

STEVENS OPERATING CORPORATION

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March 5, 1990

RECEIVED

MAR 6 '90

O. C. D.  
ARTESIA, OFFICE

Mr. Mike Williams  
New Mexico Oil Conservation Division  
P. O. Drawer DD  
Artesia, New Mexico 88210

Re: Oil Conservation Division  
Case No. 9854  
Order No. R-9131

Dear Mr. Williams:

Pursuant to page 6, paragraphs (3) and (4) of the above referenced Order, please find enclosed Forms C-102 for the McBride State #1 and the McBride State Com #2 wells.

The Order provides for notification within 30 days of any well presently drilling to or completed in the Diablo-Fusselman having an unorthodox location. The McBride State Com #2 drilling to the Fusselman formation in the Diablo-Fusselman commenced on March 1, 1990, prior to the date of the Order.

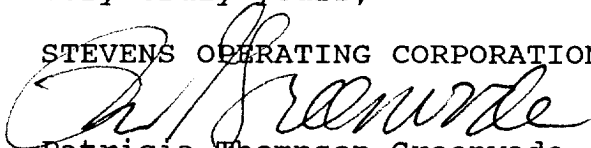
The Order further provides for notification within 60 days of the dedication of 160 acres to existing wells. The McBride State #1 and #2 previously had 40 acre dedications.

Also enclosed is a C-104 for the McBride State #1 well. This well was originally completed as a gas well with 320 acre dedication. With 160 acre dedication, there is no longer any need for communitization as only one State Lease covers the entire proration unit.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,

STEVENS OPERATING CORPORATION

  
Patricia Thompson Greenwade  
General Manager

PTG/ms

Enclosures