

3. Negotiations are presently underway between the Phillips Petroleum Company and The Atlantic Refining Company relative to the sale of this gas. Phillips is considering buying this gas; however, their facilities in the area are limited at present and they stated that they cannot set a date for connection.
4. The Atlantic Refining Company has filed Form G-110 for each well showing the present disposition of gas and after connection is made will file such forms again.
5. Atlantic's State "AL" Nos. 2 and 3 wells are each capable of producing top oil allowable for the Jalnet Pool, and if closed in to prevent flaring of gas, will fail to recover all recoverable oil from their respective proration units. It is Atlantic's opinion that correlative rights and the best interests of conservation will not be protected if these wells do not produce.

Respectively submitted,

THE ATLANTIC REFINING COMPANY

P. E. Fletcher
P. E. Fletcher
Regional Operations Manager

JRE/cw

AFFIDAVIT

Before me, the undersigned authority, on this day personally appeared P. E. Fletcher, known to me to be the person whose name is subscribed to this instrument, who, after being by me duly sworn on oath, states that he is employed by or associated with The Atlantic Refining Company in the capacity of Regional Operations Manager, and that the above statements are true and correct.

P. E. Fletcher

Sworn and subscribed to before me on this 1st day of February, 1957.

J. L. McDonald
Notary Public in and for McLendon
County, Texas