

THE ATLANTIC REFINING COMPANY  
Petroleum Products  
Petroleum Life Building  
Midland, Texas

September 16, 1954

Mailing Address  
P. O. Box 871  
Midland, Texas

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

Re: Application for Hearing to Obtain  
Order Permitting Dual Completion  
of The Atlantic Refining Company  
Seale (Federal) No. 1, Eumont Gas  
Pool, Lea County, New Mexico

Gentlemen:

Application is herewith submitted for a hearing to obtain (1) Permission to dually complete under Rule 112-A, New Mexico Statewide Rules and (2) An oil proration unit of 40 acres and gas proration unit of 160 acres for the Atlantic Refining Company Seale (Federal) No. 1. This well is to be drilled 660' FWL and 1980' FSL of Section 34, T-20-S, R-36-E, Lea County, New Mexico on a contiguous 160 acre lease.

It is planned to complete the Seale No. 1 as a dual gas-oil producer through perforations at approximately 3678 - 3740' (oil) and 3790 - 3875' (gas). These intervals are within the Yates and Seven Rivers formations. The Charm Coll No. 1 well, west offset, was completed July 23, 1954 through a casing perforation 3742' - 3756', 3796' - 3806', and 3842' - 3853' for a flowing initial potential of 350 BOPD, no water, after a sandfrac treatment of 12,000 gallons. The Charm State No. 1 well, located approximately 3700' NW, was completed June 15, 1954 through casing perforations 3849' - 3899' and 3904' - 3939' for an initial potential of 8000 MCFPD, flowing through a 1" choke. It thus appears that reservoir conditions are favorable for obtaining oil and gas production from separated zones within the vertical limits of the Eumont gas pool.

It is believed that this application for permission to dually complete and for oil and gas allowables is in the interest of conservation and the protection of correlative rights.

If approved, dual completion of the Seale No. 1 shall be accomplished by (1) running a hookwall packer on 2" tubing to separate the oil and gas zones and with the tubing connected in such a way as to produce gas and (2) running a second string of 2" tubing open-ended so as to produce oil from the oil zone. All of the mechanical installation will be made in such a way that there will be no co-mingling within the well bore or on the surface of the oil and gas. To insure continued separation of the oil and gas zones, the applicant will do such things that may be required of it by the Oil Conservation Commission in the maintenance and segregation of production. A schematic diagram of the proposed completion is attached.