

Correspondence

1st Hearing in

Case No. 19

Jan. 1940

2 - 17 + 1

January 30, 1940

Special Delivery

Mr. Glenn Staley
Proration Umpire
Hobbs, New Mexico

My dear Glenn:

C
O
P
Y
Enclosed please find the following orders of the Commission:

Order No. 238, prescribing maximum gas-oil ratios for the various fields in New Mexico;

Order No. 237, a companion order of the above order, prescribing regulations for gas-oil ratio surveys in New Mexico;

Order No. 236, setting the date of March 4 as the date upon which any interested party having any objections to the two foregoing orders may make them before the Commission at a hearing on said date;

Order No. 235, governing the issuance of the monthly proration schedule with the Commission's certificate thereto as to legality of oil produced thereunder and the making up of certain shortages.

You will note in the last paragraph of Order No. 235 a saving clause was introduced for the taking under further advisement and the issuance of a supplemental order governing transportation of crude oil and its products by means other than by pipe line. This is intended for an order governing transportation by trucks, tank cars and the like, but I have not the data before me and my recent experience in trying to get into shape the above orders at long range has convinced me that it is next to impossible to draw orders one place with the engineers who advise upon these matters in some other place. It is advisable that I come down and sit with you and other engineers on the spot and work out the details at a convenient time. On the other hand, you and other engineers, acting in the capacity of the advisory committee, could come to Santa Fe. But the difficulty is that they have other interests and other things to do and are in a hurry to get away and I, in turn, being accessible to everyone, would be handicapped by constant interruptions. In a matter of this kind, one simply has to be quiet with a little time for thought and technical information from the advisory committee readily at hand.

The hearing upon the Monument proration plan, Case No. 14, which was continued by the Commission on December 9 to the first

Mr. Glenn Sta.

1/30/40

Thursday

Monday in February (the 5th), conflicts with the committee hearing in Washington on the Cole Bill, and will necessarily be continued. The Commission has unofficially set Monday, March 7, at ten o'clock A. M., for the hearing in the above captioned matter and an order is to be entered by the Commission on February 5 formally and officially, as a Court, continuing that hearing.

C
O
P
Y
Enclosed is a list of appearances of the operators whom I surmise you would like to notify as to all of the above matters by mimeograph or such other way as you see fit. However, since time is so short, I have today sent out a notice to all parties appearing in Case No. 14 that the hearing upon the Monument prorotation plan was unofficially continued to March 7, and that on February 5 the Commission expected to issue a formal order to that effect.

In another connection, relating to the petition of the various operators to the New Mexico Corporation Commission to change its Rule 9 as to tank tables by eliminating the 2% arbitrary deduction, Honorable Robert Valdez of the Corporation Commission yesterday advised that the matter was set down for formal hearing before the Corporation Commission on March 6. The petitioners should be reminded that they have the burden of making their case before the Commission. They should get together with their counsel and make preparation for the presenting of their case. In this matter the Corporation Commission, as I see it, sits as a court. By all means, after the Cole Committee hearing in Washington, the petitioners (which means the operators) should hold an informal meeting themselves a week or two before the hearing before the Commission so a plan of legal strategy can be devised. Otherwise the proceedings of a large number of operators against a small handful of pipe line companies might be as ineffectual as the large Russian Army against the little Finns. I gave Mr. Worden a memorandum to advise Governor Murray somewhat along the lines of the foregoing suggestions.

Very truly yours,

Carl B. Livingston
Attorney

CBL:lk
Enc.

LEA COUNTY OPERATORS COMMITTEE

HOBBS, NEW MEXICO

January 29, 1940

Hon. Carl Livingston
Oil Conservation Commission,
Santa Fe, N.M.

Dear Carl:

I am enclosing herewith a copy of a letter from E.A. Hanson of the U.S.G.S., Roswell, addressed to Mr. McCorkle. Mr. McCorkle's secretary has asked me to answer the letter.

From previous correspondence with members of the Commission I note that a transcript of the hearing was not completed when this information was first requested by Mr. Hanson. However, the information is now available. I will, therefore, appreciate it if you will forward to Mr. Hanson a copy of that part of the evidence asked for in the enclosed letter.

I will also appreciate it if, when the transcript is completed, you will send me a copy for the permanent files in this office so that Mr. Hanson and his staff and the operators can refer to same.

As soon as we receive a copy of the Commission's order pertaining to gas-oil ratios for each field the order will be mimeographed and mailed to all operators.

With the sincere hope that Mrs. Livingston is well on the road to recovery and with kindest personal regards to you both, I am,

Yours very truly,


Glenn Staley

GS:M

cc: A.M. McCorkle
E.A. Hanson

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Box 997

Roswell, N.M.
Jan 24-1940

Mr. A.M. McCorkle
Stanolind Oil & Gas Co.
Ft. Worth, Texas

Dear Mr. McCorkle:

Reference is made to your letter dated January 10, 1940, relative to furnishing us a copy of the Christy Committee's report and recommendations relative to gas-oil ratios in Lea County, New Mexico.

Before receiving your letter, we had asked the Conservation Commission for a transcript of Mr. Christie's statement at the hearing of December 9, 1939, but as you will probably recall, the committee's report was not submitted as evidence.

We were not certain from your letter of January 10, whether or not you intended sending us a copy of the Christie Committee's report after obtaining your committee's permission, but apparently you did not so intend it. We are still very desirous of obtaining two copies of this report.

You will, of course, readily understand that it is necessary that we acquire all available information on gas-oil ratios in Southeastern New Mexico, in order that we may be fully informed on the matter when the State Conservation Commission issues its order limiting gas-oil ratios on State and fee lands in certain fields in Lea County.

Yours very truly,

Wm
S.
Sgd.

E.A. Hanson
Supervisor, Oil & Gas Operations

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P.O. Box 997
Roswell, New Mexico
January 24, 1940

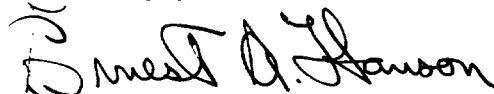
Mr. Carl B. Livingston, Attorney
State Conservation Commission
Santa Fe, New Mexico

Dear Mr. Livingston:

Reference is made to my telegram to
Mr. Worden dated January 8, 1940, and your re-
ply of the same date.

We are desirous of receiving a trans-
cript of Mr. Christy's report to the Commission
on December 9, 1939, in the hearing known as
Case No. 19. When this has been transcribed,
which we assume will be done prior to February
5, we will appreciate it if you will send us,
preferably, the entire transcript of Case No.
19, but at least a transcript of Christy's
testimony, including the questions and answers.

Very truly yours



ERNEST A. HANSON
Supervisor, Oil and Gas Operations.

BGA:NEA

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

(40)

R. B. WHITE
PRESIDENTNEWCOMB CARLTON
CHAIRMAN OF THE BOARDJ. C. WILLEVER
FIRST VICE-PRESIDENT

1230

SYMBOLS

DL = Day Letter

NL = Night Letter

LC = Deferred Cable

NLT = Cable Night Letter

Ship Radiogram

The time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

Received at

VE52 TWS PAID 5=HX FORTWORTH TEX 19 1146A

240 JAN 19 AM 11 42

J O SETH=

1111 SAN FRANCISCO

CONFIRMING TELEPHONE CONVERSATION BELIEVE SUBDIVISION FIRST SHOULD READ QUOTE FIRST AS TO THE LEA COUNTY FIELDS ANY OIL PRODUCING UNIT PRODUCING WITH A NET GAS OIL RATIO IN EXCESS OF THE ASSIGNED MAXIMUM FOR ANY PARTICULAR FIELD AS SET OUT IN THE COLUMN HEREINDELOW SHALL BE ALLOWED TO PRODUCE DAILY ONLY THAT VOLUME OF GAS OBTAINED BY MULTIPLYING ITS DAILY OIL ALLOWABLE BY THE GAS OIL LIMIT FOR THE PARTICULAR FIELD. THE GAS VOLUME THUS OBTAINED SHALL BE KNOWN AS THE DAILY GAS LIMIT OF SUCH OIL PRODUCING UNIT. THE DAILY OIL ALLOWABLE OF SUCH OIL PRODUCING UNIT SHALL THEN BE DETERMINED AND ASSIGNED BY DIVIDING ITS DAILY GAS LIMIT BY ITS NET PRODUCING GAS OIL RATIO IN CUBIC FEET PER BARREL OF OIL UNQUOTE. SUBDIVISION SECOND COULD BE REWRITTEN IN THE SAME MANNER. UNITS IN HOBBS AND MONUMENT HAVING ALLOWABLES BELOW AVERAGE TOP UNIT ALLOWABLE IN LEA COUNTY SHOULD BE ALLOWED TO PRODUCE SAME AMOUNT OF GAS AS TOP UNIT ALLOWABLE WELL WITH TOP RATIO AS SET FOR EACH FIELD=

END 1.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

(37)

WESTERN UNION

1220

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

SYMBOLS

DL = Day Letter

NL = Night Letter

LC = Deferred Cable

NLT = Cable Night Letter

Ship Radiogram

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

Received at

VE52 2=

TOP RATIO FOR COOPER IS SET AT 10,000 AND FOR EAVES AT 4,000
MANY WELLS IN BOTH FIELDS BEING GAS LIFTED AND NOTHING IN
PROPOSED ORDER PROVIDES FOR MAXIMUM INPUT RATIO BELIEVE
ADVISABLE FOR COMMISSION ADOPT RULE SETTING MAXIMUM INPUT
RATIO FOR ALL GAS LIFT WELLS IN STATE AT 10,000 CUBIC FEET
PER BARREL. THIS GAS WOULD BE IN ADDITION TO AMOUNT OF GAS
PRODUCED NATURALLY FROM WELL. THIS IS FIGURE FEBY STATUTE
IN TEXAS=

J. H. MOYAR.

10,000 4,000 10,000 .

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING THE SERVICE

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

(21)

WESTERN UNION

1201

SYMBOLS

DL = Day Letter

NL = Night Letter

LC = Deferred Cable

NLT = Cable Night Letter

Ship Radiogram

R. B. WHITE
PRESIDENT

NEWCOMB CARLTON
CHAIRMAN OF THE BOARD

J. C. WILLEVER
FIRST VICE-PRESIDENT

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

VE119 29 GOVT DL XC=ROSWELL NMEX 8 1218P

FRANK WORDEN=

COMMISSIONER OF PUBLIC LANDS

PLEASE FORWARD US AS EARLY AS POSSIBLE A TRANSCRIPT OF
REPORT AND RECOMMENDATIONS OF CHRISTY'S COMMITTEE ON GAS
OIL RATIOS AT YOUR DECEMBER HEARING TOGETHER WITH THE
STATES ACTION=

ERNEST A HANSON.

MEMORANDUM FROM ITS PATRONS CONCERNING ITS SERVICE

January 8, 1940

Honorable Ernest A. Hanson
U. S. G. S.
Roswell, New Mexico

Re: Case No. 19, the adoption of regulations governing oil-gas ratios in the various producing fields in New Mexico.

My dear Ernest:

The reporter who reported the above captioned case has been engaged in completing the transcript on Case No. 14, Hobbs Division, and has not as yet had time to reach case No. 19 concerning oil-gas ratios.

With kindest personal regards,

Very truly yours,

OIL CONSERVATION COMMISSION

By Carl B. Livingston
Attorney

CBL:ik