

Jan 1956
PUBCO DEVELOPMENT, INC.

BOX 1419

ALBUQUERQUE, NEW MEXICO

Red
TELEPHONE 7-8836
7-8837

December 8, 1955

New Mexico Oil Conservation Commission
125 Mabry Hall
Capitol Building
Santa Fe, New Mexico

Attention: Mr. W. B. Macey, Director

Gentlemen:

Pubco Development, Inc., respectfully requests that the Commission reconsider the published rules relative to gas proration in the San Juan Basin of New Mexico, and specifically to Orders Nos. 128-D and 565-C, in regard to the following specific matter:

Our company recently worked over four Pictured Cliff gas producing wells during the months of July and August of 1955. These wells were placed on deliverability tests immediately upon the completion of the work overs. Upon the physical completion of these tests it was necessary for El Paso Natural Gas Company to integrate the gas charts in their El Paso, Texas office, and return the completed information to our Aztec, New Mexico office for final deliverability calculation. The new deliverabilities were then transmitted to the Oil Conservation Commission. During the period of approximately ninety (90) days from the completion of the work overs to the final receipt of the calculated deliverabilities by the Commission, the wells were operating under their former allowables, based on their old deliverabilities, and as a consequence were over-produced. This over-production is now being reflected in currently reduced allowables. Our company takes the position that an operator should not be penalized for working over and recompleting a producing gas well and should receive an allowable reflecting the increased or decreased deliverability immediately upon the completion of the work over. Under the existing conditions an operator will in almost all cases suffer an overage in allowable during the period from the completion of the work over until such final data can possibly be received by the Commission. It is believed that this inequity can be corrected by the Commission by granting an operator a new allowable based on the new deliverability beginning with the completion date of the work over.

Your consideration of the above matter will be sincerely appreciated.

Yours very truly,

Frank D. Gorham, Jr.

Frank D. Gorham, Jr.
Vice President

FDGJr/h

THE BRITISH-AMERICAN OIL PRODUCING COMPANY

DENVER CLUB BUILDING

DENVER 1, COLORADO

December 31, 1955

PRODUCTION & ENGINEERING DEPT.

ADDRESS ALL CORRESPONDENCE TO
POST OFFICE BOX 180

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

Re: January 4, 1956
Hearing: Case 997

Gentlemen:

This is to advise you that The British-American Oil Producing Company is in agreement with Pubco Development Company's recommendation to amend the existing rules to provide that the assignment of allowables on recompleted wells shall be effective upon the date of the completion of the workover.

Very truly yours,

THE BRITISH-AMERICAN OIL PRODUCING COMPANY



John E. Stein
District Engineer

JES:vs

ccs: D. W. Conaway

Pubco Development, Inc.
P. O. Box 1360
Albuquerque, N. M.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 11, 1956

Mr. Frank D. Gorham, Jr.
Pubco Development, Inc.
P.O. Box 1419
Albuquerque, New Mexico

Dear Sir:

We enclose a copy of Orders R-128-E, R-565-D and R-566-E issued March 29, 1956, by the Oil Conservation Commission in Case 997, which was heard on January 19th.

Very truly yours,

A. L. Porter, Jr.
Acting Secretary - Director

ALP:brp
Encls.

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