

Case 330

THE ATLANTIC REFINING COMPANY

MAIN OFFICE OCC PETROLEUM PRODUCTS
McCLINTIC BUILDING

MIDLAND, TEXAS

1954 JUL 5 AM 8:32 July 1, 1954

MAILING ADDRESS
P. O. BOX 871
MIDLAND, TEXAS

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

ATTENTION: Mr. R. R. Spurrier

Gentlemen:

With reference to the special hearing held in Santa Fe during the period June 21 - 24, 1954 concerning Cases 330 and 330-A and involving the promulgation of rules and regulations for the Blanco-Mesaverde Gas Pool, The Atlantic Refining Company requests that the following statement be made a part of the record in these two consolidated cases:

"The Atlantic Refining Company does not operate any wells in the Blanco-Mesaverde Gas Pool but does have a considerable interest in approximately 12,000 acres and thirty-three (33) wells located within the defined limits of this pool. From private study and also from weighing the testimony and evidence introduced at the hearing held on June 21 - 24 for the purpose of considering proration for the pool, Atlantic has reached the conclusion that deliverability cannot be correlated with and does not represent the magnitude of recoverable reserves underlying each drilling unit. It is the position of The Atlantic Refining Company that a proration formula of 100% acreage multiplied by rock pressure will afford the most equitable and practicable method of gas prorationing in the Blanco-Mesaverde Pool; therefore, we are in accord with the recommendation of the Skelly Oil Company in regard to use of this formula by the Oil Conservation Commission."

Yours very truly,

THE ATLANTIC REFINING COMPANY



R. E. Howard
Regional Petroleum Engineer

JHV/dm