



Mobil Oil Company

A Division of Socony Mobil Oil Company, Inc.

P. O. Box 2406
Hobbs, New Mexico

March 16, 1960

Mr. A. L. Porter, Jr., Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

As requested by the Commission, Socony Mobil Oil Company, Inc. offers the following comments and recommendations regarding the revision of Rule 701 as proposed by the Commission.

Socony Mobil Oil Company, Inc. believes that the monthly reporting of well tests on only the wells outside a waterflood project area with common tankage will be an undue hardship for all operators. The value or benefit of such a procedure would be insignificant as compared to the additional expense required.

Socony Mobil Oil Company, Inc. recommends that the Commission not revise the Rule 701. However, if Rule 701 is revised, it is recommended that the testing and reporting should be done on a quarterly basis, once every three months. A test every three months on wells outside the project area will afford the well performance information required and minimize the work load of both the Commission and operators concerned.

Yours very truly,

SOCONY MOBIL OIL COMPANY, INC.

A handwritten signature in cursive script, appearing to read "C. H. Samples".

C. H. Samples
District Superintendent

JCG/nrh

PHILLIPS PETROLEUM COMPANY

BARTLESVILLE, OKLAHOMA

March 15, 1960

PRODUCTION DEPARTMENT
L. E. FITZJARRALD
VICE PRESIDENT

EARL GRIFFIN
GENERAL SUPERINTENDENT
JACK TARNER
TECHNICAL ADVISER TO VICE PRES.
H. S. KELLY
CHIEF ENGINEER

In re: Proposed Revision of Rule 701 - Case No. 1898

Mr. A. L. Porter, Jr., Secretary-Director
New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Porter:

In response to your Memo. No. 2-60 dated February 17, 1960, I am thankful for the opportunity of presenting the views of my Company and myself with respect to the revision of Commission Rule 701 as recommended by Mr. Joe Ramey.

At the original hearing on water floods, Case No. 1787 on October 14, 1959, Phillips Petroleum Company recommended that water flood allowables be assigned on a lease or unit basis, being the daily per well water flood allowable multiplied by the number of input and producing wells on the lease or unit. The impracticability of restricting the per well water flood allowable to wells offsetting the input wells was pointed out.

Phillips Petroleum Company continues to believe that a water flood allowable should be on a lease or unit basis. Such an allowable system would make it unnecessary to make monthly individual well tests, which are expensive to take and, because of short test duration, are valueless.

Yours very truly,



L. E. Fitzjarrald

LEF:OPN:HD
AIR MAIL

GRARIDGE CORPORATION

IBEX BUILDING

POST OFFICE BOX 752

BRECKENRIDGE, TEXAS

March 14, 1960

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.
Secretary - Director

Re: Proposed Revision of
Rule 701 as set out
in Case 1898

Gentlemen:

As we understand the proposed revision, our present waterfloods covering some four projects will not be affected. However, we plan to install future projects which will be affected.

We have thoroughly studied the provisions and understand why the Commission must be kept informed of well producing capacity. Furthermore, we feel that proper waterflood operations require monthly tests on all wells affected by water injection. However, based on our experiences in some 2½ years of waterflooding in New Mexico, we believe the policy of testing every well every month will be an undue financial hardship on the operator. For instance, during two years of flooding at Caprock we have had an average of 35 wells capable of making only a barrel or so per day. Economics dictate that we should not test such wells every month.

We respectfully suggest that a regular GOR well test taken every six months on all wells should give sufficient control on the specific wells in question if a provision is made whereby the allowable on such wells can not be raised unless a substantiating well test on Form C-116 is submitted.

New Mexico Oil Conservation Commission
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March 14, 1960

This test information coupled with the monthly oil and water production from each well which is submitted monthly on Commission Form C-120 should keep the Commission properly informed and allow the maintaining of equities among the operators.

Very truly yours,

GRARIDGE CORPORATION



T. A. Ford
Manager of Production

TAF/lt

cc: Mr. Jack Campbell
Ambassador Oil Corporation
Great Western Drilling Company
Gulf Oil Corporation



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

ROSWELL DISTRICT

W. A. SHELLSHEAR
District Manager

F. O. MORTLOCK
District Exploration Manager

M. I. TAYLOR
District Production Manager

G. A. PRICE
District Services Manager

P. O. DRAWER 669 • ROSWELL, NEW MEXICO

March 14, 1960

FORT WORTH
PRODUCTION DIVISION

New Mexico Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

In compliance with the Commission's request that interested operators submit a written statement expressing their views on proposed Rule 701 as amended, Gulf Oil Corporation hereby submits the following information:

We feel that the existing method of reporting well production on Form C-115 and Form C-120 should suffice for accuracy purposes. The operator certifies that the information is true and correct to the best of his knowledge. Based on Commission approvals in the past and limitation on water flood expansion, it is apparent that water floods will not be inaugurated in New Mexico in the future except in stripper properties. These properties, of course, are those producing approximately ten barrels or less per day, and generally having little or no decline. Offsetting wells will have about the same productivity because of drainage. It is an established fact that production from wells of this type is maintained at essentially a constant level over periods of many years. For this reason, offsetting wells to a water flood area will have little change in productive capacity from year to year. Since these rates remain essentially constant for long periods of time, we feel that there will be very little variation and therefore, no need for frequent testing as proposed. We believe that monthly tests for wells outside a project area are not warranted. If the Commission finds it necessary to require these tests however, we recommend that they be required no more often than quarterly, and prefer tests on a semiannual basis.

Yours very truly,

W. A. Shellshear

JHH:ers

March 10, 1960

S T A T E M E N T

The proposed revision in Rule 701 will cause an administrative burden and result in duplication. Such requirement of reporting well tests will be a repetition of similar data presently being submitted on Commission Form C-115. Any prudent operator, in preparing the Form C-115, will use the latest available test in calculating the monthly production. Because of this duplication Texaco feels that this will be an administrative burden on the operator, also, in the course of time Texaco believes that this will become an administrative burden upon the Commission. Texaco believes the present method of reporting monthly production by well on Form C-115 will supply the Commission with adequate data to keep it fully advised of the amount of production of wells outside the water flood project area, therefore, Texaco questions the necessity of reporting monthly well tests.



CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO

March 7, 1960

WM. A. MEAD
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen: Re: Proposed Revision of
Rule 701

In regard to the proposed revision of Rule 701, we offer the following comments and recommendation.

We believe that the revisions as set out in Rule 701 would impose an undue hardship on operators in waterflood projects. With more and more centralized battery installations becoming approved for use by the industry, more and more waterflood projects would become affected by the proposed revision. This could involve a voluminous amount of testing and paper work for some operators to be done on a monthly basis. We feel that such test information is necessary, but not on a monthly basis.

We recommend that semi-annual tests be conducted and that these should be adequate to provide the required information.

WAM-PD

Very truly yours,

A handwritten signature in cursive script that reads "W. A. Mead".



CITIES SERVICE OIL COMPANY

D. D. Bodie
Division Superintendent

BOX 97
HOBBS, NEW MEXICO

March 4, 1960

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Attn: Mr. A. L. Porter, Jr.

Re: Proposed Revision of Rule 701

Gentlemen:

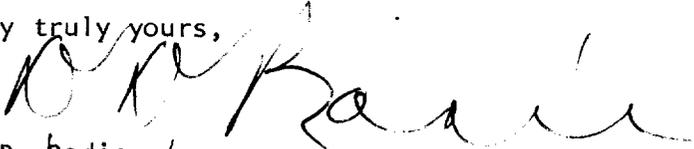
Cities Service Oil Company opposes the proposed amendment to Rule 701 in Case No. 1898. It is believed the information requested by amendment to Rule 701 will duplicate that information now reported on Form C-115, which reflects the monthly production of individual wells normally based on well tests. So long as the wells outside a waterflood project area are producing into common facilities with wells inside a waterflood project area, the wells would no doubt be in a stripper stage, declining very little each month. Therefore, the production data reported on Form C-115 should be adequate for proration purposes.

When a well or wells outside a prorated waterflood project area begin to receive response from the flood, a diligent operator would request that the well or its offset be converted to an injection well. The well or wells would then be considered in the project area and production would be reported on Form C-115 as requested by the current Rule 701.

The amendment as proposed, in our opinion, would require unnecessary well tests and add the burden of additional clerical time for filing production data on Form C-120 which would be reported the same month on Form C-115.

For the above reasons, Cities Service Oil Company recommends that Rule 701 not be amended but rather remain as now in effect.

Very truly yours,


D. D. Bodie
Division Superintendent

EFM/gk

SINCLAIR OIL & GAS COMPANY

SINCLAIR OIL BUILDING

TULSA, OKLAHOMA

March 2, 1960

Mr. A. L. Porter, Jr.,
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Mr. Porter:

Your memorandum of February 17, 1960 transmitted a proposed revision of Rule 701 which would require all wells outside a prorated water flood project area that produce into common facilities with wells inside the project area, to be tested once each month and the results reported to the Commission.

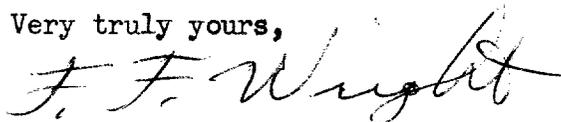
While we have no water floods yet in New Mexico, we appreciate the Commission's wish to keep up with the progress of these projects and we share their concern in getting this information in the best way possible.

In examining the reports submitted in New Mexico, we notice that all wells' production is now reported and certified on Form 115 monthly. It appears that this report should contain the information desired by the Commission. However, in reviewing our Form 115 files, in this office, we note the difficult task of finding and identifying particular wells, leases or fields. Possibly, the Commission Staff has this same experience with their more numerous copies of Form 115.

Therefore, it seems that a practical answer to the Commission's problem would be to have the operators arrange these Form 115 reports by projects, or otherwise, for convenience in finding and using this information, rather than requiring additional field work in testing the wells. Surely if these Form 115 reports are certified, this information should be satisfactory.

However, if the Commission still feels that it wants the separate tests on the individual wells each month, it seems that this information could then be deleted from Commission Form C-115 in the interest of avoiding duplication. Which ever way the question is settled we know that the Commission and Operators will continue their fine cooperative efforts to get the highest ultimate recovery from New Mexico's rich oil fields and thereby produce the greatest good for her citizens.

Very truly yours,



F. F. Wright

FFW/MB

CLASS OF SERVICE

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WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

1201

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

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NEW MEXICO OIL CONSERVATION COMMISSION=

STATE CAPITOL BLDG SANTA FE NMEX=

ATTN MR A L PORTER

REGARDING FEBRUARY 17 1960 DOCKET CASE NO. 1898

CATED BY THE OIL CONSERVATION COMMISSION WE ARE SORRY THAT WE COULD NOT BE PERSONALLY REPRESENTED BUT WE WOULD LIKE TO GO ON RECORD AS SUPPORTING COMPLETELY THE OBJECTIONS OFFERED BY GRARIDGE CORPORATION TO REVISING COMMISSION RULE 701. WE FEEL THEIR INDICATED OBJECTIONS ARE WELL BASED UPON SOUND REASONING AND ARE DEFINITELY

Case file
MANAGER
333

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

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IN THE INTERESTS OF EFFICIENT OPERATIONS=

AMBASSADOR OIL CORP EY ROBERT H VICK==

17 1960 1898 701

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

HUMBLE OIL & REFINING COMPANY

PRODUCTION DEPARTMENT WESTERN DIVISION

P. O. BOX 1600

MIDLAND, TEXAS

February 26, 1960

R. R. McCARTY
MANAGER

J. S. BOLDRICK
OPERATIONS SUPERINTENDENT

H. L. HENSLEY
OPERATIONS SUPERINTENDENT

H. E. MEADOWS
ENGINEERING COORDINATOR

A. J. BEDFORD
ADMINISTRATIVE COORDINATOR

6-1

New Mexico Proration

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Dear Sir:

With reference to your memorandum of February 17, 1960, referring to a proposed revision of Rule 701, this is to state that Humble Oil & Refining Company is in accord with the proposed revision.

Sincerely yours,

HUMBLE OIL & REFINING COMPANY

R. R. McCARTY

By: 
Henry E. Meadows

WSD/sm