

CASE NO. 51

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

In the matter of the application of the New Mexico Oil Conservation Commission, upon its own motion, for an order revising the rules and regulations of the Commission as to Well Record and Well Record (Form C-105); to require the filing with the Commission any geologist's log and any electric log made or taken; and to require the delivery of a sample cut to the State Bureau of Mines when requested by the Commission. This case is set for 10 A.M., August 4, 1944.

(Note: The information required by existing rules is frequently incomplete and insufficient for study and correlation by the Commission in conjunction with the State Bureau of Mines).

Pursuant to notice by the Commission, duly made and published, setting August 4, 1944 at 10:00 o'clock, a.m., for hearing in the above entitled matter, said hearing was convened on said day, at said hour, in the Coronado Room of the La Fonda, Santa Fe, New Mexico, the Commission sitting as follows:

HON. RAY ROGERS, State Land Commissioner, Member
HON. JOHN M. KELLY, State Geologist, Secretary
HON. CARL B. LIVINGSTON, Chief Clerk and Legal Adviser.

R E G I S T E R

<u>NAME</u>	<u>COMPANY</u>	<u>ADDRESS</u>
J. O. Seth	Stanolind Oil Company	Santa Fe, New Mexico
R. E. Nelson, Jr.	Stanolind Oil Company	Tulsa, Oklahoma
W. D. Henderson	Stanolind Oil Company	Midland, Texas
George W. Selinger	Skelly Oil Company	Tulsa, Oklahoma
D. W. Spence	Sinclair Prairie Oil Co.	Midland, Texas
H. B. Hurley	Continental Oil Company	Ft. Worth, Texas
R. Van A. Mills	Continental Oil Company	Ponca City, Okla.
J. W. Head	Head & Miller	Borger, Texas
K. H. Dally	Head & Miller	Borger, Texas
A. Knickerbocker	Fred Turner, Ju.	Midland, Texas
J. M. Zachary	Neville G. Penrose, Inc.	Ft. Worth, Texas
Hamilton McRae	Fred Turner, Jr.	Midland, Texas
Frank D. Gardner	Sinclair Prairie Oil Co.	Midland, Texas
G. L. Shoemaker	Shell Oil Company, Inc.	Midland, Texas
S. W. House	Humble Oil Company	Midland, Texas
V. C. Maley	Humble Oil & Refining Co.	Midland, Texas
Hugh L. Sawyers	N. M. Oil & Gas Ass'n.	Roswell, N. M.
Claude E. Wood	State Land Office	Santa Fe, N. M.
Jesse Hildreth	General Crude Oil Company	Wink, Texas
Leo E. Shultz	Oil & Gas Dept. - State Land Office	
Jerry Curtis	Magnolia Petroleum Company	Santa Fe, N. M.
S. P. Hamfin	Magnolia Petroleum Company	Roswell, N. M.
W. K. Davis	El Paso Natural Gas Company	Midland, Texas
R. L. Boss	Gulf Oil Corporation	Jal, New Mexico
E. J. Gallagher	Gulf Oil Corporation	Hobbs, N. M.
A. E. Willig	The Texas Company	Hobbs, N. M.
Glenn Staley	Lea County Operators	Ft. Worth, Texas
Harvey Hardison	Standard of Texas	Hobbs, N. M.
W. S. Patterson	Scouting Service	Houston, Texas
C. W. Faris	Shell Oil Company	Santa Fe, N. M.
John P. Healy	Colo-Mex	Midland, Texas
Weldon Brigance	Rowan Drilling Company	Santa Fe, N. M.
Roy O. Yarbrough	Oil Conservation Commission	Ft. Worth, Texas
E. H. Foster	Phillips Petroleum Company	Hobbs, N. M.
		Amarillo, Texas

(REGISTER) Cont'd.

<u>NAME</u>	<u>COMPANY</u>	<u>ADDRESS</u>
Mrs. Nettie Ogle		Santa Fe, N. M.
Fred Turner, Jr.	Independent	Midland, Texas
D. R. McKeithan	Phillips Petroleum Company	Barbersville, Okla.

The meeting was called to order by the Chairman, and upon request of the Secretary, the Chief Clerk read the call of the meeting, as follows:

NOTICE FOR PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission, by law invested with jurisdiction as the oil and gas regulatory body of the State of New Mexico, hereby gives notice of the following hearing to be held at Santa Fe, New Mexico:

Case No. 51

In the matter of the application of the New Mexico Oil Conservation Commission, upon its own motion, for an order revising the rules and regulations of the Commission as to Well Record and Well Record (Form C-105); to require the filing with the Commission any geologist's log and any electric log made or taken; and to require the delivery of a sample cut to the State Bureau of Mines when requested by the Commission. This case is set for 10 A.M., August 4, 1944.

(Note: The information required by existing rules is frequently incomplete and insufficient for study and correlation by the Commission in conjunction with the State Bureau of Mines).

Any person having any interest in the subject of said hearing is entitled to be heard.

The foregoing Notice of Publication was made pursuant to the direction of the Commission at its Executive Meeting July 6, 1944.

Given under the seal of said Commission at Santa Fe, New Mexico, on July 7, 1944.

OIL CONSERVATION COMMISSION

/s/ John M. Kelly

BY (SGD) JOHN M. KELLY
SECRETARY

SEAL"

BY MR. KELLY: This case was called on the Commission's own motion. The reason in calling it, several months ago the operators requested the Commission to initiate a study of secondary recovery in sand areas. We find the records through the sand areas are so incomplete you cannot get the condition of the wells from the files. Some companies threw their sample examinations away, some never took a log, and some have a fairly complete log, other cases they have moved away and a new man interprets a little differently.

The files we examined were ten years old or more. The present information we find is so scant we could hardly get any information at all. We felt this case should be called to clarify the situation. There is nothing in the call that is not already in the orders, merely a call for clarification.

Under Section 9 - "The Commission is hereby empowered, and it is its duty, to prevent the waste prohibited by this act. To that end, the Commission is empowered to make and enforce rules, regulations and orders, and to do whatever may be reasonably necessary to carry out the purposes of this Act, whether or not indicated or specified in any section hereof."

Section 10 - "Included in the power given to the Commission is the authority: to collect data; to make investigations and inspections; to examine properties, leases, papers, books and records; to examine, check, test and gauge oil and gas wells, and tanks, plants, refineries, and all means and modes of transportation and equipment; to hold hearings, to provide for the keeping of records and the making of reports for the checking of the accuracy thereof; to limit and prorate production of crude petroleum oil and natural gas; to require either generally or in particular areas certificates of clearance or tenders in connection with the transportation of crude petroleum oil or any produce thereof, or both such oil and products."

Under these two sections, the rules and Form C-105 which is the so-called "Drillers Report Form", became effective August 12, 1935, and underneath rule 32 this Form states "The well record shall include the name, number and location of the well; whether the land on which it is located is Federal, State or privately owned; drilling dates; elevation; depth and thickness of oil or gas sands and important water sands; a full casing record; mudding and cementing record; shooting and treating record; plugs and adapters used; results of drill

stem and other tests; records of deviation surveys; tolls used; production record for first 24 hours; names of contractors and drillers; and a complete log or formation record giving in detail the formations passed through, their depths and thickness. The log shall specify the formations yielding water, the rate of water inflow, and the elevation to which water rose in the hole. It shall give data regarding upper oil and gas shows, and any additional pertinent information."

The Commission wishes to put in this case as exhibits logs filed by various operators underneath this act. We cannot get one bit of information from the log except that the well was drilled. No record of any test formations, except in general terms. We felt we should call this hearing to clarify this.

We would like to have a fairly complete log. The word "geological log" was probably mis-worded, it should have said a complete log. We feel samples should be kept in a store room where any operator or the Commission can make a complete survey at a later date.

The Commission does not wish to have any samples or information the operator considers confidential, for during a reasonable period of time, and six months seems a reasonable time to the Commission. We are not requiring any operator to run an electric log. We would like them if run at a later date, merely to be put in our files for study ten years from now. We are willing to work with the operators and figure out a way he can do this the easiest.

MR. WILLIG: The Texas Company -

We certainly appreciate the Commission's attitude in this matter, we feel it highly desirable for the Commission to have samples of wells, but I don't know about the other companies. Our Company does not take samples below the salt section.

MR. KELLY: As complete a record after the samples are taken below the salt or further.

MR. WILLIG: I understand from your statement the Commission does not expect the operators to furnish interpretative data?

MR. KELLY: That is right. Furnish data for the Commission's interpretation at a later date.

MR. WILLIG: As you stated, that is a controversial matter, and I understand that is why geologists use pencils to make contour lines.

MR. SELINGER - Skelly Oil Company

We heartily favor your recommendations as set forth this morning, and would think the industry as a whole would be glad to cooperate.

MR. R. VAN A MILLS - Continental Oil Company

Your statement this morning has served to clarify a situation which gave the operators some concern as to their confidential log data, particularly explorers and etc., it might be helpful if we could set a time limit - for instance six months I believe was mentioned.

MR. KELLY: The time under the C-105 is ninety days, and we will be glad to revise that time and set a more reasonable time.

MR. MILLS: That will be helpful because there will be log data which is confidential.

MR. KELLY: We are willing to increase the time.

MR. HURLEY: Continental Oil Company

How would you propose getting your sample cut?

MR. KELLY: The way it is now, all operators deliver them to the Hobbs sample cut. We would be glad to have you notify them to send them to us once a week at Socorro. The only reason for this is we have space and two geologists over there helping the Commission interpret some data. The samples will be the property of the Oil Conservation Commission, and not the State Bureau of Mines. At a later date if we have office space they will be moved.

MR. W. K. DAVIS - El Paso Natural Gas Company

These logs will be available to any individual or organization?

MR. KELLY: They will be public records.

MR. DAVIS: As it stands now we pay several dollars per month for this sample cut.

MR. HARVEY HARDESON - Standard of Texas

I wonder if 90 days doesn't mean a log of the well and not the samples. Shouldn't it be clearly stated any samples given by the companies to the Commission should be six months? The log of the well I think 90 days.

MR. KELLY: Rule 32 states in part - "The well record shall not be kept confidential by the Commission unless requested in writing by the owner of the well. Upon such request the Commission will keep the report confidential for ninety (90) days from the date of the completion of the well; x x x x".

MR. HARDESON: Your new order shouldn't say all information.

MR. KELLY: Just the well record.

MR. HARDESON: I suggest that.

MR. KELLY: So noted.

We don't want to appear like we are trying to burden you with more information.

We know how hard it is to get help now.

MR. E. J. GALLAGHER- Gulf Oil Corporation.

My Company submitted a letter, would you include that as an exhibit?

MR. KELLY: Letter from Gulf Oil Company as exhibit No. 1.

The following telegram has been received from Edgar Kraus of the Atlantic Refining Company:

*VBL60 DL=MB Dallas Tex. 2 215P

JOHN M KELLY

SECRETARY OIL CONSERVATION COMMISSION

Sorry unable attend hearing. Regarding Case 51 the Atlantic Refining Company has no objection filing any electric log of well with Commission provided such survey has been made on well drilled by company and provided such log will be kept confidential for a period of ninety days after filing upon request of Company. Assume from call no intention to require running electrical logs to which procedure we would seriously object. We would object to regulation requiring filing geologists or sample logs since they are largely interpretative and are frequently prepared in manner make duplications onerous. Since all operators do not prepare such logs and could not therefore file them. Regulation requiring others to do so would be discriminatory and unfair. Regulations no permit Commission obtain all sample cuts and interpretative logs can be prepared by Bureau or Commission if desired. Cuts and interpretative logs can be prepared by Bureau of Commission if desired. This wire may be included in minutes of hearing as Atlantic's testimony in case.

The Atlantic Refining Company by Edgar Kraus.*

MR. C. W. FARIS - Shell Oil Company:

I wish to make the statement that the Shell Oil Company has no objections.

Will be glad to send samples.

MR. KELLY: Mr. Brigrance you are an individual operator, will this cause any further work for you?

MR. BRIGANCE: No, it would not Mr. Kelly, we have all our samples under your plan, I don't see where it will cause any additional work on anyone, but to cut one more set of samples. It suits me fine.

MR. W. D. HENDERSON - Stanolind Oil Company

So far as I know personally, the Stanolind Oil Company would favor such a plan as you have outlined this morning.

MR. KELLY: Stanolind's only objection by letter is that the "State Bureau of Mines will furnish a sack".

MR. E. H. FOSTER - Phillips Petroleum Company

Phillips has no objection to your plan.

MR. KELLY: I believe these samples will be of value to everybody in years to come. A complete set of samples and information will be of value to everybody I believe.

If there are no further statements, the Commission will amend its Form C-105, Rule 32, to incorporate in it the ideas expressed by the Commission and suggested by the operators here today.

C E R T I F I C A T E

I hereby certify that the foregoing and attached six and a fraction pages of typewritten matter constitute a true, correct and complete transcript of the shorthand notes taken by me in Case No. 51, on the 4th day of August, and by me extended into typewriting.

WITNESS my hand this 9th day of September 1944.

Vastie Fowler
Vastie Fowler