

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 | 962,326 | 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 |

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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 | 15,831,196 |
| 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:

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| | Barrels | |
|------------|------------|------------------|
| | November 1 | March 1 Estimate |
| 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 | |
|------------|------------|------------------|
| | November 1 | March 1 Estimate |
| Crude | 26.3 | 29.7 |
| Gasoline | 30.6 | 25.5 |
| Kerosene | 6.2 | 21.0 |
| Distillate | 17.4 | 23.5 |
| Residual | 39.6 | 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 | |
|------------|------------|------------------|
| | November 1 | March 1 Estimate |
| 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 | |
|------------|------------|------------------|
| | November 1 | March 1 Estimate |
| 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 |

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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 "E. W. Peltier".