

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

SEP 11 1960

APPLICATION OF THE ATLANTIC
REFINING COMPANY FOR TWO NON-
STANDARD OIL PRORATION UNITS
AND FOR TWO UNORTHODOX WELL
LOCATIONS IN THE HORSESHOE-
GALLUP OIL POOL, SAN JUAN
COUNTY, NEW MEXICO

CASE No. 1786

To the New Mexico Oil Conservation Commission:

Comes The Atlantic Refining Company, a corporation with offices at Dallas, Texas, and hereby makes application to the New Mexico Oil Conservation Commission for an order approving the two non-standard oil proration units and the two unorthodox well locations hereinafter referred to in the Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, and in support thereof applicant respectfully shows:

1. That applicant is the owner of oil and gas leases embracing portions of the Navajo Indian Reservation within the defined limits of the Horseshoe-Gallup Pool situated in San Juan County, New Mexico, including all of Sections 29 and 32, Township 31 North, Range 16 West, including a strip along the East boundary of said Sections 29 and 32, 486.1 feet wide. That there is attached hereto, made a part hereof and for purposes of identification marked Exhibit "A" a plat showing the strip above referred to and the ownership of the contiguous oil and gas leases and the producing wells located thereon, all of which are producing from the Horseshoe-Gallup Oil Pool.

2. That applicant desires to establish two non-standard oil proration units comprising a portion of the strip shown on Exhibit "A" attached hereto, more particularly described as follows:

- (a) A 40-acre non-standard oil proration unit consisting of a portion of the $W\frac{1}{2}W\frac{1}{2}$ Sec. 33, Twp. 31 N., Rge. 16 W., described as follows:

Beginning at the Southwest corner of the $SW\frac{1}{4}SW\frac{1}{4}$ Sec. 33; thence North 3,583.46 feet;

thence East 486.1 feet; thence South 3,584.8 feet to the South line of Sec. 33; thence West 486.1 feet to the point of beginning, containing 40 acres, more or less.

- (b) A 40-acre non-standard oil proration unit consisting of a portion of the $W\frac{1}{2}SW\frac{1}{4}$ Sec. 28 and a portion of the $W\frac{1}{2}NW\frac{1}{4}$ Sec. 33, Twp. 31 N., Rge. 16 W., described as follows:

Beginning at a point 339.6 feet South of the Southwest corner of the $NW\frac{1}{4}NW\frac{1}{4}$ of Sec. 33; thence North 3,584.5 feet along the West lines of Sections 33 and 28; thence East 486.1 feet; thence South 3,584.5 feet; thence West 486.1 feet to the point of beginning, containing 40 acres, more or less.

3. That applicant proposes to dedicate the above described units respectively to the following wells:

- (a) A well to be located in the South unit above described, (a), 1,980 feet from the South line and 386 feet from the West line of Sec. 33.
- (b) A well to be located in the North unit above described, (b), 660 feet from the South line and 386 feet from the West line of Sec. 28.

4. That applicant believes that the said non-standard oil proration units and unorthodox well locations are necessary due to the shape of the strip as shown on Exhibit "A" attached hereto and that the drilling of said wells will be in the interest of conservation and the prevention of waste and the protection of correlative rights, including those of the royalty owners.

WHEREFORE, applicant prays that the Oil Conservation Commission, after due notice and hearing as provided by law and the rules and regulations of the Commission, enter an order herein approving the two non-standard oil proration units and the two unorthodox well locations in the Horseshoe-Gallup Oil Pool, as above set forth.

Respectfully submitted,

THE ATLANTIC REFINING COMPANY

By

Attorney

HERVEY, DOW & HINKLE

By

Attorneys for The Atlantic Refining Company