

OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

December 24, 1964

Texaco, Inc.
P.O. Box 810
Farmington, New Mexico

Attn: Mr. C. P. Farmer
District Superintendent

Dear Sir:

We have your letter of December 21, 1964 requesting the Commission's interpretation of Rule 502 Paragraph 1 as it pertains to over production on your Navajo Tribal AR #1 Well and your Navajo Tribal AL #1 in the Tooto Dome Pennsylvania D Pool. This paragraph states that wells may be produced in excess of the 125% daily tolerance to make up for production loss during the process of testing or completion of a well.

As your Navajo Tribal AR #1 fits this category and as it was not over produced as of December 20 there is no question that this is legal production.

While the rule does not specifically cover a situation such as described for your Navajo Tribal AL #1 well you were within the 5-day tolerance as of December 20 and your letter has explained the reason for the excessive production on the 3 days mentioned. Therefore so long as both wells are essentially in balance by the end of December we feel that all production will be legal under the Commission's rules.

Yours very truly

ECA:ks

Emery C. Arnold
Supervisor, District #3

cc: OCC, Santa Fe, N.M.

OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

December 15, 1941

General, Inc.
P.O. Box 510
Albuquerque, New Mexico

Attn: Mr. C. F. Brown
District Superintendent

Dear Sir:

We have your letter of November 11, 1941 regarding the Commission's determination of the production of the wells in your area. The Commission on your letter of November 11, 1941, and your letter of December 11, 1941, states that the wells in your area are producing in excess of the 180,000 bbl. per day limit. This is a violation of the law.

A copy of your letter of November 11, 1941, is being forwarded to the Commission for their consideration. There is no question that this is a violation of the law.

While the rule does not specifically cover a situation such as described for your wells, it is felt that the rule is applicable. The Commission's rule is that the production of the wells in your area shall not exceed 180,000 bbl. per day. The Commission's rule is that the production of the wells in your area shall not exceed 180,000 bbl. per day. The Commission's rule is that the production of the wells in your area shall not exceed 180,000 bbl. per day.

Yours very truly

Ernest C. Arnold
Superintendent, District #3

Enclosure

cc: OGC, Santa Fe, N.M.

P. O. Box 810
Farmington, New Mexico
87401

December 21, 1964

The New Mexico Oil
Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico

well file

Attention: Mr. E. C. Arnold

Gentlemen:

TEXACO Inc. desires an interpretation of the Commission's Rule No. 502, Paragraph I (a) as it applies to its leases in the Tocito Dome Pennsylvanian "D" Field of San Juan County.

The Navajo Tribe "AR" No. 1 was completed on November 27, 1964. The well was shut-in during the first six days of December in order to move the drilling rig and to obtain a bottom hole pressure. Subsequent to verbal approval from your office the under-production occasioned by this shut-in period was made up by producing the well at rates in excess of 125 percent of top unit allowable for the field. As of the morning of December 20, the well had a cumulative allowable of 3,686 barrels and had produced 3,880 barrels.

On December 15, 16, and 17 the Navajo Tribe "AL" No. 1 produced 316, 300 and 250 barrels respectively which is in excess of 125 percent of the top unit allowable. This production above the daily tolerance was caused by a malfunction of the choke and has been corrected. As of the morning of December 20, the well had a cumulative allowable of 2,868 barrels and a cumulative production of 3,217.

If the over-production as described above is legal within the Commission's interpretation of Rule No. 502, Paragraph I (a), it would be appreciated if you would so signify by signing and returning two copies of this letter.

Very truly yours,

C. P. Farmer
C. P. Farmer
District Superintendent

AGW-LC

Approved: *Emery C. Arnold*

Date: 12-27-64



