

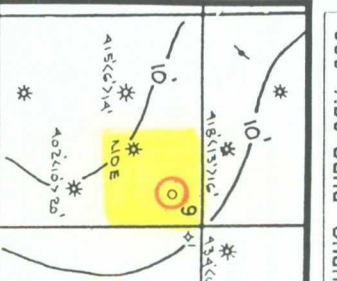
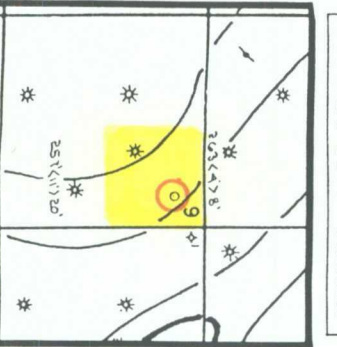
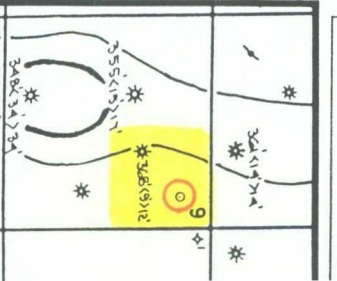
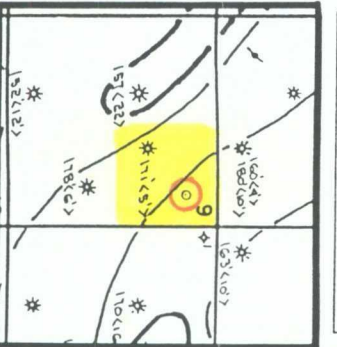
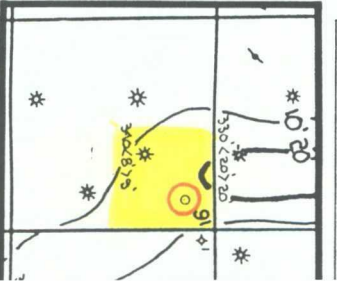
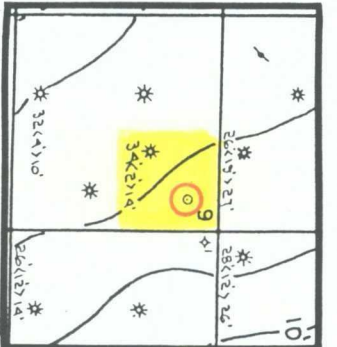
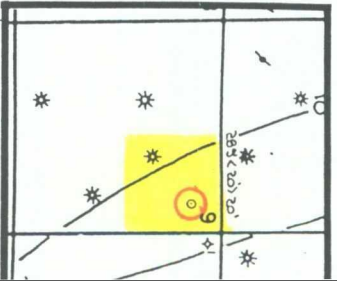
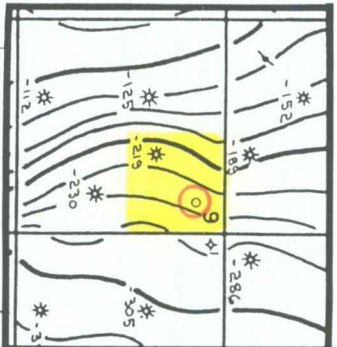
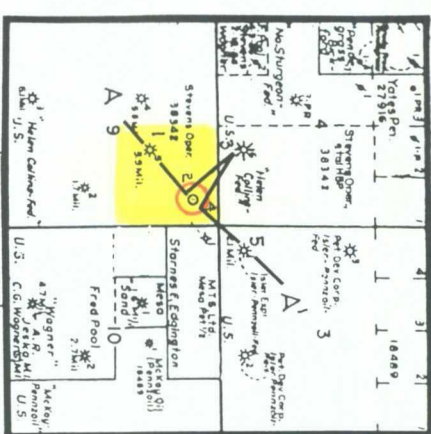
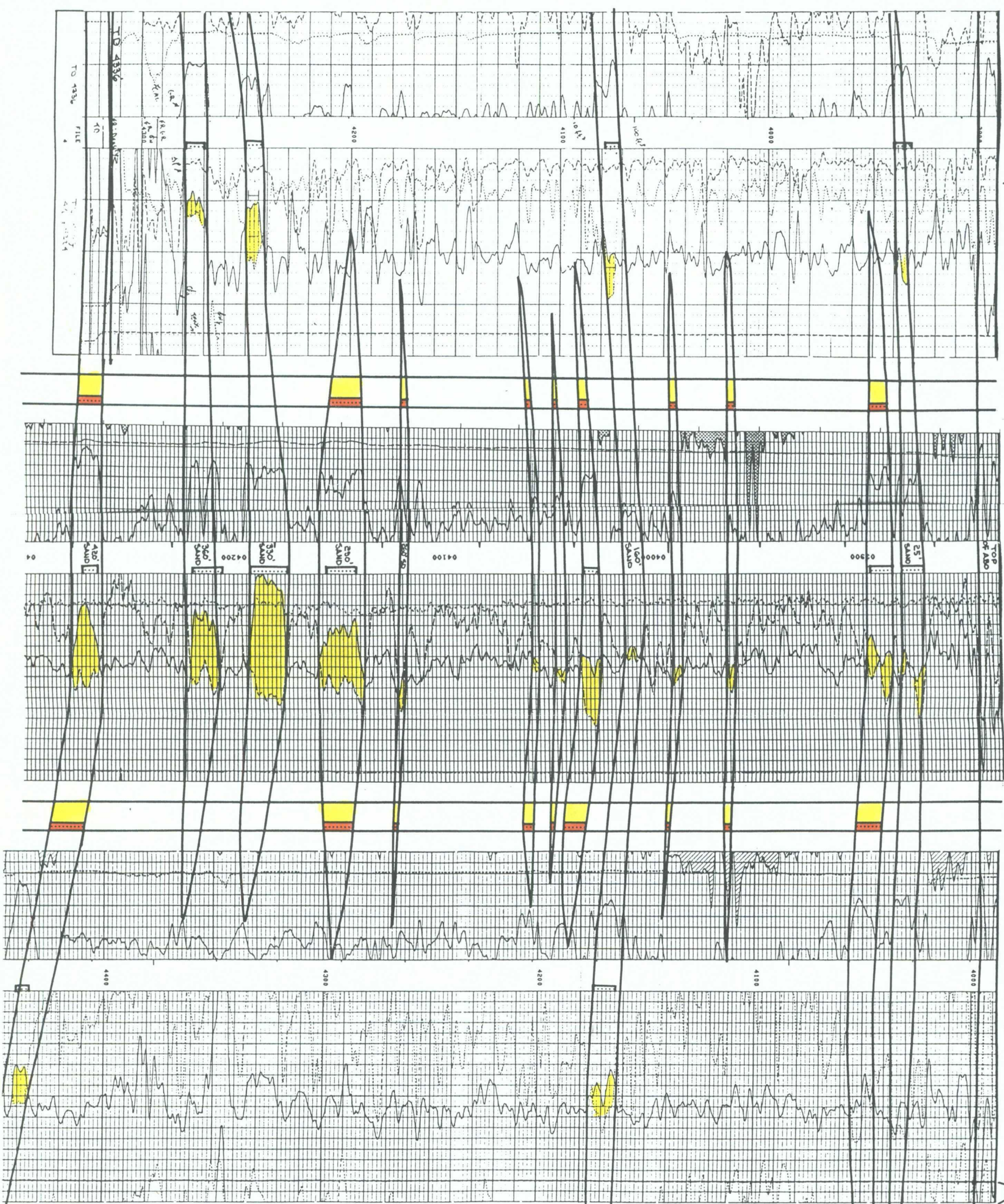
Stevens Operating Corp.
Helen Collins #5

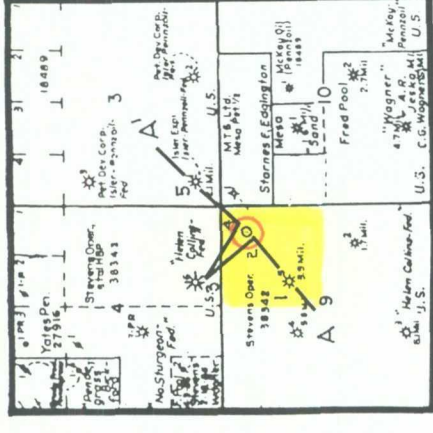
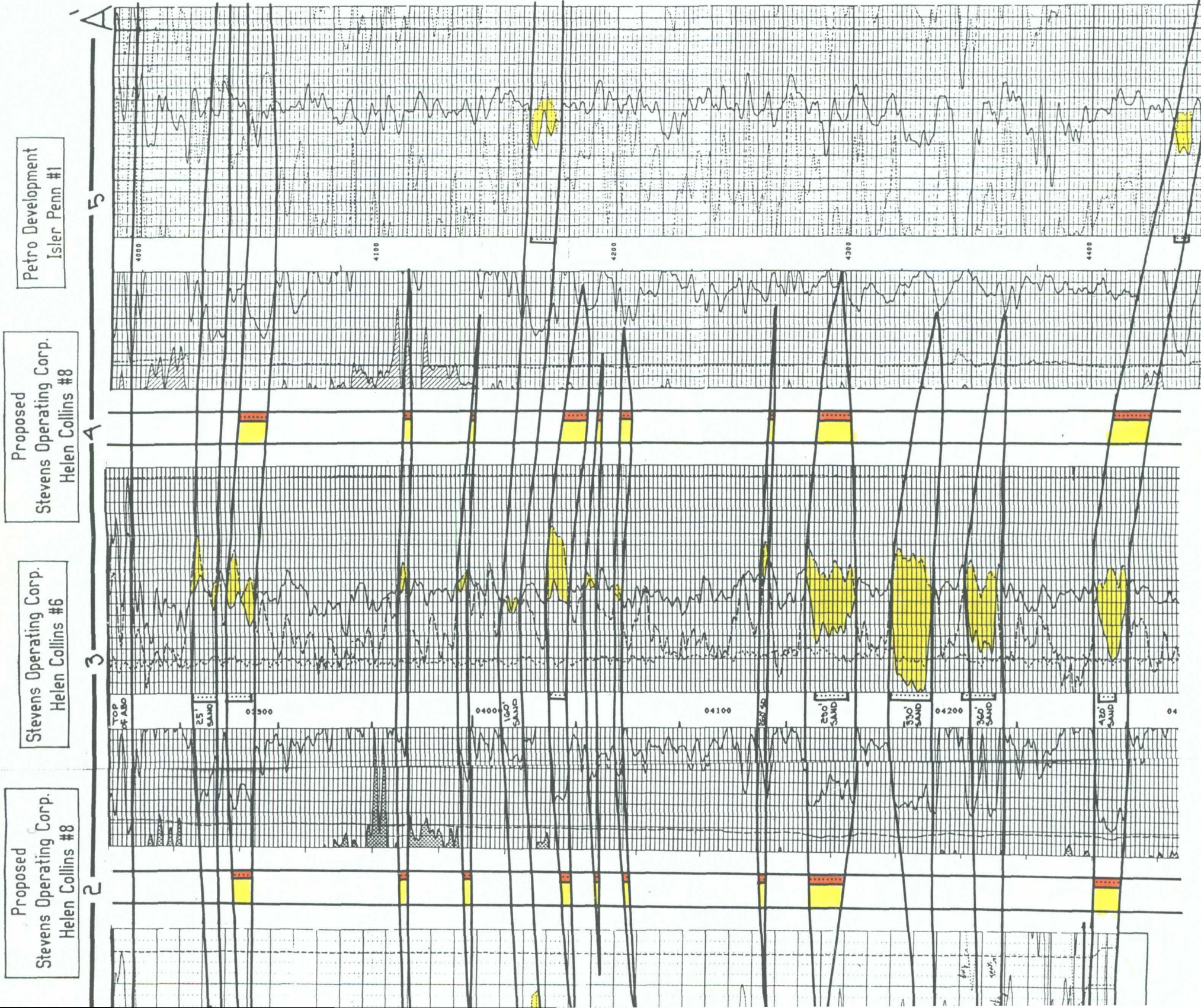
Proposed
Stevens Operating Corp.
Helen Collins #8

Stevens Operating Corp.
Helen Collins #6

Proposed
Stevens Operating Corp.
Helen Collins #8

Petro Development
Isler Penn #1





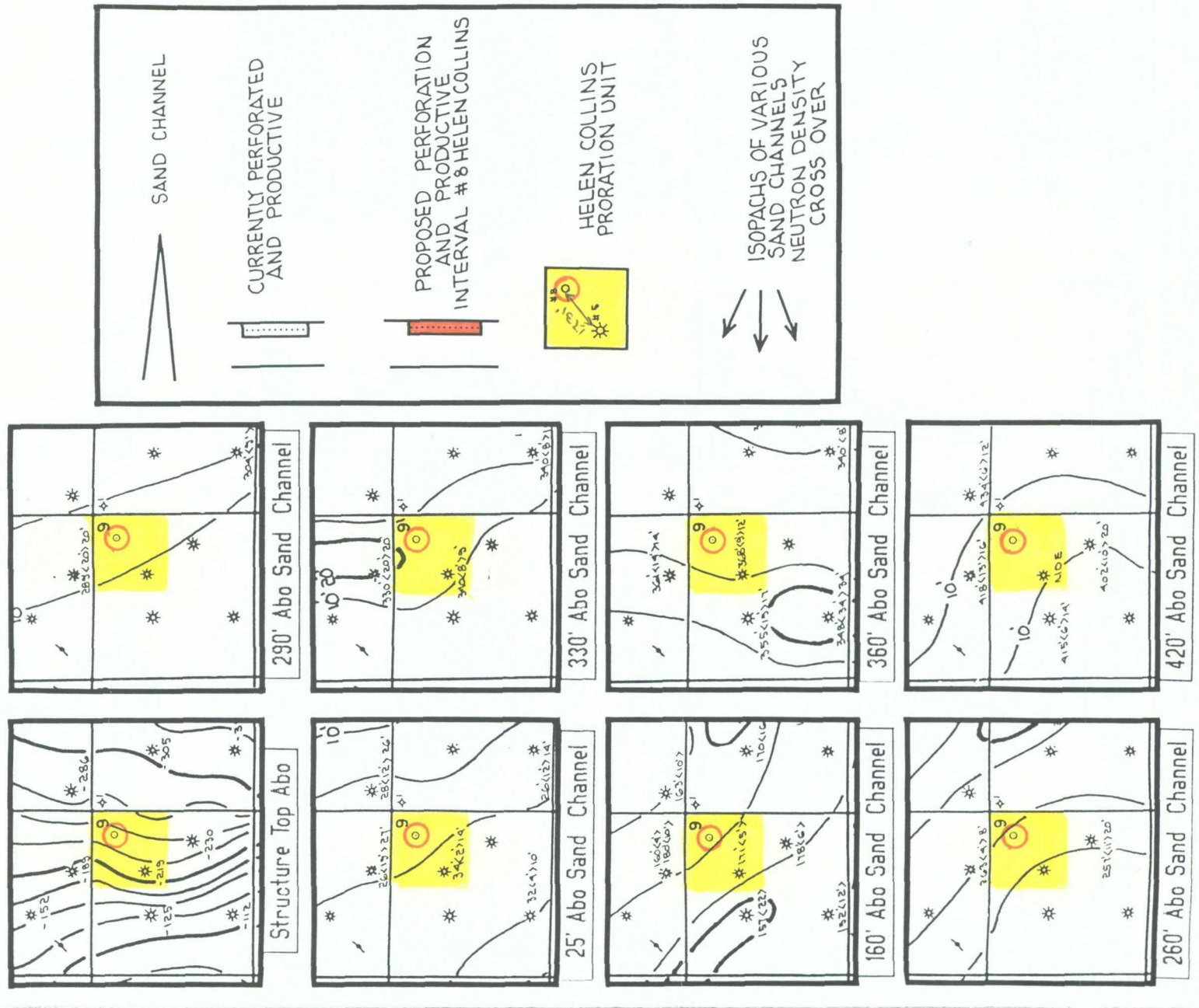
Land Map

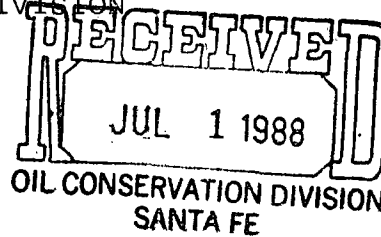
STEVENS OPERATING CORPORATION

APPLICATION FOR
DRILLING PERMIT

HELEN COLLINS #8

660FNL/660FEL
SEC 9, T1S, R26E



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
STEVENS OPERATING CORPORATION FOR
ADMINISTRATIVE APPROVAL OF A DRILLING
PERMIT, CHAVES COUNTY, NEW MEXICO.

APPLICATION

Applicant, Stevens Operating Corporation, in support of its application states as follows:

1. The applicant proposes to drill and complete a gas well in the Abo Formation, Pecos Slope Abo pool, to be located 660 feet from the North line and 660 feet from the East line of Section 9, Township 7 South, Range 26 East, NMPM, Chaves County, New Mexico, to be designated the Stevens Operating Corporation #8 Helen Collins Federal.

2. That the Northeast quarter of said Section 9 shall be dedicated to the proposed well, along with the Stevens Operating Corporation #5 Helen Collins, drilled in 1983, located 1780 feet from the North line and 1980 feet from the East line of said Section.

3. That the proposed well is within the rules established for a defined gas pool in a formation younger than the Wolfcamp Formation (Rule 102CII(a)) in that the designated drilling tract consists of 160 contiguous acres in the form of a square which is a quarter section and is located not closer than 660 feet of any outer boundary of such tract nor closer than 330 feet to any quarter quarter section inner boundary nor closer than 1320 feet to the nearest well capable of producing from the same pool. The proposed #8 well would be located more than 1731 feet from the #5 well producing in the pool.

4. That, notwithstanding that the proposed well comports with the regulations as set up by the NMOCD and Rule 102 and other Division rules and thus requires no special request nor completion intervals, nonetheless the applicant herein proposes that no other productive sand currently producing in said proration unit in the #5 well will be perforated and completed in the proposed No. 8 well.

5. That Exhibit "A" is a cross section of the currently producing #5 Helen Collins well in the subject proration unit, the #6 Helen Collins two forty acre locations North of the Helen Collins #5 and the Petroleum Development Corporation #1 Isler-Penn two locations diagonally Northeast of the #5. Said cross section shows that no producing sand currently producing in the #5 Helen Collins well in the subject proration unit will be produced out of the subject #8 well.

6. That the cross section and the isopachs show that numerous productive sands underlie the subject proration unit but that said sands can never be produced by the Helen Collins #5 since not present in that well and that such sands can be produced by the proposed #8 Helen Collins well.

7. That unless this application is granted, the applicant will not be afforded the opportunity to produce its just and equitable share of the oil and gas underlying this proration unit.

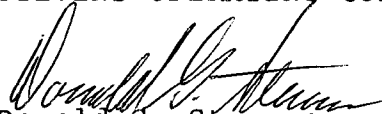
8. That applicant is obtaining no advantage from other producers by reason of the granting of this application in that no gas will be produced from the subject well that could have been produced in the #5 well currently producing from other productive sands in this proration unit.

9. All operators of proration or spacing units offsetting the subject proration unit, Yates Petroleum Corporation, Mesa Petroleum Company, Petroleum Development Corporation and Fred Pool, have been notified of this application by registered mail along with copies of Exhibit "A" attached thereto.

WHEREFORE, the Applicant requests the Division to consider this application and grant this request administratively.

RESPECTFULLY SUBMITTED,

STEVENS OPERATING CORPORATION


Donald G. Stevens