

NFO-311

THE ATLANTIC REFINING COMPANY  
Incorporated - 1870  
Petroleum Products

Domestic Producing Department  
West Texas-New Mexico Region

January 11, 1957

Petroleum Life Bldg.  
Mailing Address  
P.O. Box 871  
Midland, Texas

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

Re: Application for an Exception to  
Order No. R-553 As It Applies to  
the Flaring of Gas On The Atlantic  
Refining Company's State "AL" Lease,  
Jalmat Pool, Lea County, New Mexico

Gentlemen:

Application is herewith submitted for administrative approval for the temporary flaring of gas produced by The Atlantic Refining Company's State "AL" No. 1 well, located in the NE/4 NW/4 of Section 25, T-22-S, R-35-E, Lea County, New Mexico. In connection with this application the following information is presented:

1. The Atlantic Refining Company is the Operator of the State "AL No. 1 well which is completed within the vertical limits of the Yates formation and within the horizontal limits of the Jalmat Pool. This well was completed as an oil producer from the Yates pay on October 31, 1956.
2. The latest available gas-oil ratio test on this well, taken December 16, 1956, indicates that it is capable of producing the top oil allowable for the Jalmat Pool, and that its gas-oil ratio is 695 standard cubic feet of gas per barrel of oil. Based on an average normal unit allowable of 40 BOED, approximately 27.8 MCF of gas per day will be flared from this well.
3. Negotiations are presently underway between the Phillips Petroleum Company and The Atlantic Refining Company relative to the sale of this gas. Phillips is considering buying this gas; however, their facilities in the area are limited at present and they cannot take the gas by January 28, 1957. A copy of their letter is attached.

90 days  
1/29/57  
Then  
2/28/57