STEVENS OIL COMPANY

919 SECURITY NATIONAL BLDG.
P. O. BOX 2203
ROSWELL, NEW MEXICO 88201

August 7, 1978

DON STEVENS CURTIS STEVENS 505-622-7273

Mr. Dan Nutter New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

> Re: O'Brien "F" Lease T-8-S, R-28-E Chaves County, New Mexico

Dear Mr. Nutter:

Mr. Stevens requested that I send you the enclosed copy of letter from Mr. Ray D. Graham on the captioned lease.

Yours very truly,

STEVENS OIL COMPANY

Regina L. Taylor

Secretary

rlp

Enclosure

State of New Mexico





Commissioner of Public Lands August 2, 1978

PHIL R. LUCERO COMMISSIONER

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

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

Re: O'Brien "F" Lease

ATTENTION: Donald G. Stevens

Gentlemen:

As per your request of June 14, 1978, you are hereby authorized off-lease storage on your O'Brien "F" lease. The production from the O'Brien "F" lease located in the W/2 Section 25, E/2 Section 26, and E/2 Section 35, Township 8 South, Range 28 East, Chaves County, New Mexico, will be transported prior to measurement to the Citgo-State "A" lease located in Unit C of Section 36, Township 8 South, Range 28 East, Chaves County, New Mexico for storage thereon.

Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Enclosed is one copy for your records reflecting the date it was received in this office.

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

Very truly yours,

PHIL R. LUCERO

COMMISSIONER OF PUBLIC LANDS

BY: Jay N. CRAHAM Discotor

RAY D./GRAHAM, Director Oil and Gas Division

PRL/RDG/s encls.

cc:

OCD-Santa Fe, New Mexico

New Mexico Oil and Gas Accounting Department

New Mexico State Lease No. OG-4681

STEVENS OIL COMPANY

919 SECURITY NATIONAL BLDG.

P. O. BOX 2203

ROSWELL, NEW MEXICO 88201

June 14, 1978

DON STEVENS **CURTIS STEVENS** 505-622-7273

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 "F" lease located in the W/2 Section 25, E/2 Section 26, and E/2 Section 35, Township 8 South, Range 28 East, Chaves County, New Mexico, to be transported prior to measurement to its Citgo-State "A" lease located in Unit C 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 "F" lease is the No. 1 well located in Unit M of Section 25. The ownership of the O'Brien "F" lease is as follows:

- Stevens Oil Company is the operator with a 22.1% working interest with a 40% reversion after payout.
- The remainder of the working interest is owned as fol-2. lows: H. Wade White .4%, Rio Petrol, Inc. 12.5%, Robert R. Walker 12.5%, John T. Rowlett, et al 52.5%.
- The royalty interest is owned as follows: W. B. O'Brien, . 3. et al 75%, U. V. Industries 12.5%, Marshall & Winston Inc., et al 12.5%.

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

- Stevens Oil Company is the operator with a 52.5% working interest.
- Energy Reserves Group, Inc. owns 47.5% working interest.
- Overriding royalties are owned by H. Lee Harvard 1%, 3. George Conley 2%, Len Mayer .5%, Robert L. Haynie .5%.
- The State of New Mexico is the towner of a 12.500% royalty interest. Br. HA SI & GI HUL

HECEINED

Enclosed is a plat showing the wells on the leases and the location of the tank battery and flowlines. The tank battery has been located in this site to take advantage of an unused tank battery located thereon and to avoid the problems and expense of building a new tank battery in or near the shoreline of an intermittent lake bed. The surface owner of the land prefers this location inasmuch as the road to the tank battery is caliched and it will not be necessary to caliche additional roadways and will prevent a proliferation of tank batteries near the ranch house and ranch manager's home in the NW/4 of Section 35. 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.

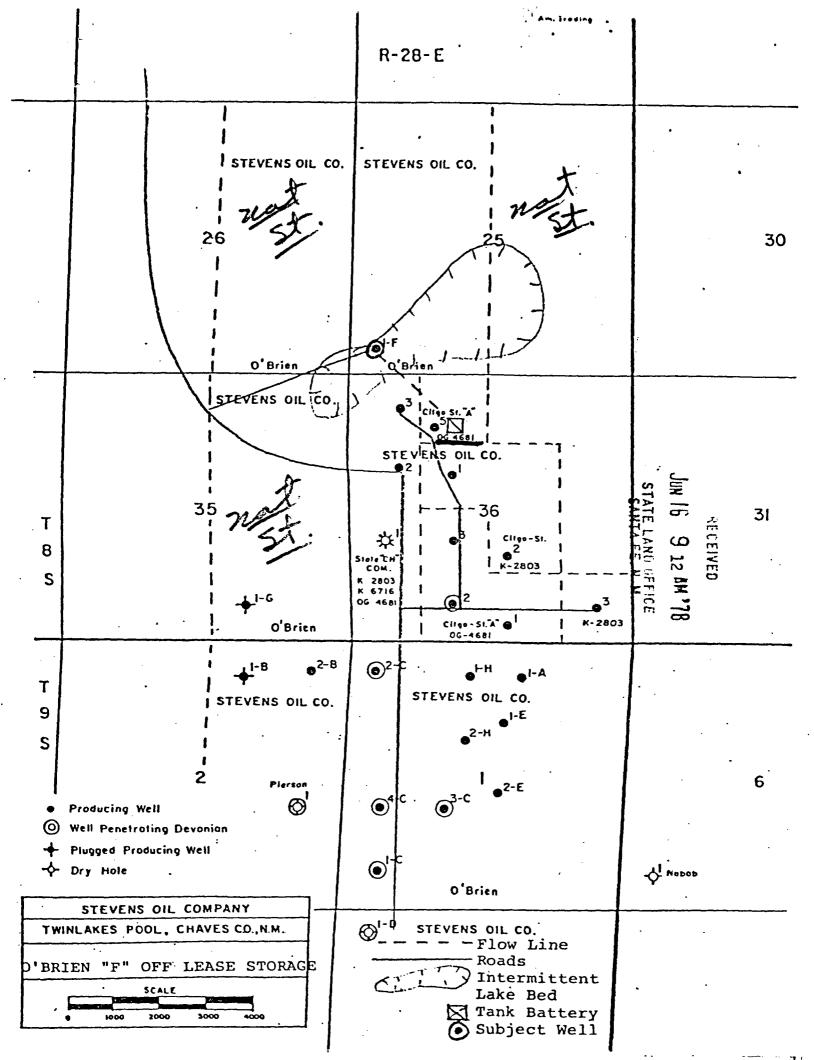
Yours very truly,

STEVENS OIL COMPANY

Down Id G Stevens

DGS/rpt

Enclosure



STEVENS OIL COMPANY

919 SECURITY NATIONAL BLDG.

P. O. BOX 2203

ROSWELL, NEW MEXICO 88201

June 14, 1978

1978 CURTIS STEVENS SURTIS STEVENS 505-622-7273

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

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- 4. The State of New Mexico is the owner of a 12.500% royalty interest.

Enclosed is a plat showing the wells on the leases and the location of the tank battery and flowlines. The tank battery has been located in this site to take advantage of an unused tank battery located thereon and to avoid the problems and expense of building a new tank battery in or near the shoreline of an intermittent lake bed. The surface owner of the land prefers this location inasmuch as the road to the tank battery is caliched and it will not be necessary to caliche additional roadways and will prevent a proliferation of tank batteries near the ranch house and ranch manager's home in the NW/4 of Section 35. The applicant further states:

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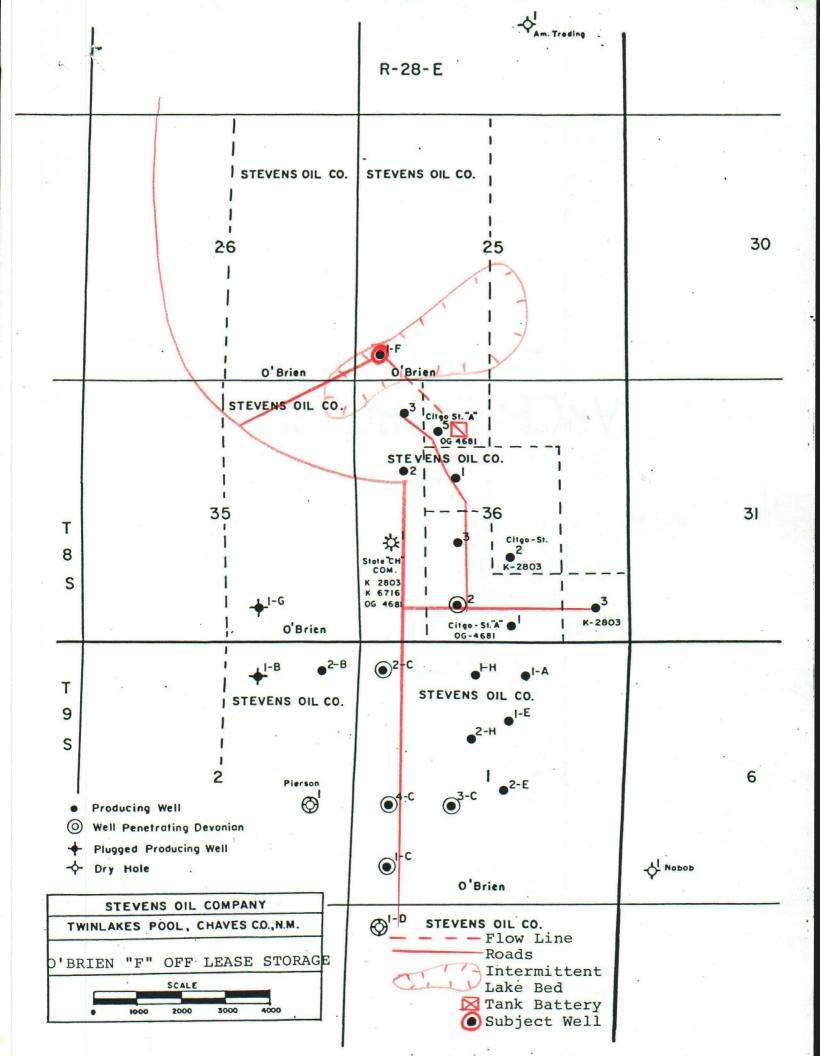
Yours very truly,

STEVENS OIL COMPANY

Donald G. Stevens

DGS/rpt

Enclosure



778169 No.

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED—

NOT FOR INTERNATIONAL MAIL

(See Reverse)

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RECEIPT FOR CERTIFIED MAIL

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