

**ERNEST L. PADILLA**  
ATTORNEY AND COUNSELOR AT LAW

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

May 22, 1984

HAND DELIVERED

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

*Page 8225*

RE: Application of Stevens Operating Corporatino  
for Compulsory Pooling, Chaves County, New Mexico

Dear Mr. Ramey:

Enclosed in triplicate is the above referenced application.  
Please file same and consider this application for hearing on  
June 6, 1984.

Thank you for your consideration of the above request.

Very truly yours,

  
Ernest L. Padilla

ELP/bv  
Encls  
cc: Stevens Operating Co.

RECEIVED

MAY 22 1984

OIL CONSERVATION DIVISION

BEFORE THE OIL CONSERVATION DIVISION  
STATE OF NEW MEXICO

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MAY 22 1984

IN THE MATTER OF THE APPLICATION  
OF STEVENS OPERATING CORPORATION  
FOR COMPULSORY POOLING, CHAVES COUNTY,  
NEW MEXICO

OIL CONSERVATION DIVISION

NO. 8225

APPLICATION

Applicant, Stevens Operating Corporation, 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 3400 feet below the surface down to and including the base of the Fusselman formation underlying the N/2 of Section 19, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico, (said lands).

2. That Applicant proposes to drill a well (well) at a standard location on said lands to a depth sufficient to test all potential oil and gas bearing formations, the 3400 feet below the surface and the Fusselman formation.

3. That the Applicant will dedicate said lands to the well and desires to be designated as the operator.

4. That there are working interest owners in the proposed proration unit who have not consented to drill the well.

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.

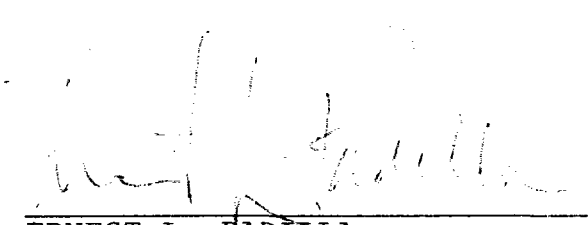
7. That to avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in the proposed proration unit the opportunity to recover or receive without unnecessary expense its just and fair share of the hydrocarbons in the unit, said lands should be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

WHEREFORE, Applicant respectfully requests:

1. That this application be set for hearing before an examiner of the Division on June 6, 1984 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 3400 feet below the surface down to and including the base of the Fusselman formation, underlying N/2 of Section 19, Township 8 South, Range 29 East, N.M.P.M., Chaves County, New Mexico.

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



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ERNEST L. PADILLA  
Attorney for Applicant

P.O. Box 2523  
Santa Fe, New Mexico 87501