MAIN OPEGFOCAtlas, Inc.

A SUBSIDIARY OF ATLAS CORPORATION

1958 SEP 12000 NATIONAL BARK OF TULSA BUILDING
TULSA 3. OKLAHOMA

September 16, 1958

New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Attention: Mr. Oliver E. Payne,
Associate Counsel

Gentlemen:

On August 18, 1958, administrative approval was requested for two 40 acre non-standard oil proration units in the Bisti Lower Gallup oil Pool. These units include the SW/4 of SW/4 of Section 35-25N-10W, San Juan County, New Mexico, on which Petro-Atlas, Inc.'s Atlas "A" #1 is located, and the SW/4 NW/4 of Section 34-25N-10W, San Juan County, New Mexico, on which is located the Petro-Atlas, Inc. Atlas "A" #2. Atlas A-1 is located 660' FSL and 660' FWL of Section 35, while Atlas A-2 is located 1980' FNL and 1980' FWL of Section 34, all in Township 25 North, Range 10 West, San Juan County, New Mexico.

Copies of our letter of August 18, 1958 have been sent to the following offset operators:

Lion Oil Company 602 West Missouri Street Midland, Texas

Honolulu Oil Corporation Drawer 1391 Midland, Texas

Humble Oil & Refining Company Box 1268 Farmington, New Mexico

El Paso Natural Gas Products Company P. O. Box 1565 Farmington, New Mexico

Elliott Production Company Box 703 Roswell, New Mexico

In the event that additional information is required concerning our proposal, this will be furnished upon request. Your early consideration in the matter will be greatly appreciated.

Very truly yours,

71. B. Sove

MARVellio CEAOGIGAS, Inc.

A SUBSIDIARY OF ATLAS CORPORATION

1958 ALESO MATIONAL BANK OF TOUS BUILDING

August 18, 1958

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New Mexico Oil Conservation Commission P.O. Box 871 Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

My letter of July 28, 1958, requested administrative approval for the dedication of 80 acres to the Petro-Atlas Inc. Atlas "A" #1 and Atlas "A" #2. Atlas "A" #1 is located 660' FSL and 660' FWL of Section 35-25N-10W, San Juan County, New Mexico. Atlas "A" #2 is located 1980' FN1 and 1980' FWL of Section 34-25N-10W, San Juan County, New Mexico. In Mr. William J. Cooley's letter of August 1, 1958, we were notified that administrative approval could not be granted. Mr. Cooley did, however, point out that an application for hearing in the subject matter could be filed.

Atlas "A" #1 was completed August 10, 1958, in the Lower Gallup sand, pumping 216 bopd. Atlas "A" #2 is now pumping frac oil. As soon as a test is obtained on Atlas "A" #2, it is planned to file an application for hearing, requesting 80 acre promation units for the subject wells.

At this time, however, administrative approval is requested for the assignment of temporary proration units for the Petro-Atlas Inc. Atlas "A" #1 and Atlas "A" #2. Atlas "A" #1 is producing from the Lower Gallup Sand perforated intervals 5323-5334, 5337-5342, and 5360-5378. Atlas "A" #2 is producing from the Lower Gallup Sand perforated intervals 5327-5346 and 5361-79.

Intthe event that additional information is required concerning the above request, this will be furnished upon request. Your early consideration of our request will be greatly appreciated.

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Very truly yours,

NBG:n cc:Mr. Emory Arnold

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