

Oil / Gas / Mining

*Val R. Reese, C.P.G.*

Geological Consultant  
1116 Bank of New Mexico Building  
Albuquerque, New Mexico 87101

Office: Phone 243-0665

Home: Phone 255-9749

May 6, 1969

Mr. Emery C. Arnold, Supervisor  
Oil and Gas Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico 87410



Dear Mr. Arnold:

*M-14-19A-300*

Please find attached seven copies of completed Form C-104, Authorization to Transport Oil, for the Federal Media No. 1 well operated by Don C. Wiley and Fluid Power Pump Company.

We tested this well for 330 barrels during a 10-hour test on April 16, 1969. During this test we discovered that the oil has a high pour point and that it would flow through the lines until it began to cool. Our flow line is 600 feet long. The gravity of the oil is 33° and the pour point is 89°. This made it difficult for us to continue flowing the well, and we decided at that time to install a pump on the well in order to produce the oil more efficiently.

We now have a pump installed but we are involved in problems of transporting the oil as well as heating the oil in the tanks. We have installed steam coils and a steam generator (an extra cost of about \$10,000.00) at the tank battery for the heating of the oil. Permian Corporation, who will be the transporter of the oil, is also making some changes in their receiving station in order to take the oil. They also plan to use insulated tank trucks. The unexpected costly changes that we are making in order to produce the well and transport the high pour point oil have caused us to lose considerable time in the actual production of the well.

We would appreciate your consideration of assigning us an allowable from April 16th because the tests that have been taken on our well indicate that we can more than produce the normal allowable.

We would also appreciate your consideration of assigning a 1,000 barrel extra allowable per well for the following reasons:

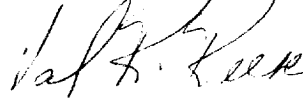
- A. Although this field was discovered in 1953, it was abandoned without adequate exploration of the structure as it is now known.
- B. Costs of producing the high pour point oil are unusually high.

Mr. Emery C. Arnold, Supervisor  
Oil and Gas Conservation Commission 2

May 6, 1969

- C. We need to determine the maximum deliverability of each well as it is drilled on the Media Dome, because we are considering the construction of a natural gasoline and asphalt plant and a pipeline to the area as soon as possible and need to know what we can expect at a maximum on a per well basis from the wells as we drill them.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Val R. Reese", written over the typed name.

VAL R. REESE

VRR:mb

Copy: Don C. Wiley



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
1000 RIO BRAZOS ROAD - AZTEC  
87410

GOVERNOR  
DAVID F. CARGO  
CHAIRMAN

LAND COMMISSIONER  
ALEX ARMIJO  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

May 9, 1969

Val R. Reese, Geological Consultant  
1116 Bank of New Mexico Building  
Albuquerque, New Mexico 87101

Dear Mr. Reese:

I have your letter of May 7, 1969, concerning your Entrada oil wells in the Media Pool.

As we did receive your Federal Record form showing the potential of the #1 well prior to May 1, 1969, we are issuing you an allowable effective April 16, 1969, which was the date that the first oil was produced.

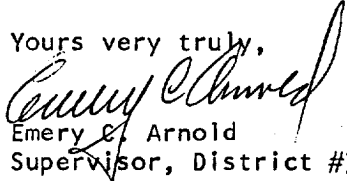
I am not authorized to grant any extra allowable beyond the normal unit allowable for the pool to any oil well. We can grant a testing allowable in a sufficient amount to allow you to test at rates exceeding the daily allowable rate for purposes of evaluation. However, this testing allowable must then be balanced against the regularly assigned daily allowable.

Your daily unit allowable in this pool will be 94 barrels per well which is arrived at by multiplying the Northwest Unit Allowable by 1.33 which is the depth factor in this pool. The only way that this allowable could be increased would be for the Northwest Unit Allowable to be increased. This of course could be accomplished if enough high capacity wells were developed and if a market existed so that nominations of purchasers could be increased.

I suggest that you discuss your allowable problem with Mr. A. L. Porter, Jr., Secretary Director of the Commission the next time that you are in Santa Fe. He will be able to advise you what course of action, if any, may be taken to increase your allowable.

If you wish a testing allowable to be granted, please advise me by letter of the amount that you wish to have assigned and we will issue an oil supplement in that amount.

Yours very truly,

  
Emery C. Arnold  
Supervisor, District #3

ECA:mc