

PROGRESS REPORT  
OF THE  
NATIONAL PETROLEUM COUNCIL  
COMMITTEE ON OIL COUNTRY TUBULAR GOODS  
WASHINGTON, D. C.

January 29, 1952

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The Committee met in Washington, D. C., on January 28, 1952 to review the report and recommendations of its working group as set forth in the attached minutes.

The assignment of the Committee, as approved by the Agenda Committee at the October 1951 meeting of the Council, was to:

". . . make a study to determine the most desirable range of sizes and weights of oil country tubular goods for present needs in petroleum production operations and the relative proportion of each expressed in terms of footage and tonnage, and to report its findings with such recommendations as may be appropriate."

The work of the Committee during the past three months developed the need for some clarification as to the scope of this assignment. Such clarification was received in a letter of January 25th from Mr. H. A. Stewart, Acting Director of the Oil and Gas Division. The Committee accepted the revised assignment, subject to approval by the Agenda Subcommittee.

Since October of last year, the working group of the Committee has been engaged in a careful and comprehensive study of possible methods of determining the most desirable range of sizes of oil field casing and tubing to meet present industry needs. Every effort was made to find a practical approach to the problem that would impose a minimum burden of work upon the industry. It was the conclusion and recommendation of that group, however, that present needs could be established only by surveying the industry through a questionnaire. A draft of such a questionnaire is attached. It has been reduced to the bare essentials that are believed to be necessary in order to obtain adequate information on pipe requirements by sizes.

The Committee unanimously approves the report of its working group and recommends that a survey be made along the lines set out in the attached questionnaire. The Committee is prepared to undertake this task immediately. It needs and urges the full cooperation of the industry. It believes, however, that these efforts are justified by the serious problem of obtaining tubular goods in the proper sizes and weights for the most efficient use of steel that is now in short supply.

Respectfully submitted,

Russell B. Brown, Chairman  
National Petroleum Council  
Committee on Oil Country Tubular Goods

Enclosure

MINUTES OF MEETING

WORKING GROUP OF NPC COMMITTEE ON OIL COUNTRY TUBULAR GOODS

January 8 and 9, 1952

A meeting of the working group of the National Petroleum Council Committee on Oil Country Tubular Goods was held in Washington, D. C., on January 8 and 9, 1952. The purpose of this meeting was to study the Committee's assignment and to recommend methods and procedures for determining the industry's required pattern for oil country tubular goods. Present at the meeting on one or both days were the following persons:

Russell B. Brown, Chairman of Main Committee  
Richard G. Lawton, Member of Main Committee  
Minor S. Jameson, Jr., Secretary of Main Committee

Working Group

H. W. Ladd, Stanolind Oil and Gas Company  
E. R. Leisure, Phillips Petroleum Company  
M. H. Parks, Humble Oil and Refining Company  
G. F. Poe, Ohio Oil Company  
I. S. Salnikov, Standard Oil Co. (N.J.)  
R. C. Zell, Union Oil Company of California

Petroleum Administration for Defense

Hugh A. Stewart, Acting Director, Oil & Gas Division  
Robert L. Foree, Director, Production Division  
Don R. Teis, Assistant Director, Production Division  
Darrell E. Chandler, Production Division

The assignment of the Committee as set out by the Acting Director of the Oil and Gas Division of the Department of the Interior and approved by the Agenda Committee of the Council is to: ". . . make a study to determine the most desirable range of sizes and weights of oil-country tubular goods for present needs in petroleum production operations and the relative proportion of each expressed in terms of footage and tonnage, and to report its findings with such recommendations as may be appropriate."

A thorough discussion of this assignment, raised certain questions regarding the scope of the work. For example, the above request refers to "oil-country tubular goods" which include casing, tubing and drill pipe. The representatives of the Interior Department, however, indicated that it would not be necessary to cover drill pipe requirements because adequate information on drill pipe patterns was already available in the files of the Petroleum Administration for Defense. The request also refers to both sizes and weights of oil-country tubular goods, but not to grades. In connection with this phase of the assignment, the Interior Department representatives stated that a study of size only would provide a satisfactory answer to their needs without determining the range as to weights and grades. A further question as to the assignment arose in connection with the request for "the relative proportion of each expressed in terms of footage and tonnage." There was a question as to whether this request required the determination of the breakdown of the total tons and feet of oil country goods required to accomplish the industry's future drilling program. In this regard, the representatives of the Interior Department stated

that a percentage breakdown by sizes would fulfill the needs inasmuch as these percentages could then be applied against whatever total tonnage figures might be used by the Petroleum Administration for Defense. A final question regarding the assignment related to foreign and domestic needs. It was pointed out that the problem of obtaining pipe patterns for certain foreign areas such as Canada and Mexico would involve matters that would be difficult to handle through a Committee of the National Petroleum Council. It was also pointed out that the bulk of the tubular goods produced by U. S. steel mills was used in domestic producing activities. It was the opinion of the working group, therefore, that the assignment should be clarified so as to limit the study to domestic petroleum production operations.

It was agreed that the Committee should seek written clarification from the Interior Department as to the above matters. It was also agreed that when such clarification is obtained, that the amended assignment should be referred to the Agenda Committee of the Council for approval.

A detailed discussion was held as to the possible methods and procedures that might be followed in undertaking the Committee's assignment. Mr. Ladd explained the work that had been done through the American Petroleum Institute in standardizing pipe specifications and the information that was available in connection with this work. The group reviewed carefully the data on historical mill production of oil country tubular goods by sizes, weights and grades. The representatives of the Petroleum Administration for Defense discussed the problems confronting that agency with regard to pipe patterns and the information available in the files of the PAD on this subject.

It was agreed that there were three broad alternatives for conducting the study as follows:

- (1) A survey based on PAD data
- (2) A survey based on steel industry data
- (3) An industry survey by the Committee

Despite the fact that a vast amount of information is available from the various forms submitted to PAD by petroleum operators, it was agreed that this information is unsatisfactory in many respects as a basis for arriving at the industry's required pipe pattern. The forms submitted to PAD would require detailed analysis and adjustment before they could be used as a source of information. Many of the necessary adjustments would be extremely difficult. For example, most if not all of the applications for tubular goods are based on 100 per cent producing wells and the pipe patterns therefore make no allowance for dry holes. In addition, the requirements set out in these applications may be affected by the operator's ability or judgment as to what specifications he believes that he will be able to obtain rather than the specifications that he would desire if available. Also, in certain cases, casing weights may be overstated and the tonnage excessive. Such problems as these would make it very difficult to analyze the information on the file in the Petroleum Administration for Defense.

Prior to the meeting of the working group, preliminary discussions with representatives of PAD had indicated that they believed it would be practical to use the information submitted to that agency. The discussions at the meeting on January 8th and 9th developed the fact that the PAD representatives now believe this would be impractical. This was the judgment of the working group who agreed that some other source of basic data should be developed.

The possibility of using steel industry data on past production of tubular goods (with additions of conversion and foreign materials to round out historical consumption) was explored thoroughly. These figures would indicate the trend of past usage by sizes. It was the consensus of opinion of the working group, however, that this would not constitute as satisfactory evidence as would a direct study of present industry needs. The past history of usage would be distorted by the abnormal use of second-hand materials and the forced substitution of less desirable sizes and weights. It would be very difficult to compensate for these factors and develop a firm basis for projecting the correct pattern. While the historical mill pattern will be helpful in connection with the Committee's work, it was agreed that additional evidence would be needed to document the present needs in petroleum production operations.

### Conclusions

In view of the fact that neither the PAD information nor the steel industry data appear satisfactory as a basis for the Committee's study, it appears necessary to obtain basic information from some other source. It is the recommendation of the working group to the Council's Main Committee, therefore, that a survey be made of petroleum operators along the lines set out in the attached questionnaire. This questionnaire would be sent to all operators using tubular goods as shown on the list published recently by the PAD.

To supplement the information obtained through this questionnaire, it is recommended that the information on past mill production of casing and tubing by sizes be fully analyzed.

The working group believe that it was important that all members of the Committee recognize that a questionnaire to the industry would involve considerable effort and expense on the part of all petroleum operators in compiling and submitting such information. It should also be recognized that the task of analyzing the returns and tabulating the data would also involve considerable effort. A large number of replies would be required to insure representative coverage and local efforts would be needed to stimulate returns.

Minor S. Jameson, Jr.  
Secretary, NPC Committee on  
Oil Country Tubular Goods

January 14, 1952

D R A F T

D R A F T

TO ALL USERS OF OIL-COUNTRY TUBULAR GOODS

Dear Sir:

In an effort to determine proper sizes of casing and tubing required by petroleum operators, the Petroleum Administration for Defense has asked that a study be made. With your cooperation, we can assist that Agency in claiming steel to meet your requirements.

The enclosed information is needed to help you obtain your pipe supplies. Your reply will be kept confidential. Only the totals for all operators will be published.

This is important to your operations. Please reply by \_\_\_\_\_, 1952.

Committee on Oil-Country Tubular  
Goods - National Petroleum Council

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Russell B. Brown, Chairman

Enclosures

CASING & TUBING SIZES - 4TH QUARTER 1951

FIRST - Show in columns 1 and 2 the total casing & tubing by sizes you actually used in all wells (including dry and injection) completed during the fourth quarter of 1951. Do not include drill pipe which covered by a separate study. If you used line pipe for casing, include under the casing size you would have used if available.

SECOND - Show in columns 3 and 4 the total casing and tubing that you would have used in the same wells if you had been able to obtain the sizes and weights of pipe you desired. For example, if you had to use 17 lb. 5-1/2" casing instead of 14 lb., show reduced tonnage but same footage.

<u>CASING</u> (Outside Diameter)	<u>Actually Used</u>		<u>Would Have Used in Same Wells if Available</u>	
	<u>Tons</u> (Col.1)	<u>Footage</u> (Col.2)	<u>Tons</u> (Col.3)	<u>Footage</u> (Col.4)
4-1/2"				
5"				
5-1/2"				
6				
6-5/8"				
7"				
7-5/8"				
8-5/8"				
9-5/8"				
10-3/4"				
11-3/4"				
13-3/8"				
16"				
20				
Total				

<u>TUBING</u>	
<u>(Nominal Size)</u>	<u>(Outside Diameter)</u>
1-1/4"	1.660"
1-1/2"	1.900"
2"	2-3/8"
2-1/2"	2-7/8"
3"	3-1/2"
3-1/2"	4'
4"	

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THIRD - For  
you