

N. M. OIL & GAS ENGINEERING COMMITTEE
DRAWER I
HOBBS, NEW MEXICO

June 16, 1952

C. P. E. J. Mit
Phillips Petroleum Company
Bartlesville, Oklahoma

Dear Sir:

Repling to letter dated June 10th.

The Committee consisting of all interested members of the New Mexico Oil and Gas Engineering Committee was appointed to make recommendation to the New Mexico Oil and Gas Conservation Commission as to the dates on which GOR Surveys should be made in the different Pools in order not to work anymore of a hardship than necessary on company's having oil wells in a number of Pools.

The attached copy of the minutes is the Committee's recommendation.

I note that Mr Spurrier and Mr Macey recieved a copy of your letter to me. I would suggest that you request the Commission to make your letter a part of the evidence to be submitted in the revision of Rule 301 at the hearing to be held August 19, 1952.

The effect of submittting GOR's under the above Rule or any revision there of will necessarily be State-wide therefor in the opinion of the writer all suggestions as to changes should be made to the Commission by the operators in the various Pools, over the state.

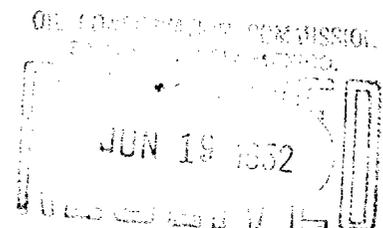
With kindest personal regards, I am

Very Truly Yours,

Glenn Staley
Glenn Staley

GS/jp

cc Messrs. R. R. Spurrier
W. B. Macey
New Mexico Oil Conservation Commission
Santa Fe, New Mexico



MINUTES OF GAS OIL RATIO SCHEDULE MEETING

With reference to the minutes of the Engineers meeting mailed by this office May 29, 1952 the Gas Oil Ratio Schedule meetings were held June 12 & 13th to compile a suggested Gas Oil Ratio Schedule.

The following were present:

June 12

Name	Company	Address
R. G. McPheron	Gulf Oil Corp.	Hobbs, N. M.
W. G. Abbott	Amerada Pet. Corp.	Monument, N.M.
Homer Dailey	Continental Oil Co.	Midland, Tex.
William Randolph	Continental Oil Co.	Hobbs, N.M.
A. T. Guernsey	Shell Oil Co.	Hobbs, N.M.
H. E. Burke	The Texas Co.	Jal, N.M.
A. L. Crain	Phillips Pet. Co.	Hobbs, N.M.
W. C. Rigg	Phillips Pet. Co.	Hobbs, N.M.
W. L. Morris	Magnolia Pet. Co.	Eunice, N.M.
J. W. Strayhorn	Magnolia Pet. Co.	Buckeye, N.M.
B. W. Ratliff	Skelly Oil Co.	Hobbs, N.M.
C. O. Lukehart	Skelly Oil Co.	Hobbs, N.M.
K. D. McPeters	Stanolind Oil & Gas Co.	Hobbs, N.M.
Kenneth J. Barr	" " "	Lubbock, Tex.
J. W. Smith	Cities Service Oil Co.	Hobbs, N.M.
D. L. Irion	Mid-Continent Pet. Co.	" "
H. T. Weaver	The Texas Company	Monument, N.M.

June 13

D. L. Irion	Mid-Continent Pet. Co.	Hobbs, N.M.
K. D. McPeters	Stanolind Oil & Gas Co.	Hobbs, N.M.
W. C. Riggs	Phillips Pet. Co.	Hobbs, N.M.
H. F. Weaver	The Texas Company	Monument, N.M.
C. O. Lukehart	Skelly Oil Co.	Hobbs, N.M.
B. W. Ratliff	Skelly Oil Co.	Hobbs, N.M.
R. G. McPheron	Gulf Oil Corp.	Hobbs, N.M.
W. G. Abbott	Amerada Pet. Corp.	Monument, N.M.
Homer Dailey	Continental Oil Co.	Midland, Tex.
William Randolph	Continental Oil Co.	Hobbs, N.M.
A. T. Guernsey	Shell Oil Company	Hobbs, N.M.
W. L. Morris	Magnolia Pet. Co.	Eunice, N.M.
H. E. Burk	The Texas Company	Jal, N.M.

Attached is the recommended testing schedule as prepared by the group. This schedule will be submitted to the New Mexico Oil Conservation Commission by some of the operators for their consideration and for use at the hearing to be held to revise Rule 301 As Proposed by the Commission. Also attached is a revised page 2 for "Proposed Revisions Rule 301 Gas Oil Ratio Test", suggested by Mr. Porter, Proration Manager for the Commission. The "Proposed Revisions" were mailed with the Engineers minutes May 29, 1952.

NEW MEXICO OIL & GAS ENGINEERING COMMITTEE
Hobbs New Mexico
June 16 1952

Case 401

August 6, 1952

TO ALL OPERATORS:

Gentlemen:

Among the Cases to be heard at the regular hearing of the New Mexico Oil Conservation Commission at 9:00 A.M., on August 19, 1952, Mabry Hall, State Capitol, Santa Fe, New Mexico, Case 401 will be heard. This Case is an application of the Oil Conservation Commission on its own motion for an Order revising Rule 301 of its Rules and Regulations, as of January 1, 1950.

The following is a copy of Rule 301 as printed in the Rules and Regulations, Page 14 Section E:

RULE 301. GAS-OIL RATIO TEST

(a) Each Operator shall take a gas-oil ratio test within 30 days following the completion or recompletion of an oil well. Also, each operator shall make an annual gas-oil ratio test of each well during the month which contains the anniversary date of the discovery well, in the pool in which the well is located, or at such other periods which the Commission may designate. During such tests, each well shall be produced at a rate equal to or not exceeding its allowable by more than 25 percent. No well shall be given an allowable greater than the amount of oil produced on official test during a 24-hour period. The results of such test shall be reported on Form C-116 on or before the 15th day of the month following the month during which such test is made. The Commission will drop from the Proration Schedule any proration unit for failure to make or report such test as herein provided until such time as a satisfactory explanation is given. Provided, however, that no gas-oil ratio test shall be required as to the following wells:

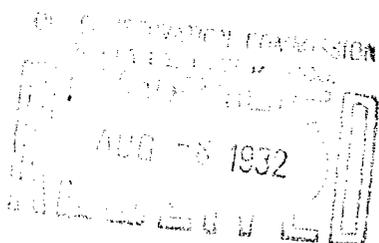
- (1) Any well for which a permit has been granted and which is being used as an input well for the injection of gas, or
- (2) Any well in a pool exempted from the requirements of this rule after hearing by the Commission.

(b) Even though no gas-oil ratio test is required to be taken, the operator shall annually file Form C-116 and shall show thereon the reason no test was taken.

Respectfully submitted,

Glenn Staley

N.M. Oil and Gas Engineering Committee
Hobbs, New Mexico
August 6, 1952



PAGE 2

Proposed Revisions- Rule 301
Gas-Oil Ratio Test

(d) During gas oil ratio tests each well shall be produced at a rate equal to its assigned allowable and not exceeding top allowable for the pool in which it is located by more than 25%. No well shall be assigned an allowable greater than the amount of oil produced on official test during a 24 hour period.

(e) The limiting gas oil ratios established by the above mentioned gas oil ratio survey schedule shall supersede those listed in Appendix B of the Rules and Regulations.

GOR SCHEDULE CONT'D.

POOL	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	DATE DU
SAUNDERS, SOUTH	X												Feb. 15
SAWYER				X									May.15
SKAGGS	X	X											Mar. 15
TEAGUE		X	X										Apr. 15
TEAGUE- DEVONIAN		X	X										Apr. 15
TEAGUE- ELLENBURGER		X	X										Apr. 15
TEAS													
TONTO													
TULK (WOLFCAMP)				X									May 15
TULK (WOLFCAMP) NORTH				X									May 15
TWIN LAKES						X							July 15
VACUUM			X	X	X								June 15
WARREN, DRINKARD							X						July 15
WARREN McKEE							X						July 15
WARREN McKEE, NORTH							X						July 15
WANTZ-ABO		X											Mar. 15
WATKINS				X									May 15
WATKINS GRAYBURG				X									May 15
WEIER		X											Mar. 15
WILSON					X	X							July 15
WILSON, NORTH							X						July 15
WILSON, WEST			X										Apr. 15
YOUNG				X									May 15

5-11-51

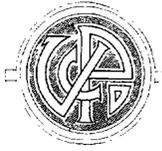
CASE 390:

In the matter of the application of the Oil Conservation Commission upon its own motion for an order (a) exempting the following pools from the requirements of Rule 301 of the Oil Conservation Commission's Rules and Regulations pertaining to the filing of form C-116, Gas-Oil Ratio Test, and from the requirements of Rule 506, (paragraph d) pertaining to Gas-Oil Ratio limitations:

Acme, Aid, Anderson, Artesia, Barber, Benson, Black River, Barton, Caprock, Cedar Hills, Chisum-San Andres, Dougherity, Dayton, South Drinkard, Dublin-Devonian, Empire, Forest, Fren, Garrett, Getty, Grayburg-Jackson, Grayburg-Keely, Halfway, Henshaw, High Lonesome, Leo, Leonard, Loco Hills, Loco Hills-Queen, Lusk, West Lusk, North Lynch, East Maljamar, McMillan, McMillan-Seven Rivers, Millman, Nadine, New Hope, Nichols, P. C. A., Pearsall, Premier, Red Lake, Robinson, Russell, Santo Nino, San Simon, Sawyer, Shugart, North Shugart, Square Lake, Teas, Turkey Track, East Turkey Track, West Turkey Track, Turkey Track-Seven Rivers, Watkins, Watkins-Grayburg, North Wilson, Young and,

(b) exempting the following pools from the requirements of Rule 506 (paragraph d) pertaining to Gas-Oil Ratio limitations:

Baish, Cooper-Jal, South Eunice, Hardy, Lynch, Maljamar-Paddock, Penrose-Skelly, Rhodes, Wilson, West Wilson.



THE VICKERS PETROLEUM CO., INC.

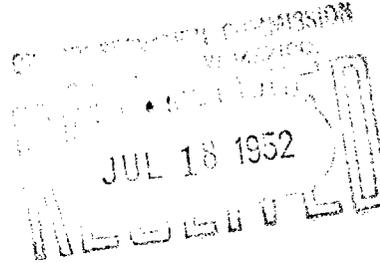
PRODUCERS REFINERS DISTRIBUTORS
OF PETROLEUM AND ITS PRODUCTS

PLEASE REPLY TO ROSWELL, NEW MEXICO
P. O. BOX 744

WICHITA 1, KANSAS

REFINERY AT POTWIN, KANSAS

July 16, 1952



Mr. R. R. Spurrier,
Oil Conservation Commission,
Santa Fe, New Mexico

Dear Dick:

I understand you are going to have a hearing in August regarding the scheduling of gas-oil ratio tests to be taken in the various pools in South-eastern New Mexico.

We feel the expense of gas-oil ratio tests in the Caprock Pool of Lea and Chaves Counties, and the Square Lake Pool of Eddy County, would create an additional burden on stripper properties that are near the marginal stage. In the Caprock Pool, all the wells are pumping and show little gas. In the Square Lake Pool, nearly all the wells are pumping and are very near the depletion state.

Please give these pools due consideration.

Very truly yours,

THE VICKERS PETROLEUM COMPANY, INC.

Lonnie Kemper

Lonnie Kemper,
Production Superintendent

New Mexico
OIL CONSERVATION COMMISSION

GOVERNOR THOMAS J. MABRY
CHAIRMAN

LAND COMMISSIONER GUY SHEPARD
MEMBER

STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 1545
HOBBS, NEW MEXICO

December 27, 1951

March 1952

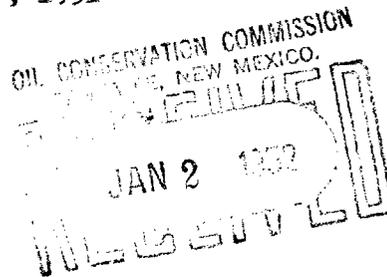
Mr. R. R. Spurrier
Box 871
Santa Fe, New Mexico

Dear Mr. Spurrier:

I am attaching hereto a tabulation relative to the filing of form C-116 for the years 1950 and 1951 for eight of the larger pools of Southeastern New Mexico in which gas oil ratios are an actual factor in proration. These figures indicate approximately 90 percent compliance in these pools for 1950 and approximately 80 percent for 1951. I have reason to believe that the 1951 figure will show an improvement within the next few days as all of the 1951 reports have not come in.

To me this tabulation indicates that compliance is fairly good in those pools in which gas oil ratios are an actual factor in proration, but it also indicates that some of the operators are not complying with Rule ~~503~~³⁰¹. In the matter of enforcing it, as far as these particular operators are concerned, we are handicapped by a rule which provides that form C-116 must be filed on all producing oil wells. This, of course, includes many pools in which the gas oil ratio is not a factor in proration, and as a consequence there has always been widespread disregard of the rule by operators in such pools.

To remedy this situation I would like to suggest that a hearing be called in February for the purpose of considering the revision of Rule ~~503~~³⁰¹. Pending the hearing, a committee of operators, familiar with the situation, should be appointed to consider and recommend to the Commission certain pools to be exempt under Rule ~~503~~³⁰¹ (if you think this desirable). The committee should also establish and recommend a gas oil ratio survey schedule for those pools in which Rule ~~503~~³⁰¹ is to remain effective. Such a schedule should be revised in December of each year in order to take into account new pools which may have been created during the year.



Mr. Spurrier

-2-

December 27, 1951

As a practical procedure for enforcement, I would like to suggest a definite allowable suspension period (15 or 30 days) to be imposed against those wells on which form C-116 has not been filed within 15 days after the close of the survey period.

Yours very truly,



A. I. Porter, Jr.
Proration Manager

ALP/mv

FOOL	TOTAL WELLS	NO. OF WELLS NOT REPORTED	
		1950	1951
Arrowhead	115	7	6
Bowers	73	3	6
Brunson	102	5	18
Drinkard	425	35	102
Eunice-Monument	939	89	187
Hobbs	257	7	95
Paddock	101	20	15
Vacuum	<u>416</u>	<u>95</u>	<u>95</u>
	2428	261	524

PHILLIPS PETROLEUM COMPANY

BARTLESVILLE, OKLAHOMA

PRODUCTION DEPARTMENT

C. P. DIMIT
VICE PRESIDENT

June 23, 1952

L. E. FITZJARRALD
MANAGER
H. H. KAVELER
ASSISTANT MANAGER
J. M. HOUCHIN
GENERAL SUPERINTENDENT
H. S. KELLY
CHIEF ENGINEER

In re: Proposed Revisions
Rule 301 Gas-Oil Ratio Tests
New Mexico Oil Conservation Commission

Copy 300?

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Attention of Messrs. R. R. Spurrier and W. B. Macey

Gentlemen:

Under date of June 11, 1952 we wrote Mr. Glenn Staley of the New Mexico Oil and Gas Engineering Committee recommending the change in Revised Statewide Rule 301 as proposed by Mr. A. L. Porter, Jr. We proposed that sub-paragraph (d) of Mr. Porter's proposed Revised Rule 301 be worded as follows:

"Immediately prior to taking a gas-oil ratio test each well shall be produced for a period of not less than 24 hours at a rate as near as possible to the average daily oil allowable. During gas-oil ratio tests each well shall be produced at a rate not to exceed the top allowable for the pool in which it is located by more than 25 percent."

At Mr. Staley's suggestion we are requesting that this letter be made a part of the evidence to be submitted at the Commission's hearing on August 19, 1952 at the time that the revision of Rule 301 is considered.

Thanking you, I am

Yours very truly,

C. P. Dimit
C. P. Dimit

CPD

JUN 24 1952

File in Case 390

RB
Wom

BUFFALO OIL COMPANY

A MARYLAND CORPORATION
NEW MEXICO DISTRICT
CARPER BUILDING
ARTESIA, NEW MEXICO

MAIN OFFICE
GULF STATES BUILDING
DALLAS, TEXAS

Box 686

Sept. 9, 1952

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

Gentlemen:

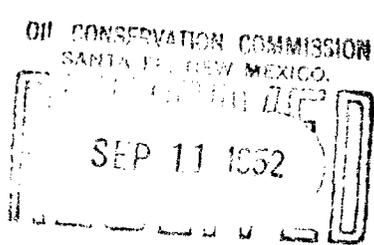
We have notification of Case No. 390 to be heard September 16, 1952, and this is a re-advertisement to permit inclusion of additional pools which are to be exempt from regulations pertaining to gas-oil ratio limitations.

The Buffalo Oil Company operates its Cheesman 2-X, which is a one-well pool, designated as the South Maljamar pool, location is NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 22, Twp. 18S., Rge. 32E., Lea County, New Mexico. This well was completed August 1, 1943, and has a present allowable of only 10 bbls. per day. The well has always been a small well and has produced a very small quantity of gas. The last gas-oil ratio test taken January, 1952, showed a gas-oil ratio of 575. We would like to have the South Maljamar pool included among the pools which are exempt from a limiting gas-oil ratio. This well is in an isolated location and is barely economical to operate. Since the well produces very little gas, we feel there is no necessity to take further gas-oil ratio tests and this will relieve the well of some additional operating cost which will tend to permit longer operation of the well.

Yours very truly,

BUFFALO OIL COMPANY

By: Ralph L Gray
Asst. Supt.



RLG:lt

PHILLIPS PETROLEUM COMPANY

BARTLESVILLE, OKLAHOMA

June 11, 1952

In re: Proposed Revisions
Rule 301 Gas-Oil Ratio Tests
New Mexico Oil Conservation Commission

Mr. Glenn Staley
New Mexico Oil and Gas Engineering Committee
Hobbs, New Mexico

W. A. S.
6/17

Dear Mr. Staley:

We have studied the revised Statewide Rule 301 which has been proposed by Mr. A. L. Porter, Jr. for consideration by the New Mexico Oil and Gas Engineering Committee.

It occurs to us that if Rule 301 is to be revised, then it would be appropriate to include in such rule a provision to insure more representative gas-oil ratio tests. Such a provision is used by the conservation agencies of many other states.

We have in mind a provision which would require a well to be produced at or near its allowable rate for a period of 24 hours immediately prior to the taking of the gas-oil ratio tests. It is the opinion of Phillips Petroleum Company that unless operators are required to take gas-oil ratio tests with wells in normal operating condition, the gas-oil ratios reported to the Commission will be much lower than the true operating ratios and will be misleading to the Commission and will also result in wasteful operating practices and unequal treatment and allowables to some operators which are not fair and equitable.

Therefore, we desire to propose that sub-paragraph (d) of the proposed revised Rule 301 be worded as follows:

"Immediately prior to taking a gas-oil ratio test each well shall be produced for a period of not less than 24 hours at a rate as near as possible to the average daily oil allowable. During gas-oil ratio tests each well shall be

NEW MEXICO OIL CONSERVATION COMMISSION
RECEIVED
JUN 13 1952

Mr. Glenn Staley
Proposed Revisions
Rule 301 Gas-Oil Ratio Tests
N. M. Oil Conservation Commission
June 11, 1952
Page No. 2

produced at a rate not to exceed the top allowable for the pool in which it is located by more than 25 percent."

It is our hope that your committee will see fit to recommend this revised wording.

The other portions of Mr. Porter's proposed rule appear to be satisfactory.

Yours very truly,


C. P. Dimit

CPD

cc Messrs. R. R. Spurrier ← COPY FOR
W. B. Macey

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

New Mexico

OIL CONSERVATION COMMISSION

GOVERNOR EDWIN L. MECHEM
CHAIRMAN

LAND COMMISSIONER GUY SHEPARD
MEMBER

STATE GEOLOGIST R. R. SPURRIER
SECRETARY AND DIRECTOR



P. O. BOX 1545
HOBBS, NEW MEXICO

May 9, 1952

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Mr. R. R. Spurrier
Box 871
Santa Fe, New Mexico

Dear Mr. Spurrier:

I am attaching suggested revisions to Rule 301 of the rules and regulations, and a gas oil ratio survey schedule. You will please notice that I have not proposed any changes in limiting gas oil ratios with the exception of those pools in which I think the limit should be removed. If it is deemed advisable to change the present limits in other pools, then separate hearings would probably be necessary. My thoughts on this matter are to get a workable gas oil ratio rule established and to exempt those pools in which the requirement of taking gas oil ratio tests would serve no useful purpose as far as conservation is concerned.

In the proposed survey schedule I have not suggested survey periods for the Grayburg Jackson and Loco Hills pools as I would like to discuss those pools with Mr. Macey.

As indicated above I am submitting these proposals merely for the purpose of getting the rule revisions under way. Before the matter is advertised for hearing I think we should have a meeting of Commission personnel for the purpose of drafting something for consideration at the hearing.

I hope to visit your office on Tuesday of next week at which time we can discuss the matter more fully.

Yours very truly,

A. L. Porter, Jr.
Proration Manager

ALP/mw

PROPOSED REVISIONS
RULE 301 GAS OIL RATIO TEST

(a) Each Operator shall take a gas oil ratio test upon completion or recompletion of an oil well provided that (1) the well is a wildcat, or (2) the well is located within a pool not exempted from the requirements of this rule, (wells located within one mile of the outer boundaries of a defined oil pool shall be governed by the provisions of this rule which are applicable to the nearest pool producing from the same formation). The results of such test shall be reported on form C-116 which must accompany form C-104, "Request for allowable". Each operator shall also make an annual gas oil ratio test of each producing oil well, located within a pool not exempted from the requirements of this rule, during a period prescribed by the Commission. A gas oil ratio survey schedule shall be established by the Commission setting forth the period in which gas oil ratio tests are to be taken for each pool wherein a test is required. Such schedule shall also list the pools which are exempted from the test requirements and shall be revised in December of each year to take into account any new pools which may have been created since the last schedule was issued.

(b) The results of gas oil ratio tests taken during regular survey periods shall be filed with the Commission on form C-116 not later than the 15th of the month following the close of the survey period for the pool in which the well is located. The gas oil ratios thus reported shall become effective for proration purposes on the first day of the month following the month in which they are reported. Unless form C-116 is filed within the required time limit the allowable for the affected well shall be suspended for the balance of the proration period and shall not be reinstated until form C-116 is filed.

(c) In the case of special tests taken between regular gas oil ratio surveys, the gas oil ratio shall become effective for proration purposes upon the date form C-116 reporting the results of such test is received by the Commission. A special test does not exempt any well from the regular survey.

(d) During gas oil ratio tests each well shall ^{N-T} be produced at a rate ^{IN EXCESS} equal to or ~~not exceeding~~ ^{0.8 125% of} top allowable for the pool in which the well is located ~~by more than~~ ~~25%.~~

(e) The limiting gas oil ratios established by the above mentioned gas oil ratio survey schedule shall supersede those listed in appendix B of the Rules and Regulations.