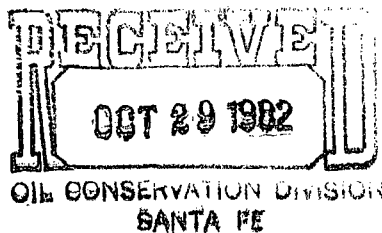


ERNEST L. PADILLA
ATTORNEY AND COUNSELOR AT LAW

P.O. Box 2523
Santa Fe, New Mexico 87501
(505) 988-7577

October 29, 1982



Mr. Joe D. Ramey, Director
New Mexico Oil Conservation
Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Case 7727

Dear Mr. Ramey:

Enclosed please find the application for Stevens Oil Company for compulsory pooling in triplicate for filing of same.

Very truly yours,


Ernest L. Padilla

ELP/bv

Enc

cc: Stevens Oil Company

BEFORE THE OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF STEVENS OIL COMPANY FOR COMPUL-
SORY POOLING

Case 7727

APPLICATION

Applicant, Stevens Oil Company, by and through its undersigned attorney, and in support of this application alleges and states as follows:

1. That Applicant is operator and owner within the meaning of Section 70-2-17 (c) N.M.S.A., 1978 Compilation, and as such seeks to force-pool all of the oil and gas mineral interests from the surface down to the base of the Abo formation in the SE/4 of Section 9, Township 6 South, Range 26 East, N.M. P.M., Chaves County, New Mexico, containing approximately 160 acres, more or less (said lands).
2. That Applicant proposes to drill a well at a standard location on said lands to a depth sufficient to test the Abo formation.
3. That the Applicant will dedicate said lands to the well and desires to be designated as the operator.
4. That the Applicant has obtained the consent of the working interest and royalty owners in the proposed proration unit except for the following: Yates Petroleum Corporation, a working interest owner.
5. That any non-consenting working interest owner that does not pay its share of estimated well costs should have withheld from production its share of the reasonable well costs, plus an additional 200% thereof as a reasonable charge for the risk involved in the drilling of the well.

6. That Applicant should be authorized to withhold from production a reasonable supervision charge, attributable to each non-consenting working interest owner's proportionate share, during the drilling and production stages of the well.

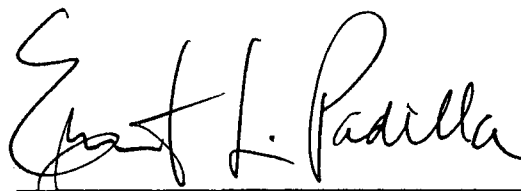
7. That to avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in the proposed proration unit the opportunity to recover or receive without unnecessary expense its just and fair share of the hydrocarbons in the unit, said lands should be pooled as proposed herein.

WHEREFORE, Applicant respectfully requests:

1. That this application be set for hearing before an examiner of the Division on November 10, 1982, and that notice of said hearing be given as required by law.

2. That upon hearing the Division enter its order pooling all oil and gas mineral interests from the surface down to the base of the Abo formation, underlying the SE/4 of Section 9, Township 6 South, Range 26 East, N.M.P.M., Chaves County, New Mexico.

3. And for such other relief as the Division may deem appropriate in the premises.

A handwritten signature in dark ink, appearing to read "Ernest L. Padilla". The signature is fluid and cursive, with a horizontal line drawn underneath it.

ERNEST L. PADILLA
Attorney for Applicant

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