

STEVENS OIL COMPANY RECEIVED

919 SECURITY NATIONAL BLDG.

P. O. BOX 2203

ROSWELL, NEW MEXICO 88201

MAY 9 1979

O. C. C.
ARTEDIA, OFFICE

DON STEVENS
CURTIS STEVENS
505-622-7273

May 9, 1979

*copy to O.C.C.
for review file*

Secretary-Director
N. H. Oil Conservation Commission
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 "K" lease located in the SW/4 SW/4 and N/2 SW/4 Section 30, 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 "K" lease is the No. 1 well located in Unit M of Section 30. The ownership of the O'Brien "K" lease is as follows:

1. Stevens Oil Company is the operator with a 62.5% working interest subject to reversion.
2. The Harlow Corporation is non-operator with a 37.5% working interest.
3. Texas Oil & Gas Corporation and Columbia Gas Development Corporation each own 7/32 reversionary interest after payout plus 100% non-consent penalty.
4. The royalty interest is owned as follows: W. B. O'Brien, et al 37.5% U. V. Industries 6.25%, Marshall & Winston Inc., et al 6.25%.

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

1. Stevens Oil Company is the operator with a 100% working interest.
2. Overriding royalties are owned by H. Lee Harvard 1%, George Conley 2%, Len Mayer .5%, Robert L. Haynie .5%.
3. The State of New Mexico is the owner of a 12.5% royalty interest.


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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 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:

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 Commission shortly.
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

DGS/rpt

Enclosure

R-28-E

HARLOW CORP.

HARLOW CORP.

STEVENS OIL CO.

STEVENS OIL CO.

26

25

--- 30 ---
STEVENS OIL CO.

O'Brien "K"
STEVENS OIL

O'Brien

O'Brien

STEVENS OIL CO.

STEVENS OIL CO.

STEVENS OIL

35

36

31

State "CH"
COM.
K 2803
K 6716
OG 4681

Cligo-St.
K-2803

Cligo-St. "A"
OG-4681

K-2803

I-G

O'Brien

I-B

2-B

STEVENS OIL CO.

2

Pierson

2-C

I-H

I-A

STEVENS OIL CO.

2-H

I-E

2-E

2-E

4-C

3-C

I-C

O'Brien

Nabob

I-D

STEVENS OIL CO.

Flow Line

Roads

Tank Battery

Subject Well

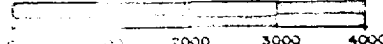
Caliche Pit

STEVENS OIL COMPANY

TWINLAKES POOL, CHAVES CO., N.M.

O'BRIEN "K" OFF LEASE STORAGE

SCALE



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3
S

T
9
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