

TEXACO
INC.

PETROLEUM PRODUCTS



DOMESTIC PRODUCING DEPARTMENT
MIDLAND DIVISION

P. O. BOX 3109
MIDLAND, TEXAS

R. M. BISCHOFF, ASSISTANT DIVISION MANAGER

March 22, 1962

Read into record.
ABM

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

Attn: Mr. A. L. Porter, Jr.

Gentlemen:

Reference is made to Case 2507 which is the application of Union Oil Company of California for an order creating a new pool and establishing special rules and regulations for said pool which is to be designated the North Anderson Ranch (Wolfcamp) Pool. Texaco Inc. is a working interest owner in the North Anderson Ranch Unit which is operated by Union Oil Company of California. We are in concurrence with and have no objection to Union's proposed Rules No. 1, 2, 5, and 6; however, we do not concur with Rules No. 3 and 4.

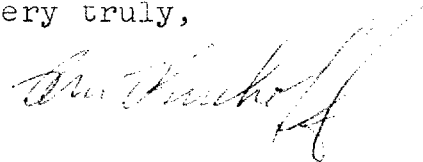
Texaco does not concur with Rule No. 3 concerning allowable determination for under this proposal a well with 50 acres dedicated to it will enjoy approximately the same allowable as a well with 80 acres dedicated to it. Certainly we realize that there are problems regarding the existing allowables of wells already completed in this pool; however, we believe that those wells developed on less than 80 acres should not receive an allowable comparable to the allowable of other wells developed on 80 acres that are completed in the same reservoir. We recommend that the allowable for any existing well already completed in this pool on a tract containing less than 80 acres be assigned an allowable equal to the normal 40 acre unit allowable times the depth factor for this pool of 3.77 plus the ratio that the acreage in excess of 40 acres bears to 40 acres. This would result in a well with 50 acres dedicated to it receiving an allowable of the normal 40 acre unit times a depth factor of 4.02 rather than a depth factor of 4.71 as provided under Union's proposed Rule No. 3.

March 22, 1962

Texaco also does not concur with Rule No. 4 and normally recommends that a well be drilled no closer than 660' to a lease or quarter-quarter section line on 80 acre proration units. However, in this pool there are wells already completed outside the North Anderson Ranch Unit that are located closer than 660' to the lease or quarter-quarter section line and, therefore, we believe that the North Anderson Ranch Unit should be allowed this same opportunity. Although we do not concur with the proposed Rule No. 4, due to the above mentioned circumstances we do not object.

Texaco believes that the evidence to be presented by Union Oil Company of California clearly indicates that a well completed in this reservoir is capable of effectively and efficiently draining at least 80 acres. Texaco respectfully urges that the Commission approve Union's application for a new field designation and 80 acre proration units.

Yours very truly,



CRB-MM

March 28th Hearing



PHILLIPS PETROLEUM COMPANY

BARTLESVILLE, OKLAHOMA

PRODUCTION DEPARTMENT

March 22, 1962

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

Attention of Mr. A. L. Porter, Jr., Secretary and Director

North Anderson Ranch Wolfcamp,
Lea County, New Mexico -
Case 2507 - Proposed Field Rules

FOIA

Gentlemen:

Phillips Petroleum Company, as a non-operating working interest owner in the North Anderson Ranch Unit, comprising portions of Sections 32 and 33-15S-32E, has studied the Field Rules proposed in the subject case, and we find them all acceptable with the exception of proposed Rule 3. The proposed Rule 3 provides an excessive allowable for a presently developed tract having between 40 and 80 acres. For example, a 60-acre tract would have an allowable of 3.77 times 1.5, or 5.655 times the normal unit allowable; whereas an 80-acre tract would have an allowable of only 4.77 times the normal unit allowable. This is obviously inequitable. Therefore, Phillips Petroleum Company strongly urges that the proposed Rule 3 be deleted from the Field Rules of the North Anderson Ranch Wolfcamp Field.

Very truly yours,

L. E. Fitzjarrald
Vice President

LEF:JRB:ml
Via Air Mail

cc: Union Oil Co. of California
Union Oil Building
619 West Texas
Midland, Texas

Humble Oil and Refining Co.
Box 1600
Midland, Texas

Texas Pacific Coal and Oil Co.
Box 2110
Fort Worth, Texas

Texaco, Inc.
Box 3109
Midland, Texas

McAlester Fuel Company
Box 1608
Midland, Texas

Exhibit "Interference Calculation"

theoretical

Formulae used are developed for application to the radial flow of heat or diffusion of heat. Basically, the flow of heat, the flow of electricity, and the flow of fluids in permeable rocks can be described by the same mathematical forms. The "diffusibility constant" determines the rate at which fluid will readjust in response to a pressure disturbance imposed on the system. You will observe that the summation of pressure declines caused by the production of various wells used in the interference test is 11.8 psi, while the observed decline was 11 psi, a close check.

Exhibit "BHP History by Wells"

Each well except for the very first one experienced drainage prior to the completion. Point out the different wells.

Exhibit "Material Balance"

The production period used in the time the State #1-33 was the sole producer (except the Gulf and Mobil wells). Above bubble point. No water influx. Considering crude, rock and connate water compressibilities more than 6,000,000 B of oil were affected. With 18,240 BO/acre (assuming uniform thickness) 363 acres were drained or affected. It must be more since #1-33 has the most pay section, average thickness only, which results in an effective drainage area of _____ acres. If 40 acres contributed only the effective pay thickness calculates to be 581'.

Exhibit. "Comparative Economics - self-explanatory"

Exhibit "Rules"

1. Standard
2. Explain why (Unit #4-32)
3. A similar rule was ordered by the Commission for the Ranger Lake Pennsylvanian Field. Order No. R 1418-B and for the South Vacuum Devonian Pool, Order No. 1382-C.
Two wells only.
Mobil well doesn't own any acreage out there except that one tract. Half of adjoining tract is productive so this is a question of ownership rather than dry, non-productive acreage.
Union first one ~~of~~ to be drained. No objection. No impairment of correlative rights as far as royalty owner is concerned. All royalty is owned by State of New Mexico

pgm

Case 2507

GOLDSTON OIL CORPORATION
1405 FIRST CITY NATIONAL BANK BUILDING
HOUSTON 2, TEXAS

1002 MAR 16 PM 6 58 March 16, 1962

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

Attention: Secretary-Director

Gentlemen:

It is our understanding that on March 28th you will consider Union Oil Company of California's application for separate pool designation and 80 acre spacing for the North Anderson Ranch Area of Lea County, New Mexico.

W. J. Goldston and the Estate of W. L. Goldston own an interest in the North Anderson Ranch Unit operated by Union, and in addition have a 50% interest with McAlester Fuel Company in production and undrilled acreage adjacent to the unit. As a result, we have attended all meetings of the North Anderson Ranch operators, and have supported Union in all preliminaries leading up to their current application.

Since we will not be able to have a representative in Santa Fe for the hearing on March 28th, we take this means to go on record as favoring all phases of Union's application.

Yours very truly,


W. E. Greenman

WEG:gel

cc: Union Oil of Calif.
Midland, Texas
Att: Mr. R. S. Cooke

McAlester Fuel Company
McAlester Building
Magnolia, Arkansas
Att: Mr. Chas. Dillard

1962 MAR 14 11 42 AM
McALESTER FUEL COMPANY
PRODUCTION DEPARTMENT
McALESTER BUILDING

MAGNOLIA, ARKANSAS

March 19, 1962

Re: Separate Pool Designation
North Anderson Ranch Area
For 80-acre Spacing
Hearing - March 28, 1962

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

Attention Secretary-Director

Gentlemen:

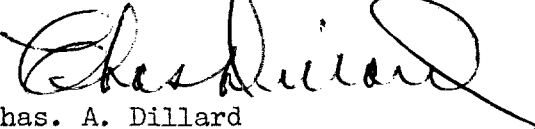
According to a letter of March 14, 1962 from Union Oil Company of California, Midland, Texas, I understand they will make application for separate pool designation and 80-acre spacing for the North Anderson Ranch area, Lea County, New Mexico.

McAlester Fuel Company owns an interest in the North Anderson Ranch Unit, operated by Union, and also a fifty percent interest with W. J. Goldston and the Estate of W. L. Goldston in production and undrilled acreage adjacent to the Unit.

We have supported Union in their application; we will not have a representative present for the hearing but we take this means to notify you that we favor all phases of Union's application.

Yours very truly,

McALESTER FUEL COMPANY


Chas. A. Dillard

cc: Union Oil Company of California
Midland, Texas

Mr. W. E. Greenman
Goldston Oil Corporation
Houston, Texas