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STEVENS OIL COMPANY

919 SECURITY NATIONAL BLDG.

P. O. BOX 2203

ROSWELL, NEW MEXICO 88201

O. C. C.  
ARTESIA, OFFICE

DON STEVENS  
CURTIS STEVENS  
505-622-7273

October 11, 1979

Mr. Bill Gressett  
New Mexico Oil Conservation Commission  
Drawer DD  
Artesia, New Mexico 88210

Dear Mr. Gressett:

Between October 1 and October 5, 1979, the Citgo-State 1, 2, and 3 tank battery, located in SW/4 SE/4 Section 36, Township 8 South, Range 28 East, recorded either no oil production or less than average oil production on a daily basis. Because a new gauger was being trained this was not noticed until the 5th of October, at which time it was determined that the separator dump valve was malfunctioning, causing all oil production to divert down the casinghead gas line. This oil then went through the separator ahead of the casinghead gas compressor wherein it dumped into the drip tank.

On the basis of prior production of the battery a total of 84 barrels of oil was estimated to be lost to the tank battery and dumped into the drip tank. We propose to draw off 84 barrels of oil from the drip tank and return it by truck to the Citgo 1, 2, and 3 battery. This will allow the higher priced produced crude allocable to the battery to be paid to the working interest and royalty owners rather than paid at a lower price to the casinghead gas and drip tank system.

It is our present plan to effect this transfer on Friday, October 12, 1979 through the use of Brio Petroleum trucks, the crude oil haulers in the field.

Yours very truly,

STEVENS OIL COMPANY

  
Donald G. Stevens

DGS/ja