

November 17, 1958

New Mexico Oil Conservation Commission

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In addition, The Atlantic Refining Company respectfully requests administrative approval of a non-standard location for its Seale (Federal) No. 1 Well in exception to Rule 2 of NMCCC Order No. R-520.

In support of this application, the following facts are submitted:

1. The Atlantic Refining Company is the owner and operator of an oil and gas lease known as the Atlantic Seale (Federal) Lease which covers the SW/4 of Section 34, T-20S, R-36E, Lea County, New Mexico.

2. The Atlantic Refining Company is the owner and operator of the Atlantic Seale (Federal) No. 1 Well which was drilled to and completed in the Yates and Seven Rivers Formations as an oil well in the Eumont Pool on January 29, 1955. on the 29 January

3. The Atlantic Seale (Federal) No. 1 Well was drilled and completed as an oil well in an orthodox location under the terms of Rule 104 (b) of the Commission's Rules and Regulations. This location is 330' from the south line and 1652' from the east line of Section 34, T-20S, R-36E, NMPL, Lea County, New Mexico.

4. The Atlantic Seale (Federal) No. 1 Well had a decreasing oil production so that GOR limitations for an oil well were exceeded and the well was reclassified as a gas well. (See attached GOR and Multi-Point Back Pressure Tests).

5. A plat is attached hereto showing the proposed 80-acre non-standard gas proration unit, the location of the Atlantic Seale (Federal) No. 1 Well, and the location of offset wells.

6. The proposed non-standard gas proration unit complies with the provisions of Rule 7 (b) of Order R-520 in that

- (a) it is composed of contiguous quarter-quarter sections,
- (b) it lies wholly within a single governmental section,
- (c) the entire unit may reasonably be presumed to be productive of gas,
- (d) neither its length nor its width exceeds 5280', and
- (e) all operators owning interests within the same governmental section as the proposed unit, and all operators owning interests within 1500' of the well to which this unit is proposed to be allocated, have been notified of Atlantic's intent to form the unit by means of a copy of this application sent by registered mail.