

THE ATLANTIC REFINING COMPANY

Incorporated - 1870  
Petroleum Products

NFO 342

Domestic Producing Department  
West Texas-New Mexico Region

April 3, 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. 4 well, located in the NE/4 of the SW/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. 4 well which is completed within the vertical limits of the Yates formation and within the horizontal limits of the Jalmat Pool.
2. The latest available gas-oil ratio test on this well, taken on March 14, 1957, indicates that it is capable of producing the top allowable for the Jalmat Pool, and that its GOR is 430 standard cubic feet of gas per BO. Based on normal unit allowable of 41 BOPD, approximately 17.6 MCF gas per day will be flared.
3. Negotiations are presently underway between the Phillips Petroleum Company and The Atlantic Refining Company relative to the sale of this and other gas in the area. Because their present line in the area is gathering gas at its capacity, Phillips is studying the economics of looping it; however, they have not finished this study and therefore cannot set a date for connection.
4. The Atlantic Refining Company has filed Form C-110 for this well showing the present disposition of gas and after connection is made will file such form again.