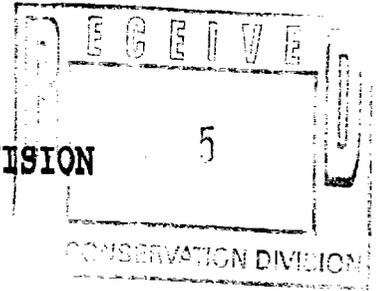


BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION



APPLICATION OF STEVENS & TULL,
INC. FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 11662

APPLICATION

Stevens & Tull, Inc. hereby makes application for an order pooling all interests from the surface to the base of the Abo formation underlying the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 24, Township 20 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and in support thereof states:

1. Applicant is a working interest owner in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 24, and has the right to drill a well thereon.

2. Applicant proposes to drill its S&T 24 Well No. 1 at a location 1980 feet from the South and West lines of Section 24, to a depth sufficient to test the Abo formation (approximately 8000 feet subsurface), and seeks to dedicate the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 24 for all pools or formations spaced on 40 acres, including the Blinebry Oil and Gas Pool, the Undesignated DK-Drinkard Pool, and the Undesignated DK-Abo Pool.

3. Applicant has in good faith sought the voluntary joinder of all other mineral interest owners in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 24 for the purposes set forth herein.

4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, Applicant seeks an order

pooling all mineral interest owners in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 24, pursuant to N.M. Stat. Ann. § 70-2-17 (1995 Repl.).

5. Applicant requests the Division to consider the cost of drilling and completing the well, the allocation of the cost thereof, as well as actual operating charges and costs charged for supervision. Applicant requests that it be designated the operator of the well, and that the Division set a penalty for the risk involved in drilling the well.

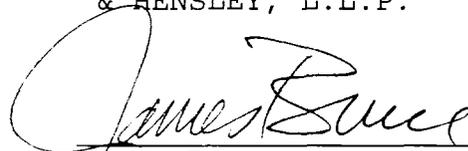
6. The pooling of all interests underlying the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 24 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. Applicant requests that this matter be heard at the November 21, 1996 Examiner hearing.

WHEREFORE, Applicant requests that, after hearing, the Division grant the relief requested above.

Respectfully submitted,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.



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