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Office of Conservation
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RE: Docket No. R A 2023-10

Mr. Rice:

It recently came to my attention that change may be coming in the treatment of future utility wells.

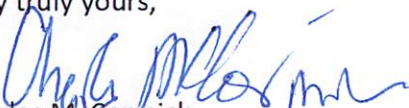
My family has been in the stripper oil business for decades. The designation of future utility is very important to the stripper oil industry. Low oil volume wells are extremely oil price sensitive. When a well's production falls to a level that is no longer economically feasible, it must be shut in. However, this does not mean that it will never be economically feasible to produce this lower volume in the future; hence the need for a classification/designation that the well is not currently profitable, but it is expected to return to profitability in the future. Unfortunately, these decisions are condition based, not time based (ie: five years).

The calculations for these financial decisions are very company specific. These financial decisions are best left to the people they affect the most and that would be the local oil and gas producers. I don't know any oil and gas producer that doesn't begin putting future utility wells back into production as soon as that individual company can justify the expense.

It must be noted that there are many factors that go into determining this economic feasibility. This is not just a price per barrel question. In the last two years, prices have improved but inflation has more than claimed all those increases. Some pipe prices have tripled. It is impossible for governmental agencies to evaluate the economic feasibility of these types of company specific decisions.

As I was finishing this letter, it comes to mind that there are unknown numbers of stripper oil operators in the field this morning working on their wells. They must do that themselves in order to provide for their families. Please extend the deadline for comments by ninety (90) days to give all interested parties enough time to comment on this devastating rule change.

Very truly yours,


Charles McCormick