CARE 1483

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J. M. HERVEY 1874-1853 HIRAM M. DOW CLARENCE E. HINKLE W. E. BONDURANT, JR. GEORGE H. HUNKER, JR. HOWARD C. BRATTON ( 5. B.CHRISTY IV LEWIS C. COX, JR.

PAUL W, EATON, JR. ROBERT C. BLEDSOE HERVEY, DOW & HINKLE HINKLE BUILDING ROSWELL, NEW MEXICO 01' June 24, 1958

LAW OFFICES

Mr. A. L. Porter Secretary-Director New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Gentlemen:

The Atlantic Refining Company hereby applies for approval of a Nonstandard Oil Proration Unit in the Horseshoe-Gallup Field, San Juan County, New Mexico, to consist of the following lands:

> T. 31 N., R. 16 W., N.M.P.M. San Juan County, New Mexico

Section 32 - SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> (39.45 acres); Section 33 - That portion of the SW<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub> lying within the Navajo Reservation (14.53 acres) containing 53.98 acres.

The Nonstandard Oil Proration Unit as proposed will consist of a gross 53.98 acres, and the unit well to be drilled by Atlantic will be in accordance with Paragraph 6, Subsection (m) Rule 104 of the Rules and Regulations of the New Mexico Oil Conservation Commission. The unit is composed of a portion of two sections which are contiguous, and the entire unit is covered by one oil and gas lease, being Navajo Tribal Oil and Gas Lease Contract No. 14-20-603-734, dated October 5, 1954, and approved and effective December 22, 1954.

Two operators offset the proposed unit, being El Paso Natural Gas Products Company and Petro-Atlas Corporation. Both companies have evidenced their consent to the formation of the unit, and copies of their consent letters will be introduced in evidence at the hearing on this matter. Page - 2 - New Mexico Oil Conservation Commission - June 24, 1958

Certified copies of the plat of this area are attached to this Application.

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> It is requested that this application be set for hearing at the regular hearing of the New Mexico Oil Conservation Commission to be held in Santa Fe on July 16, 1958.

> > Respectfully submitted,

HERVEY, DOW & HINKLE

By

Attorneys for The Atlantic Refining Company