

**CLASS OF SERVICE**

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION

## TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

**SYMBOLS**

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

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LA178 KB326

K TUA6 14 PD=FAX TULSA OKLA 3 537PMC=

1960 MAR 3 PM 4 5  
*Case file*

A L PORTER=

*Res. Hearing*

SUPERVISOR AND PRORATION MGR NEW MEXICO OIL AND

GAS COMMISSION SANTA FE NMEX=

EFFECTIVE 7 AM MARCH 1960 DUE TO SUBSTANTIAL REDUCTION IN REQUIREMENTS AT REFINERIES WHICH WE SUPPLY WE ARE FORCED TO CURTAIL OUR PURCHASES OF CRUDE OIL WE WILL AS OF MARCH 1 1960 REDUCE OUR PURCHASES OF CRUDE OIL FROM LEASES IN NEW MEXICO TO 2 PER CENT OF ACTUAL JANUARY 1960 RUNS EXCLUDING THOSE WELLS CAPABLE OF MAKING 10 B/D OR LESS AND WATERFLOODS=

*Case 1922*

R F PIELSTICKER PRESIDENT INDIANA OIL PURCHASING

CO= THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

# INDIANA OIL PURCHASING COMPANY

POST OFFICE BOX 591

TULSA 2, OKLAHOMA

R. F. PIELSTICKER  
PRESIDENT

April 11, 1960

Mr. A. L. Porter, Jr.  
Secretary - Director  
Oil Conservation Commission  
State of New Mexico  
P. O. Box 871  
Santa Fe, New Mexico

Dear Mr. Porter:

We have your letter of March 29 requesting certain information which you feel is pertinent to the question of our prorating our purchases in New Mexico and other states.

We have shown below the information which you requested in those cases where it was possible for us to supply it. For the sake of convenience we have in each case repeated the question as you asked it in your letter.

1. "What is the total amount of crude oil (in barrels) purchased by your company in each state in which it purchases for each month from and including January, 1960?"

The following table shows our total lease purchases by states:

	Barrels	
	January	February
Arkansas	982,328	879,019
Colorado	378,200	362,065
Kansas	1,245,797	1,166,786
Louisiana	563,890	581,218
Montana	35,836	35,902
Nebraska	417,512	407,965
New Mexico	1,745,796	1,625,102
North Dakota	1,429,314	1,225,174
Oklahoma	734,545	705,048
Texas	8,025,683	7,741,811
Utah	112,499	114,376
Wyoming	2,386,690	2,370,170

Mr. A. L. Porter, Jr.

April 11, 1960

Page 2:

2. "What was the total number of wells from which your company purchased crude oil in each state from and including January, 1960?"

Our purchases of crude oil are gathered by many common carrier pipelines which are connected to lease and unit tankage. We do not have information relative to the number of wells involved in these leases and units.

3. "What is the total amount of crude oil (in barrels) for which your company nominated in each state for each month from and including January, 1960?"

Our nominations were as follows:

	Barrels			
	January	February	March	April
Kansas	1,333,000	1,247,000	1,333,000	1,026,000
Louisiana	576,600	539,400	576,600	474,000
New Mexico	1,240,000	1,160,000	1,240,000	1,020,000
North Dakota	1,441,500	1,305,000	1,364,000	1,335,000
Oklahoma	775,000	725,000	620,000	600,000
Texas	7,936,000	7,685,000	7,378,000	6,780,000

4. "What percentage of crude oil purchased by your company in January, 1960 was produced by Pan American Petroleum Corporation or any other company affiliated with Standard Oil Company (Indiana)?"

This is practically impossible to obtain precisely, but we would estimate it in the neighborhood of 20% of our total purchases.

5. "What were the crude runs to refineries owned or operated by Standard Oil Company (Indiana) or its affiliates during each month from and including January, 1960?"

These were as follows:

	Barrels
January	19,831,196
February	16,379,229

- 6-A. "What were the crude oil and four major product stock levels held by Standard Oil Company (Indiana) and its affiliates at the beginning of each month from and including January, 1960?"

In reply to this question we submit the following data, which has previously been made public:

Mr. A. L. Porter, Jr.  
 April 11, 1960  
 Page 3:

	Barrels	
	<u>November 1</u>	<u>March 1 Estimate</u>
Crude	31,875,000	29,900,000
Gasoline	15,820,000	20,364,000
Kerosene	3,895,000	2,512,000
Distillate	10,535,000	6,286,000
Residual	2,285,000	2,132,000

6-B. "What portion of each of these stocks constitutes pipeline fill, tank bottoms, and other normally unavailable inventory?"

	Per Cent	
	<u>November 1</u>	<u>March 1 Estimate</u>
Crude	26.8	29.7
Gasoline	30.6	25.5
Kerosene	8.2	21.0
Distillate	17.4	23.5
Residual	39.8	42.7

7-A. "What was the level of stocks of crude oil and four major products desired by Standard Oil Company (Indiana) and its affiliates at the beginning of each month from and including January, 1960?"

In reply to this question we submit the following:

	Barrels	
	<u>November 1</u>	<u>March 1 Estimate</u>
Crude	31,000,000	28,000,000
Gasoline	17,600,000	20,222,000
Kerosene	5,100,000	2,229,000
Distillate	11,500,000	4,418,000
Residual	2,700,000	1,990,000

7-B. "What portion of each of these desired levels would constitute pipeline fill, tank bottoms, and other normally unavailable inventory?"

	Per Cent	
	<u>November 1</u>	<u>March 1 Estimate</u>
Crude	27.5	31.6
Gasoline	27.6	25.7
Kerosene	6.2	23.6
Distillate	15.9	33.4
Residual	33.4	45.7

Mr. A. L. Porter, Jr.  
April 11, 1960  
Page 4:

8. "In those states which do not have market demand prorationing, how does your company determine how much oil per day it will purchase from any well or lease?"

The amount of oil we buy in states where there is no state proration is determined by the month-to-month requirements of our customers for the particular grades and types of crude available.

As stated to you at the last hearing in New Mexico, we feel that the answers to these questions have no pertinent bearing on our demand for New Mexico crude oil. Moreover, in submitting answers to your questions we consider that most of the information is of a confidential nature and respectfully request that the Commission treat it as such.

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. J. Prebster".

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

*Encl  
1922*

March 4, 1960

Mr. Robert Pielsticker  
Indiana Oil Purchasing Company  
P. O. Box 591  
Tulsa, Oklahoma

Dear Sir:

We enclose herewith two copies of Emergency Order  
No. E-24 issued by this Commission on this date.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

lr/

Enclosures: (2)

*CCC  
Hobbs  
Artesian  
Docket Mailed  
March 7, 1960*

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**CLASS OF SERVICE**

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# WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201 (4-60)

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EA167 KC077

1960 APR 27 PM 3 25  
1960 APR 27 PM 4 14 44

K TUA579 TUZ2 PD=FAX TULSA OKLA 27 NFT=

A L PORTER, SUPERVISOR AND PRORATION MANAGER=

NEW MEXICO OIL AND GAS COMMISSION SANTA FE NMEX=

I AM PLEASED TO ADVISE THAT EFFECTIVE MAY 1 INDIANA OIL PURCHASING COMPANY WILL DISCONTINUE PURCHASER PRORATION WHICH HAS BEEN IN EFFECT THROUGH MARCH AND APRIL. FOR THE MONTH OF MAY WE WILL BE ABLE TO PURCHASE CURRENT ALLOWABLES AS SET BY YOUR COMMISSION.

YOUR ACTION IN REDUCING MAY ALLOWABLES HAS MATERIALLY HELPED AND WE SINCERELY APPRECIATE THE CONSIDERATION AND UNDERSTANDING YOU HAVE GIVEN US=

R F PIELSTICKER PRESIDENT INDIANA OIL

PURCHASING CO.

SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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LA066 SSD032

1960 MAR 14 AM 10:11

1960 MAR 14 AM 10 01

L RWA027 PD=ROSWELL NMEX 14 951AMM=.

A L PORTER=

OIL CONSERVATION COMMISSION SANTA FE NMEX=

RE CASE 1922 REQUEST INDIANA OIL PURCHASING CO HAVE  
WITNESSES AVAILABLE WHO CAN TESTIFY AS TO PURCHASE  
PRACTICES <sup>IN</sup> AND ALL STATES IN WHICH IT PURCHASES WHERE  
MARKET DEMAND PRORATIONING IS NOT IN EFFECT. WE WISH  
TO DETERMIN AVERAGE PURCHASES PER WELL IN THESE STATES  
AND MOVEMENT OF OIL TO ULTIMATE REFINERIES MARKET=

JACK M CAMPBELL INDEPENDENT PRODUCERS AND ROYALTY  
OWNERS ASSN=.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE



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## TELEGRAM

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1960 MAR 31

AM 10 54

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DA067 KB139

K EUA290 PD=FAX TUESA OKLA 31 1122AMC=

A E PORTER=

NEW MEXICO OIL AND GAS COMMISSION SANTA FE NMEX=

ON MARCH 3, 1960, WE ADVISED YOU THAT WE WERE FORCED TO REDUCE OUR PURCHASES IN MARCH DUE TO OUR SUPPLY SITUATION. SINCE THERE HAS BEEN NO IMPROVEMENT IN OUR POSITION, YOU ARE ADVISED THAT OUR PRORATION WILL CONTINUE DURING THE MONTH OF APRIL ON THE SAME BASIS AS WAS APPLICABLE IN MARCH. DURING APRIL, 1960, WE WILL LIMIT OUR PURCHASES OF CRUDE OIL FROM LEASES IN NEW MEXICO TO EIGHTY PERCENT OF ACTUAL JANUARY, 1960, RUNS EXCLUDING ANY PRORATION UNIT NOT CAPABLE OF

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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MAKING MORE THAN 10 B/D=

R F PTELSTICKER PRESIDENT INDIANA OIL PURCHASING

CO=TX

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a full rate telegram	
FULL RATE TELEGRAM	<input checked="checked" type="checkbox"/>
DAY LETTER	<input type="checkbox"/>
NIGHT LETTER	<input type="checkbox"/>

# WESTERN UNION

1206 10-51

W. P. MARSHALL, PRESIDENT

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	<input type="checkbox"/>
LETTER TELEGRAM	<input type="checkbox"/>
SHIP RADIOGRAM	<input type="checkbox"/>

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
	<b>Pd.</b>		<b>OIL CONSERVATION COMMISSION</b>	<b>11 a.m.</b>

Send the following message, subject to the terms on back hereof, which are hereby agreed to

**MARCH 14, 1960**

**INDIANA OIL PURCHASING COMPANY  
TULSA, OKLAHOMA**

REQUEST THAT INDIANA HAVE WITNESS AVAILABLE WHO CAN TESTIFY AS TO ITS PURCHASE PRACTICES IN ALL STATES WHERE MARKET DEMAND PRORATIONING IS NOT IN EFFECT. WOULD LIKE TO DETERMINE HOW PER WELL PURCHASES IN THOSE STATES COMPARE WITH SAME IN NEW MEXICO AND OTHER PRORATED STATES.

**A. L. PORTER, JR.  
OIL CONSERVATION COMMISSION**