

November 21, 1939

To Lea County Operators Committee:

At a special meeting of the Hobbs-Monument Operators held in Ft. Worth October 16, 1939, a motion was adopted to the effect that a special engineering committee of five members be appointed by Mr. C.G. Staley to study the problem of gas wastage in the Monument Field.

This committee met in Fort Worth November 20, 1939, and after a study of the information and data furnished by the Proration Office and various companies, arrived at the following unanimous conclusions:

First, that it is to the best interest of all operators to promote conservation to the fullest extent and prevent waste of reservoir energy.

Second, it is believed that improvement can be made in the gas-oil ratios of a number of wells in the Monument Pool and in several other pools in Southeastern New Mexico.

Third, that it is desirable for the operators to institute a program of remedial work and conservation practices at once. The Oil Conservation Commission has expressed its cooperation with the operators on any reasonable plan that tends to conserve reservoir energy.

Fourth, due to the complex sub-surface conditions existing in the Monument Field, no rule of general applications can be recommended for reducing gas-oil ratios, but that each well is an individual problem and should be considered as such.

On the basis of the above conclusions the following recommendations are herewith submitted:

1. Remedial work is recommended at once on all wells having a gas-oil ratio above 10,000.
2. That a standing Engineering Committee be appointed to make a study of field conditions for the prevention of physical waste and recommend from time to time remedial work, with the view that all reasonable work will be performed.
3. The Engineering Committee to report their findings to the Executive, or sub-committee of the Lea County Operators Committee.
4. The Executive Committee will contact the owner of the well in question, insisting that remedial work be done.
5. In case the operator refuses to do the necessary corrective work, all available information shall be presented to the Deputy of the Conservation Commission for action.
6. If the operator after applying all reasonable means, is unable to improve the condition of his well, it shall be given special study and recommendations made to the Commission on the basis of existing conditions in the individual well, and or pool.

7. In order to promote cooperation, it may be desirable to empower C.G. Staley with authority to allow transfer of oil from high gas oil ratio wells to other wells on the same basic lease for a period of 30 to 60 days while remedial work is being performed. This has particular reference to marginal wells or under unusual conditions may apply to non-marginal wells.
8. That the present established privilege of allowing an operator to make up any shortage that has occurred by reason of a shut down for remedial work, remain in force.
9. That the Executive Committee be acquainted with the fact that the Proration Office may need additional personnel to effectively carry out the intent of these recommendations.

After the various committees have been functioning for a short period and have given the problem a concentrated study they should be in a position to recommend whether general penalties should be applied and the desirability of instituting pressure maintenance operations, or other artificial means of conserving reservoir energy.

The committee feels that these recommendations apply, not only to the Monument Field, but to all Fields in the State and should be adopted for all areas.

Attached hereto is a summary of all high ratio wells as reported to the Proration Office for the Month of August, 1939.

Submitted by,

R.S. Christie, Amerada Pet. Corp.	R. Van A. Mills, Continental Oil Co.
M. Albertson, Shell Oil Co.	F.E. Heath, Sun Oil Co.
L.L. Gray, Gulf Oil Corp.	Glenn Staley, Chairman Engineering Committee

P.S. Mr. Van A. Mills was unable to attend this meeting.
Mr. J.P. Malott and E.P. Koehler substituted for Mr. Mills

<u>COMPANY</u>	<u>TOTAL WELLS</u>	<u>"GAS OIL RATIOS"</u>		
		<u>3500-5000</u>	<u>5000-10,000</u>	<u>Above 10,000</u>
Amerada	103	4	8	6
Anderson-Prichard	12		1	1
Atlantic	1			
Barnsdall	8			
Cities Service	9		2	
Continental	69	16	7	
Ennishope	2			
General Crude	1			
Great Western	2	1		
Gulf	81	1	4	9
Humble	12	3		
Ohio	23	5	4	
Oil Well Drlg. Co.	5			1
Phillips	10	1		
Repollo	28	6	4	2
Republic	2			2
Shell	22		1	1
Skelly	17			
Stanolind	8	2		1
Sun	11		3	3
Superior	5			
Texas	42	3	4	2
Tidewater	16	1		
Turner	1			1
Two States	2		1	1
Total	493	43	39	30