

OIL CONSERVATION COMMISSION
1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO

August 28, 1964

W.H. Hudson
1126 Mercantile Securities Building
Dallas 1, Texas

Attn: Mr. J.B. Avant

Re: #1 Fairfield, A-14-27N-13W
Basin Dakota Pool, San Juan
County, New Mexico

Dear Sir:

We have your letter of August 25, 1964, asking for a clarification of the re-calculation of the 1963 deliverability test for the above well.

Your well is one of approximately 60 wells on which 1963 deliverability tests have been re-calculated because we feel that pressures used in the deliverability calculations were not representative of the reservoir pressure. We take the position that the deliverability formula used in calculating well deliverabilities anticipates that the reservoir pressures in a given reservoir will be near the same pressure for all wells producing if the wells are in communication with each other. The lack of pressure stabilization in the Basin Dakota Pool is causing the measurement of abnormally low pressures on several wells and this pressure, when used in the deliverability calculation, exaggerates the well's deliverability. This happens because the low shut-in pressure causes the well to appear to have drawn down less than it actually has and as the deliverability pressure is directly related to the shut-in pressure in that it is a fixed percentage of the shut-in pressure it also causes the well's deliverability to be calculated to a lower base than other wells in the pool. We feel that if this situation is not corrected, particularly in the Basin Dakota Pool, serious inequities will result.

The above ruling has been challenged, specifically by the Pubco Petroleum Corporation, and a hearing has been set for September 16, 1964 at the Land Office Building in Santa Fe at 9:00 A.M. At this hearing Pubco in their application have stated that they wish to rescind the Commission's action in correcting the deliverability on one of their wells. I would

suggest that you make arrangements to attend this hearing in order that you may make your opinion known.

If we can be of any further service in this matter, please contact us.

Yours very truly

*Emery C. Arnold
Supervisor, District #3*

ECA:ks

*cc: Mr. A. L. Porter
OCC, Santa Fe, N.M.*

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W. H. HUDSON
1126 MERCANTILE SECURITIES BUILDING
DALLAS 1, TEXAS

August 25, 1964

Oil Conservation Commission
State of New Mexico
1000 Rio Brazos Road
Aztec, New Mexico

Attention: Mr. Emery Arnold

Re: Fairfield No. 1 - A-14-27N-13W
Basin Dakota Pool
San Juan County, New Mexico

Gentlemen:

We are in receipt of your letter dated August 17, 1964, advising of a correction in the deliverability calculations for the above captioned well per the attached Form C-122-A.

We would greatly appreciate your clarification of this matter. The field operator of the No. 1 Fairfield carefully obtained and reported accurate data, particularly pressures, for the deliverability test. Also, we would respectfully direct your attention to the fact that this well was completed naturally from perforations 6001-23 and the Southern Union No. 2 Richardson (P-11-27N-13W), which was utilized in obtaining an average pressure, was not completed until late in 1963 and was artificially stimulated. In fact, to date the No. 2 Richardson has produced only 70,482 mcf of gas; therefore, this well should not be representative of a Dakota Reservoir in a well which has been producing for several years. The Benson-Montin-Greer No. 2 Ginther (K-13-27N-13W) was artificially stimulated and has been producing for several years. You will note that the pressure from this well compares favorably with that of the No. 1 Fairfield.

Your early attention to this request will be very greatly appreciated.

Very truly yours,

W. H. HUDSON


J. B. Avant

JBA:cyd
Encl.

