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

OFF-LEASE STORAGE ORDER OLS-117

Company: Stevens Oil Company

Address: P. O. Box 2203

City, State, Zip: Roswell, New Mexico 88201

Attention: Mr. Donald G. Stevens

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 "K"

Description: SW/4 SW/4 and N/2 SW/4 of Sec. 30, Township 8 South,

Range 29 East, Chaves County

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

Unit Letter A Section 36 Township 8 South Range 28 East on the Citgo-State "A" 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 27th day of November, 1979.

OF D. RAMEY, Division Director

STEVENS OIL COMPANY

919 SECURITY NATIONAL P. O. BOX 2203

ROSWELL, NEW MEXICO 8

OIL CONSERVATION DIVISION SANTA FE

DON STEVENS CURTIS STEVENS 505-622-7273

May 9, 1979

Secretary-Director N. M. 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 87.5% 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.
- 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.

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.
- 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.

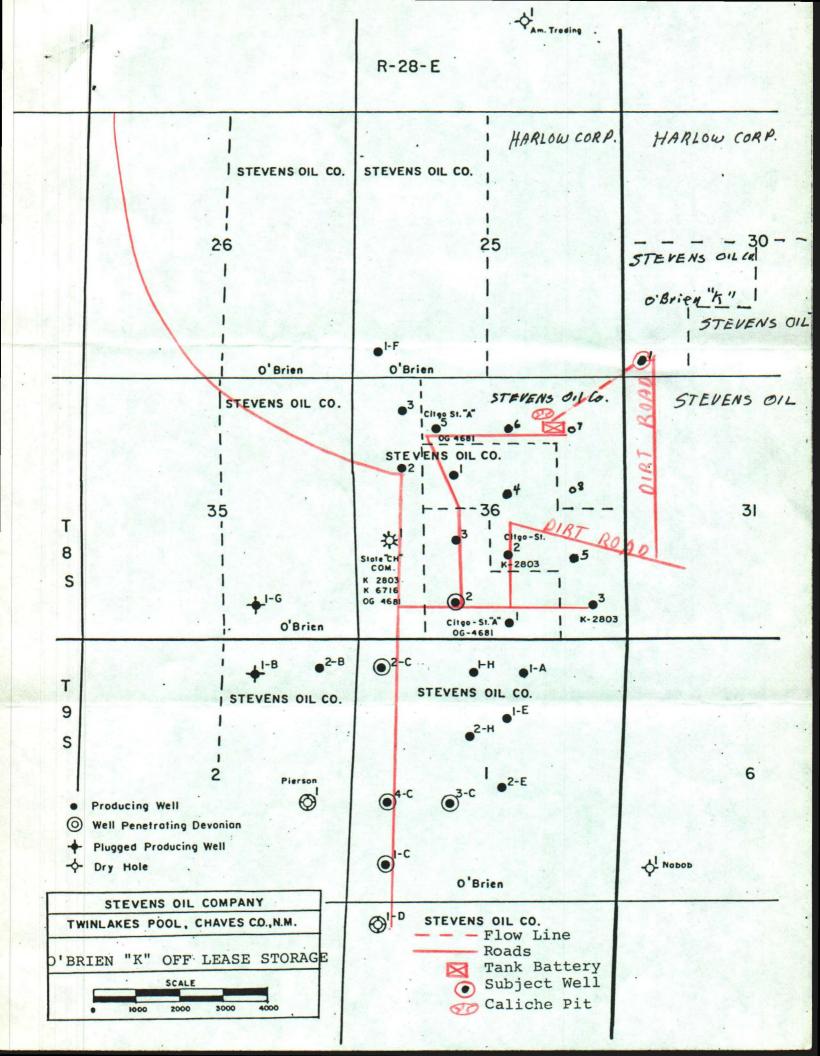
Yours very truly,

STEWENS OIL COMPANY

Donald G. Stevens

DGS/rpt

Enclosure



# State of New Mexico



ALEX J. ARMIJO COMMISSIONER



Commissioner of Public Lands
October 31, 1979

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Stevens Oil Company 919 Security National Bldg. P. O. Box 2203 Roswell, New Mexico 88201

Dear Mr. Stevens:

Reference is made to your request to permit the production from your O'Brien "K" lease located in the SW/4SW/4 and N/2SW/4 Section 30, Township 8 South, Range 29 East, Chaves County, New Mexico, to be transported prior to measurement to your Citgo-State "A" lease located in Unit A of Section 36, Township 8 South, Range 28 East, Chaves County, New Mexico for storage thereon.

You are hereby given approval to the above request, subject to like approval by the Oil Conservation Division. The Commissioner of Public Lands reserves the right to amend or withdraw this approval at his discretion if it is against the best interest of the State of New Mexico.

Enclosed is one approved copy for your files.

Please remit a Ten (\$10.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO COMMISSIONER OF PUBLIC LANDS

BY: RAY D. GRAHAM, Director Oil and Gas Division AC 505-827-2748

AJA/RDG/s encls.

cc:

New Mexico Oil Conservation Division New Mexico Oil & Gas Accounting Commission State of New Mexico Lease OG-4681-9

## STEVENS OIL COMPANY

919 SECURITY NATIONAL BLDG. P. O. BOX 2203

ROSWELL, NEW MEXICO 88201



DON STEVENS CURTIS STEVENS 505-622-7273

July 20, 1979

Secretary-Director N.M. Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501

Re:

Off-Lease Storage O'Brien "K" Lease Stevens Oil Company

Chaves County, New Mexico

#### Gentlemen:

Enclosed are Xerox copies of Receipts for Certified Mail for mail sent to all parties owning a working or royalty interest in the lease notifying them of Stevens Oil Company's intent to transport oil as set out in our letter to you of May 9, 1979.

Yours very truly,

STEVENS OIL COMPANY

DGS/rpt

Enclosure

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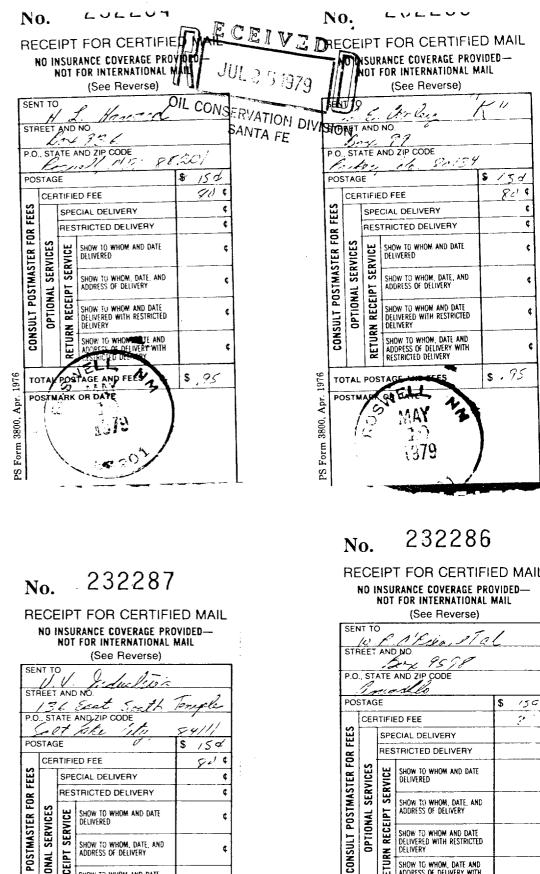
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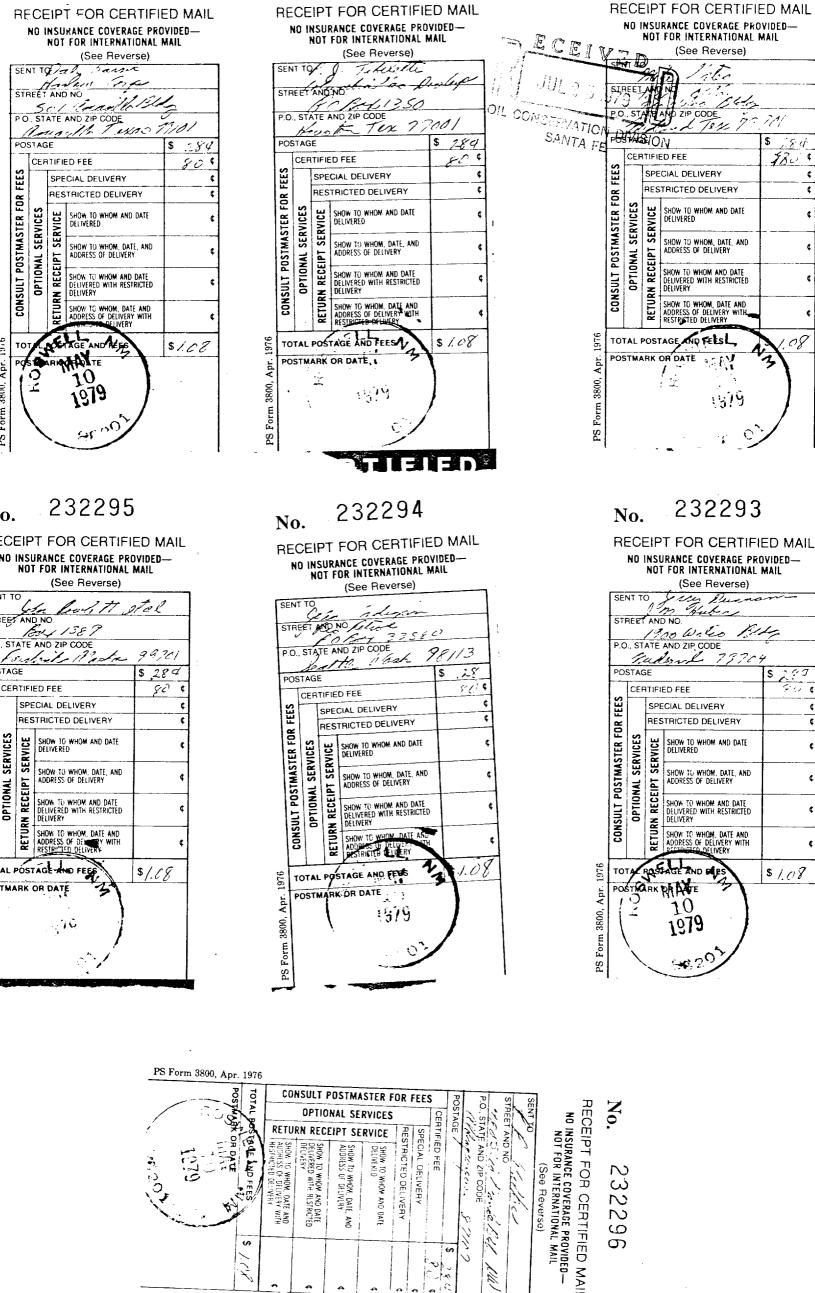
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