

STEVENS OIL COMPANY

118 WEST FIRST STREET

P. O. BOX 2203

ROSWELL, NEW MEXICO 88201

505 /622-7273

May 7, 1984

Harlow Corporation
501 Amarillo Petroleum Bldg.
Amarillo, Texas 79101

ATTENTION: Bill Harlow

Re: Lynx #1
Township 8 South, Range 29 East
Section 19: All
Chaves County, New Mexico

Gentlemen:

We attach hereto an AFE in regards for the drilling of the Lynx #1 Well to be located at the SW/4NE/4 of Section 19 as captioned above in Chaves County, New Mexico. We have negotiated farmouts from TXO, Columbia, Huber and Tenneco for the interests in Section 19.

If it is your desire to participate in the drilling of this well, please indicate by signing in the lower left hand corner of this letter, keeping one copy for yourself and returning the original to us as soon as possible, along with a copy of the executed AFE.

Should you desire to farmout we offer you substantially the same terms that Harlow originally negotiated with the above owners, i.e., 1/16th overriding royalty convertible to 25% working interest after payout with 120 days continuous drilling per proration unit.

Due to the short time fuse of this prospect, we ask your approval or refusal by May 15, 1984.

Yours very truly,

STEVENS OIL COMPANY

Mary Irene Stevens

Land Manager

MIS/clw

ACCEPTED THIS _____ day of
May, 1984 by: _____

BEFORE EXAMINER STAMETS
OIL CONSERVATION DIVISION
EXHIBIT NO. <u>7</u>
CASE NO. <u>88251</u>
Submitted by <u>Stevens</u>
Hearing Date <u>6-6-84</u>

ERNEST L. PADILLA
ATTORNEY AND COUNSELOR AT LAW

First Northern Plaza
P.O. Box 2523
Santa Fe, New Mexico 87501
(505) 9887577

May 24, 1984

CERTIFIED MAIL

The Harlow Corporation
600 Petroleum Building
Amarillo, Texas 79101

ATTN: W.V. Harlow, President

RE: Stevens Operating Corporation;
N/2 of Section 19, Township 8 South
Range 29 East, NMPM, Chaves County,
New Mexico

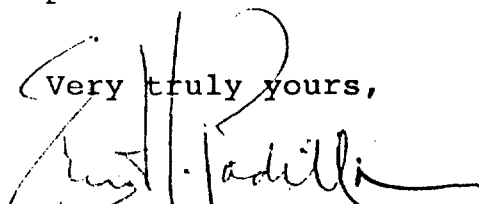
BEFORE EXAMINER	DATE
OIL CONSERVATION DIVISION	
EXHIBIT NO.	5
CASE NO.	8225
Submitted by	Stevens
Hearing Date	6-6-84

Gentlemen:

Inasmuch as you have been unable to reach an agreement with Stevens Operating Corporation for the drilling of a well sufficient to test the Fusselman formation underlying the above referenced lands, Stevens has retained my services to force-pool said lands.

This letter and the enclosed copy of Stevens' application will constitute notice to you that a hearing on the application will be docketed for June 6, 1984, before the New Mexico Oil Conservation Division.

Should you have any questions concerning this, please let me know. Similarly, should you decide to voluntarily join, please call me or Stevens Operating Corporation in Roswell.

Very truly yours,

Ernest L. Padilla

ELP/bv
cc: Stevens Operating Corp.

P 506 056 925

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	
The Harlow Corporation	
Street and No.	
600 Petroleum Bldg.	
P.O., State and ZIP Code	
Amarillo, TX 79101	
Postage	\$ 20
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	.60
Return Receipt Showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 1.55
Postmark or Date	
MAY 24 1984	

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL	
PS Form 3800, Feb. 1982	
1. The following service is requested (check one):	
<input checked="" type="checkbox"/> Show to whom and date delivered	60c
<input type="checkbox"/> Show to whom, date, and address of delivery	—c
2. RESTRICTED DELIVERY (The restricted delivery fee is charged in addition to the return receipt fee.)	
TOTAL \$	
3. ARTICLE ADDRESSED TO:	
THE HARLOW CORPORATION 600 PETROLEUM BLDG. AMARILLO, TX 79101	
4. TYPE OF SERVICE:	
<input checked="" type="checkbox"/> REGISTERED	INSURED
<input checked="" type="checkbox"/> CERTIFIED	COD
<input type="checkbox"/> EXPRESS MAIL	
ARTICLE NUMBER	
P506056925	
(Always obtain signature of addressee or agent)	
I have received the article described above.	
SIGNATURE <input type="checkbox"/> Addressee <input type="checkbox"/> Authorized agent	
5. DATE OF DELIVERY	
5-24-84	
6. ADDRESSEE'S ADDRESS (Only if requested)	
7. UNABLE TO DELIVER BECAUSE:	
7a. EMPLOYEE'S INITIALS	

STEVENS OPERATING CORPORATION

P.O. BOX 2203 • ROSWELL, N.M. 88202-2203 • (505) 622-7273

AUTHORIZATION FOR EXPENDITURE

WELL NAME: Stevens Operating Corporation Lynx #1

DATE: April 23, 1984

LOCATION: SW/4NE/4 Sec. 19, T8S, R29E 1815FNL #1980FEL

EST. SPUD DATE: JUNE 1 84
May 15, 1984

AUTHORITY IS REQUESTED TO: Drill Well (Fusselman)

EST. COMPLETION: JULY 1 84
June 10, 1984

TANGIBLE COSTS:

Drilling Footage 7500 at \$18.00 /ft.
-Daywork 2 days at \$4,000.00 /day
-Other 16" Conductor & Cmt.
Mud & Chemical _____
Line & Water _____
Cement -Surface 8 5/8
-Intermediate _____
-Plug _____
Location-Road Pad & Cleanup (pits Line) _____
-Survey, etc. & Legal _____
-Damages _____
Services-Logging _____
-Testing 3 Dst @ 7,000.00 incl. rig time
-Coring & Analysis _____
-Completion Unit 3 zones 4 days ea. 12 days X 1000.00
-Perforating 3 zones @ 5,000.00
-Treating-Acidizing 3 zones @ 10,000
-Fracturing _____
-Other Casing crew for 5 1/2
Hauling -Oil, Water, etc. _____
-Equipment _____
Rental Equipment Hot wire 50' above P-1 20 days @ 300.00
Engineering & Geological _____
Supplies _____
Insurance _____
Management Fee _____
Contingencies _____

Total Intangibles

INTANGIBLE:

Casing _____ Surface 300' of 13 3/8" at \$20.00/ft.
_____ Intermediate 2100' of 8 5/8" at \$9.00/ft.
_____ Production 7500' of 5 1/2" at \$6.50/ft.
Logging 7400' of 2 3/8" at \$2.60/ft.

Wellheads 13 3/8 8 5/8 5 1/2

Artificial Lift _____
-Rods _____ of _____ at \$ _____ /ft.
-Rods _____ of _____ at \$ _____ /ft.
-Pump _____

Bank Battery-Tanks _____
-Treater or Separator _____
-Fittings _____
-Flowlines _____
-Labor & Dirtwork _____
Other Bought Coat 2000' 5 1/2

Total Tangibles

TOTAL COSTS

AUTHORIZATION REQUESTED
STEVENS OPERATING CORPORATION

ESTIMATED COST

Dry Hole	Completion	
\$ 135,000	\$	\$135,000
8,000		8,000
3,000		3,000
25,000		25,000
5,000		5,000
4,000		4,000
	18,000	18,000
10,000		
13,000		13,000
3,000		3,000
3,000		3,000
19,000		19,000
21,000		21,000
	12,000	12,000
	15,000	15,000
	30,000	30,000
	1,500	1,500
4,000	1,000	5,000
6,000		6,000
6,000		6,000
500		500
4,000		4,000
13,475	3,875	17,350
\$ 282,975	\$ 81,375	\$354,350
\$ 6,000	\$	\$ 6,000
18,900		18,900
	48,750	48,750
	19,240	19,240
10,200	7,800	18,000
	3,500	3,500
	3,100	3,100
	4,400	4,400
	1,000	1,000
	2,500	2,500
	6,500	6,500
\$ 35,100	\$ 96,790	\$131,890
\$ 318,075	\$ 178,165	\$486,240

BEFORE EXAMINER
OIL CONSERVATION DIVISION

EXHIBIT NO. 6

CASE NO. 8225

Submitted by Stevens

Hearing Date 6-6-1984

By: _____

Date: _____

AUTHORIZATION APPROVED

1983 Survey of Combined Fixed Rate Overhead Charges for Oil and Gas Producers



Prepared in cooperation with:
 Independent Petroleum Association of
 New Mexico
 Permian Basin Petroleum Association
 Texas Independent Producers &
 Royalty Owners Association
 North Texas Oil & Gas Association
 Louisiana Association of Independent
 Producers & Royalty Owners
 Ohio Oil & Gas Association
 Michigan Oil & Gas Association
 Tennessee Oil & Gas Association
 California Independent Producers Association

E & W **Emisi & Whinnery**

Emisi & Whinnery, Inc. 10000 100th Ave. N.W. Minneapolis, MN 55412

E & W **Emisi & Whinnery**

Survey Results

Region: West Texas & Eastern New Mexico-5

Oil Wells

Depth in Feet			Monthly Drilling Well Rates		Monthly Producing Well Rates	
But			Average		Average	
Over	Not Over	Responses	or Mean	Median	or Mean	Median
0 -	5,000	168	\$ 2,805	\$ 2,460	\$ 280	\$ 280
5,000 -	10,000	140	3,375	3,350	340	345
10,000 -	15,000	56	4,265	4,000	430	400
15,000 -	20,000	16	4,565	4,750	485	475
20,000		8	5,300	4,500	515	500
No Depth Limit		37	3,835	4,100	415	440

Gas Wells

Depth in Feet		Responses	Monthly Drilling Well Rates		Monthly Producing Well Rates	
But			Average or Mean	Median	Average or Mean	Median
Over	Not Over					
0 -	5,000	111	\$ 2,780	\$ 2,510	\$ 270	\$ 290
5,000 -	10,000	95	3,495	3,530	345	350
10,000 -	15,000	46	4,675	4,500	420	430
15,000 -	20,000	17	4,950	4,965	500	495
20,000		8	6,015	5,590	530	550
No Depth Limit		30	3,925	4,000	415	410

BEFORE EXAMINER STARTS
OIL CONSERVATION DIVISION
PCD EXHIBIT NO. <u>7</u>
CASE NO. <u>8225</u>
Submitted by <u>Stevens</u>
Hearing Date <u>June 6, 1984</u>