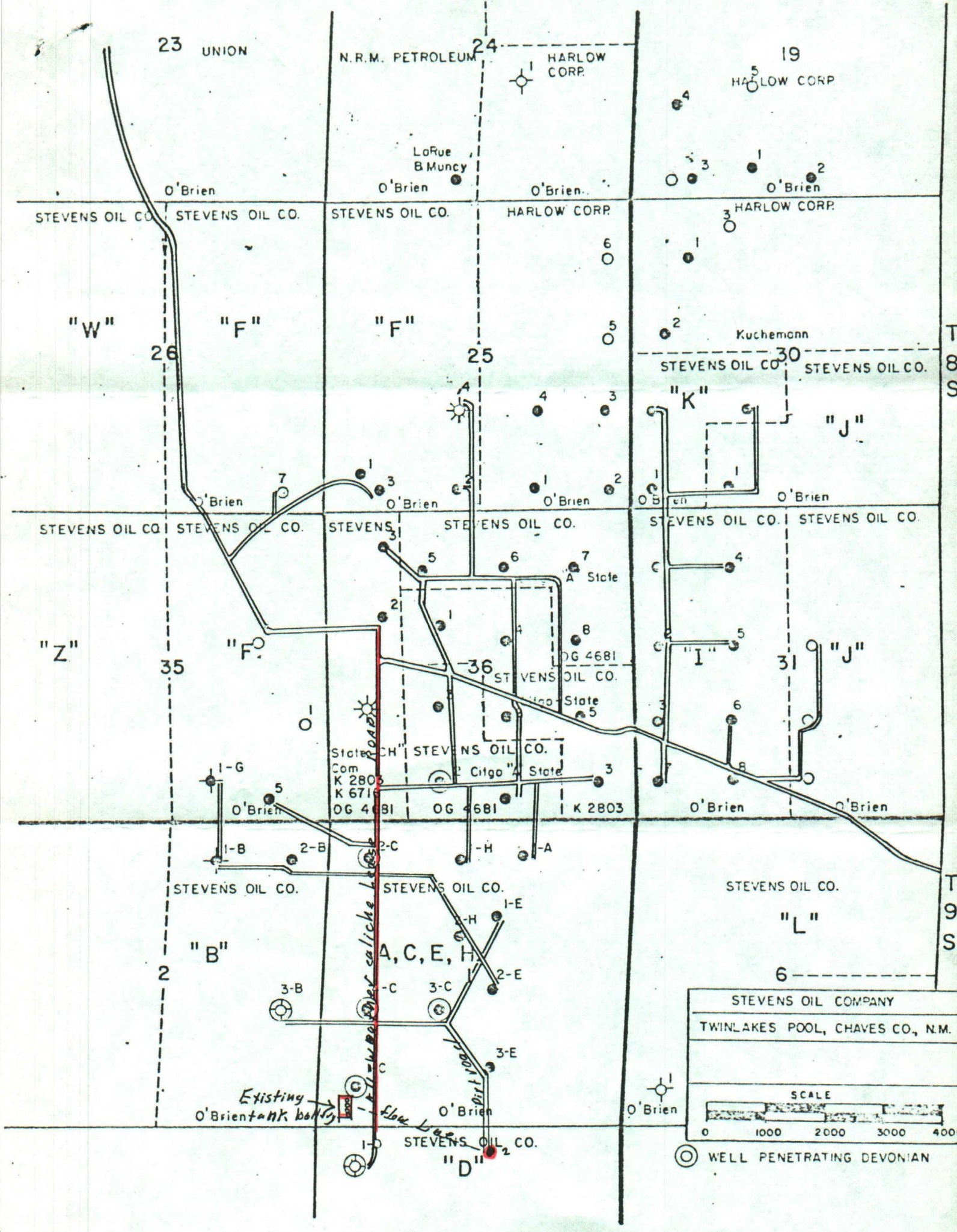
Yours very truly,

STEVENS OIL COMPANY


Donald G. Stevens

DGS/rpt

Encl.



STEVENS OIL COMPANY
 TWINLAKES POOL, CHAVES CO., N.M.

SCALE
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WELL PENETRATING DEVONIAN