

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

**APPLICATION OF STEVENS & TULL, INC.
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO.**

CASE NO. 11875

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by STEVENS & TULL, INC., as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Stevens & Tull, Inc.
P. O. Box 11005
Midland, Texas 79702
(915) 699-1410
attn: Jerry Weant

ATTORNEY

W. Thomas Kellahin
KELLAHIN & KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

STATEMENT OF CASE

Pursuant to Section 70-2-17(c) NMSA (1978) and in order to obtain its just and equitable share of potential production underlying SW/4NE/4 of Section 24, T20S, R38E, Stevens & Tull, Inc. needs an order of the Division pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

Stevens & Tull, Inc. requests an order pooling the mineral interest of described in this spacing unit for the drilling of its Terry Well No. 1 for potential production from the surface to the base of the Abo formation, including the D-K Abo Pool, upon terms and conditions which include:

- (1) Stevens & Tull, Inc., Ltd. be named operator;
- (2) The order make provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;

- (3) In the event a working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200 %;
- (4) A provision for overhead rates and a method for adjusting those rates in accordance with COPAS accounting procedures;
- (5) For such other and further relief as may be proper.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Jerry Weant (landman)	15 min.	@ 8 exhibits
George Ulmo (geologist)	15 min.	@ 2 exhibits

PROCEDURAL MATTERS

None anticipated

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
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