



Geolectric, Inc.

Phone

Federal 4-6580

4-6824

P. O. Box 842 . AZTEC, NEW MEXICO

November 12, 1962

Mr. Dan Nutter, Chief Engineer
New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dan:

Enclosed is a letter from George D. Locke pertaining to the revised deliverability formula and also some other rather pertinent information for your consideration and guidance.

As you can see from this letter and other letters placed in evidence at the hearing on November 8th, the independent operators do not wholeheartedly and without reservation agree with the proposed change or revision of the Northwest Proration Schedule.

Sincerely,

A handwritten signature in cursive script, appearing to read "B. H. Keyes".

B. H. Keyes

Encl.

CANDADO PRODUCTION COMPANY

A NEW MEXICO CORPORATION

Producers of Petroleum Products

GEORGE D. LOCKE
PRESIDENT
EDWARD F. WILLIAMS
VICE PRESIDENT
DOROTHY H. EGGERT
SECRETARY

716 FIRST NATIONAL BANK BUILDING - 411 NORTH CENTRAL AVENUE
PHOENIX, ARIZONA

New Mexico Office
AZTEC, NEW MEXICO

November 8, 1962

Mr. B. H. Keyes
GeoLectric, Inc.
P. O. Box 842
Aztec, New Mexico

My dear Brad:

I have considered your letter of October 29, 1962, and also the Oil Commission's proposed provision of Orders R-333-C and D, and R-333-E, and advise you as follows:

That I feel that the provision in the fourth paragraph on page 6, to the effect that,

"The seven-day (7) shut-in pressure shall be measured on both the tubing and the casing when communication exists between two strings. The high of such pressures shall be used as P_c in the deliverability calculation." is unfair because to use the highest shown pressure would certainly decrease the calculated deliverability of the well.

Since, under the Commission's regulations, we are already penalized by losing fifty percent of the bottom hole pressure of each well in Largo Canyon, the addition of the foregoing penalty would have the effect of so impairing the income from production as to make future operations unprofitable.

You might also say to the commission that the amendment they should make to their proration orders is on eliminating rationing altogether, and restoring the control of production to the producers and pipe line company under an order requiring a rateable take from each well in the field, this being the only fair and equitable method of controlling the production and conserving the resources of such production to the State of New Mexico.

Very truly yours,

GEORGE D. LOCKE

GDL:gd

LAW OFFICES
HOWSER, COUGHLIN & SCHMITT
51 EAST FOOTHILL BOULEVARD
ARCADIA, CALIFORNIA

FRED N. HOWSER
JAMES J. COUGHLIN
WILFRED J. SCHMITT

TELEPHONE
HILLCREST 7-8141
MURRAY 1-9591

November 1, 1962

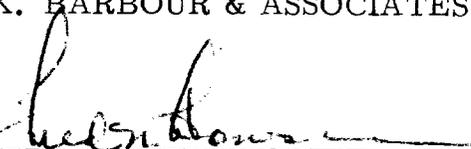
New Mexico Oil Conservation Commission

Gentlemen:

For and on behalf of A. K. Barbour and Associates, would you please register our objection to the 4th paragraph on page 6 of your proposed revision of Orders R-333-C and D and R-333-E, relating to the seven day shut-in pressure. It is our belief that the use of the highest shut-in pressure would result in a decrease of the calculated deliverability of the well.

Yours very truly,

A. K. BARBOUR & ASSOCIATES

By: 
Attorney

FNH/hc



B O X 1 2 3 1 , M I D L A N D , T E X A S

November 6, 1962

New Mexico Oil Conservation Commission
Santa Fe, New Mexico
c/o B. H. Keyes
Box 842
Aztec, New Mexico

Gentlemen:

We would like to be placed on record as opposing fourth paragraph of page 6 of proposed revision of orders R-333-C and D, and R-333-E; wherein the higher of shut-in casing and tubing pressure will be used in calculating P_c in deliverability.

Very truly yours,

TIDEWATER OIL COMPANY

R. H. Coe, District
Production Manager

JS:ep

OSCAR ABRAHAM

OIL AND NATURAL GAS PRODUCTION

224 FIRST NATIONAL BANK BUILDING
ALBUQUERQUE, NEW MEXICO
TELEPHONE 247-8816

814 MERCANTILE BANK BUILDING
DALLAS TEXAS
TELEPHONE RI 8-5050

November-2-1962

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Dear Sirs:

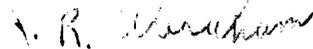
I have read your Oil Commission proposed revision of order R-333C and D and R-333E.

The only revision that I am against appears in the fourth paragraph on page 6, where it states: "The seven-day (7) shut-in pressure shall be measured on both the tubing and the casing when communication exists between the two strings.

The high of such pressures shall be used as P_c in the deliverability calculation.

Using the highest shut-in pressure would decrease the calculated deliverability of the well.

Yours very truly,



J.R. Abraham

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 17, 1962

Mr. Emery C. Arnold
District Supervisor
Oil Conservation Commission
1000 Rio Braces Road
Artec, New Mexico

Dear Emery:

Enclosed herewith is Page 6 (revised) of Order No. R-333-F entered by the Commission on November 30, 1962, a copy of which has previously been mailed to you.

A slight typographical error required that Page 6 be done over. Please insert this copy in the order which you received and return the former Page 6 to us.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSM/esr
Enclosure

C
O
P
Y

NEW MEXICO OIL CONSERVATION COMMISSION
P. O. Box 871
SANTA FE, NEW MEXICO

MEMORANDUM:

TO: ALL OPERATORS AND WELL TESTERS OF THE GAS WELLS IN SAN JUAN BASIN

FROM: A. L. PORTER, JR., SECRETARY-DIRECTOR

SUBJECT: DELIVERABILITY PRESSURES (P_d) AND LIMITING MULTIPLIERS FOR GAS WELLS IN THE SAN JUAN BASIN AS REQUIRED BY ORDER R-333-F

As required by Chapter 11, Section 2 of New Mexico Oil Conservation Commission Order R-333-F, a study of 1962 test data has been made for all gas wells tested in 1962. Based on the results of the study, the deliverability pressures (P_d) for calculating 1963 Annual Deliverability Tests are established as follows:

All Dakota gas wells $P_d = 50\% P_c$ ✓
All other gas wells $P_d = 80\% P_c$ ✓

Multiplier for any gas well shall not exceed 2.0

The value of P_d shall be determined by multiplying the seven-day shut-in pressure, which has been measured for the test being calculated, by the percentage listed above.

When a multiplier $\left[\frac{P_c^2 - P_d^2}{P_c^2 - P_w^2} \right]^n$

is greater than 2.0 for a test being calculated, the test shall not be reported until the supervisor of the Aztec office has given specific permission in writing to do so after he has determined that the shut-in pressure and drawdown conditions are satisfactory and that the use of such a factor will allow the operator to calculate an accurate deliverability for the well.

The above mentioned 1963 Annual Deliverability Tests shall be used for proration purposes effective February 1, 1964.

Any test which is the initial, the first annual test or the first test after workover should be calculated using 50% of the seven-day shut-in pressure (P_c) as the deliverability pressure (P_d). This is done for the reason that the deliverability from such tests will be used for proration purposes in the 1963 calendar year and all such deliverabilities must be calculated to a common base in order to be equitable.

February 25, 1963