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BEFORE THE OIL CONSERVATION DIVISION  
STATE OF NEW MEXICO

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

OIL CONSERVATION DIVISION

No. 8475

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 the surface down to and including the base of the San Andres formation, underlying the SE/4 SW/4 of Section 16, 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 from the surface down to and including the San Andres 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.

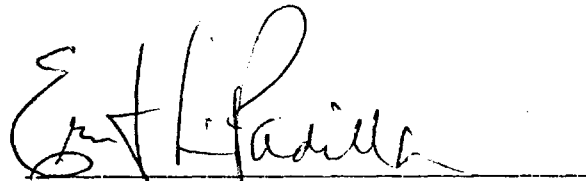
7. That to avoid the drilling of unnecessary wells, to protect correlative rights and to afford to the owner of each interest in the proposed proration unit the opportunity to recover or receive without unnecessary expense its just and fair share of the hydrocarbons in the unit, said lands should be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

WHEREFORE, Applicant respectfully requests:

1. That this application be set for hearing before an examiner of the Division at the next available Division hearing 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 and including the base of the San Andres formation, underlying SE/4SW/4 of Section 16, 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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