

Casa No.

877

Application, Transcript,
Small Exhibits, Etc.

BEFORE THE
Oil Conservation Commission

SANTA FE, NEW MEXICO
June 13, 1955

IN THE MATTER OF:

CASE NO. 877

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS
605 SIMMS BUILDING

TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF:

Case 877

TRANSCRIPT OF HEARING

MR. HUGHSTON: Richard L. Hughston, representing Shell

ADA DEARNLEY & ASSOCIATES
STENOTYPE REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

Inasmuch as such a survey would be of great significance to the operators and to the Commission in passing on this matter, we have thought it best to discuss the matter with the other operators; and we have come up with an agreement that the matter should be postponed, subject to the Commission's approval, indefinitely, until that report is received, at which time the parties will try to get together and agree on a setting. If not, the applicant can request that it be placed on the active docket. We would, of course, like for it to be understood that if the report is not forthcoming in sixty days, we can reactivate the matter, also.

MR. MACEY: As I understand it, you want the case removed from the docket pending further word from Shell Oil Company in the matter, is that correct?

MR. HUGHSTON: That would be right.

MR. MACEY: Mr. Rieder.

MR. RIEDER: If it please the Commission, the staff feels that the question of the disposition of the flare gas is of a secondary nature. The primary consideration here, we felt, was the dissipation of the reservoir energy of the drive mechanism. We can see no reason for whether the gas is sold or not as affecting the continuance for the final disposition of this hearing. We would like to present that to the Commission.

MR. MACEY: Mr. Campbell.

MR. CAMPBELL: If the Commission--Jack M. Campbell, Campbell and Russell, Roswell, New Mexico. The Wilshire Oil Company of Texas has no objection to the removing of this matter from the docket for the time being, although we are prepared to go ahead if the Commission sees fit, as I think Shell Oil Company is also.

We feel, however, that there are three factors involved in this application. One of them, as Mr. Rieder has stated, is the situation of underground waste within the reservoir; another is the correlative rights problem which involves the same reservoir situation; but the question of surface waste is also of considerable importance to the Commission and to the operators in the pool. It seems to us that until Warren Petroleum Corporation is prepared to advise the Commission and the operators as to what can be expected in the future with reference to the market for gas that might be the result of an increased gas-oil ratio, that the problem cannot be resolved in any event and for that reason we felt that we should not object to the matter being held in abeyance pending that determination, which relates, of course, only to one phase of the problem, the problem of surface waste. We would like to suggest, however, that the Commission, whatever it does with regard to this present matter, provide that at the time bottom hole pressure tests are taken in this pool in November, that gas-oil ratio tests under Commission supervision also be taken at that time. In other words, that instead of the one year elapsing between the time of the taking of the last gas-oil ratio tests in May, that only six-months period be allowed to elapse in order that additional reservoir information, for the benefit of all the operators and the Commission, can be obtained at that time. We have no objection to the request, however.

MR. MACEY: Mr. Hinkle.

MR. HINKLE: Clarence Hinkle, representing Humble Oil and Refining Company. We would like to concur in the request of Mr. Hughston and Mr. Campbell that the matter be deferred indefinitely

so that survey can be made for the Warren facilities to take the gas. Also, the additional time should be given to have further tests on the well.

MR. MACEY: Anyone else?

MR. SMITH: J. K. Smith for Stanclind Oil and Gas Company. We should also like to concur in the suggestion made by Mr. Hughston and by Mr. Campbell and Mr. Hinkle, that the matter be deferred until such time as the market capacity can be better studied and reviewed so as to avoid the possibility of surface waste.

MR. MACEY: Anyone else? Mr. Stanley.

MR. STANLEY: If it please the Commission, I concur with Mr. Campbell that the ratios in this particular field should be taken in such a manner and by such methods whereby an actual six months ratio can be accurately prepared.

MR. MACEY: Anyone else have anything further in this case? The Commission will continue the case indefinitely pending notification from Shell Oil Company in the matter. I would appreciate it, Mr. Hughston, if at the time that you write the Commission and request the case be brought back up again, that you send a copy to all the operators in the pool.

MR. HUGHSTON: We will, yes, sir.

MR. MACEY: Anyone else have anything further in this matter? If not, we will continue the case indefinitely.

The hearing is adjourned.

* * * * *

C E R T I F I C A T E

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 17th day of June, 1955.

Ada Dearnley
Notary Public, Court Reporter

BEFORE THE
Oil Conservation Commission
SANTA FE, NEW MEXICO
April 21, 1955

IN THE MATTER OF:

CASE NO. 877

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES
COURT REPORTERS
ROOMS 105, 106, 107 EL CORTEZ BUILDING
TELEPHONE 7-9546
ALBUQUERQUE, NEW MEXICO

REPORT MADE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 21, 1955

IN THE MATTER OF:

The application of Shell Oil Company for
revision of the gas-oil ratio limitation
for the Townsend-Wolfcamp Pool.

Applicant, in the above-styled cause, seeks
revision of the gas-oil ratio limitation of
2,000 cubic feet of gas per barrel of oil
as applied to production in the Townsend-
Wolfcamp Pool, Lea County, New Mexico,
under the provisions for redetermination as
set out in Rule 506(d) of the Commission's
Rules and Regulations.

Case No. 877

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William E. Macey

TRANSCRIPT OF HEARING

MR. MACKEY: The first case on the docket this morning is Case

877.

MR. HUGHSTON: I am Richard L. Hughston, appearing for the applicant, Shell Oil Company. A good many of the operators in the Townsend Pool affected by that application have expressed the desire to have it continued until the May, the regular May gas and oil ratio survey and bottom hole pressure surveys are filed with the Commission. We are of the opinion that no additional information will be obtained from them, that the field is three years old and there is plenty of information to show the reservoir characteristics and the nature of the liquids in it, and the nature of the drive. But, nevertheless, to satisfy the operators who are sincerely desirous of getting the additional information, we are willing to agree that the case be continued until next month if the Commission direct that the surveys, rather than being delayed, be run and filed with the Commission at its Hobbs Office before May 7th. That will give something over two weeks in which to make the survey, both surveys, the bottom hole pressure and the gas-oil ratio, and then give them to the Commission and that will give ten days, so that the operators can study the data before the next hearing.

We would like to ask that the case be set for the afternoon before the statewide hearing and disposed of at that time. That would be Tuesday, May 17th. If it was at 1:00 P. M., we feel it would be of advantage to the operators.

MR. CAMPBELL: Jack Campbell, Campbell and Russell, Roswell, New Mexico, appearing for Wilshire Oil Company, Texas Mamachris and Sunaland Oil Company. As the Commission knows, we requested a continuance of this case, by letter to the Commission. The request was denied at that time. The Commission further knows that regular tests for

this field are set up for next month under regular procedures of the Commission. We have also requested that these tests be supervised by Commission personnel. We would like to renew that request and believe that the tests and the reports should take their normal course so that the operators will have ample opportunity to make proper tests under Commission supervision, and to have ample opportunity to study the results of those tests before they are called upon to reach a conclusion as to this matter.

We do not feel that the matter is of such urgency that it requires tests in a hurried manner, or a study of the tests that is not complete and thorough insofar as the operators are concerned. We therefore, believe that the matter, if it is continued to the May hearing and the reports on the normal course of tests that are now set up by the Commission for May are completed, then we, of course, are going to request an additional continuance until June.

We would like to request the Commission to simply announce that until the regular gas-oil ratio tests are completed in the field and the reports made as required by the present rules and regulations, that this matter will remain in suspense on the docket and that at such time as those reports are in to the Commission, and an opportunity is given for study, any interested party of the Commission, if it sees fit, may put the matter back on the docket, and many people who are extremely skeptical about the application, as a result of those tests and a proper study, of course, may have an entirely different attitude concerning it. We don't see there is the great urgency that seems to be by the applicant in this case. We request that the matter be held in suspense until the gas-oil ratio tests under supervision are complete.

MR. HUGHSTON: We are agreeable to the tests being made under the Commission's supervision, of course. We are not agreeable to the thing going along, just on the regular May tests and reports that do have to be in, until June. We would like the matter to be expedited as much as possible. Unless the Commission wishes to put the condition we requested in the continuance, we are ready to proceed with the case.

MR. MACEY: Mr. Reider?

MR. REIDER: If it please the Commission, the regular bottom hole tests for that field have been scheduled for the 3rd. That has been set up with the majority of the operators in the field. To conduct a test prior to that, bottom hole pressure would not have as much advantage as afterwards. If the bottom hole pressures are run the 3rd the well should be flowed for at least two days. It would be impossible to meet the 7th deadline for filing.

MR. HUGHSTON: What date would be possible under that circumstance?

MR. REIDER: I think it would be possible to have a deadline of the 15th, maybe.

MR. MACEY: Mr. Stanley, how long would it take to set up a gas-oil ratio schedule, taking in mind that you have a bottom hole pressure schedule involved also on the approximately 40 wells in the pool?

MR. STANLEY: The question arises whether if the Commission is to go ahead and take the tests, the problem arises, shall we use the meters of El Paso Natural Gas Company in that area and take these gas-oil ratios from the meter room? The question, I believe, is the problem of how to take the gas-oil ratios and that will

determine the time for the duration of the test.

MR. MACEY: If you are instructed to take the tests in the proper manner, in the manner that you think is proper, how long will it take you to take the gas-oil ratio?

MR. STANLEY: It will take me two days, if I can round up sufficient meters. I can test all the wells within a two or three day period. I can take the meters and have them calibrated first and then take the gas-oil ratios in that manner. I don't think it will take me over two or three days. I could take them all in one day, of course, I don't think it is recognized that gas-oil ratio surveys should be taken through a gas taker's meters, due to the fact that you do not have the accuracy that you have with the individual meter on an individual well.

MR. WALKER: You say if you can round up the meters. What are the chances of rounding up the meters?

MR. STANLEY: I can round them up.

MR. MACEY: I would like to point out to you, regardless of whether the Commission increases the gas-oil ratio limit, keeps it the same or what it does, that the increase wouldn't be effective until the first day of July, in any event, regardless of what disposition we would make of the matter. I don't want to delay the matter, but it looks to me like we are jumping into something without any necessity for it really. We could continue the case, as Mr. Hughston requested, and order the tests taken as he requested, if it is perfectly satisfactory with the other people, if they think it can be done. If it can't be done we can continue the matter until June, and at the same time enter an order which would, in either event, be timely enough to take care of any problem.

MR. CAMPBELL: If the test can be properly and adequately taken and time given for study of those, of course, by the May hearing, that is all right. We simply feel that it is a matter of such importance to all the operators in the field and to the Commission, from a conservation point of view, that unless there is an impelling reason, we shouldn't rush it and base a determination on the proposition of this kind on those tests. If the tests are taken properly and can be taken in that length of time and there is some time given for study we will consider that at the time of the May hearing. If we don't feel they have, or we haven't had ample opportunity for thorough study that condition exists, we will ask for another continuance and the Commission will have to make another determination.

MR. HUGHSTON: If the information is what they desire and not just delay, as soon as the information can be obtained they should be ready to go ahead. You made a statement, Mr. Macey, that the order would not become effective until July 1st, why is that?

MR. MACEY: Under the normal procedure we follow you are going into a May test period on gas-oil ratio tests. Those tests are not due in the Commission's Office until the 15th of June and they become effective on the first day of the proration month that they are filed, so that is July first. It doesn't --

MR. HUGHSTON: This is up on a special matter, application to change the gas-oil ratio. If the Commission entered its order I think it would become effective whenever the Commission stated.

MR. MACEY: I agree with you. I am simply pointing out that under the present 2,000 to 1, you wouldn't be penalized until July 1st.

MR. HUGHSTON: Yes, sir, that is right.

MR. MACEY: Anyone else have a statement they wish to make?

MR. YURONKA: John Yuronka with the Texas Pacific Company.

Since Steve Peters recently completed a well in the -- We concur with the Wilshire that the tests be taken next month under the direct supervision of the Commission and after the data is submitted that the case be opened for rehearing, if so determined desirable.

MR. MACEY: Anyone else have a statement to make in the matter?

MR. STANLEY: Why not start the gas-oil ratios immediately?

MR. MACEY: I think that is the general plan.

MR. STANLEY: They are talking about scheduling them for May.

MR. MACEY: The idea was to start them immediately.

Gentlemen, the Commission -- I wish you would correct me if I am in error, the Commission is going to order a well test schedule in the pool during the month of May to be taken after the bottom hole pressure survey is completed. I doubt very seriously if we can take proper tests on the wells in the pool in time for any May hearing, in time for you to get the data and be able to study it. With that in mind, it is our belief that we should continue the matter until sometime in June, at which time all the data can be brought in and presented. But, in the event Shell Oil Company wants to go ahead and put the testimony on today, that is perfectly all right.

MR. HUGHSTON: Would you complete the case today?

MR. MACEY: No, we will leave the matter open pending the test.

MR. HUGHSTON: We will wait. We would like for a definite

understanding that the reports should be filed in the month of May, not wait until June 15th for them to be filed.

MR. MACEY: Since the tests are going to be conducted by the Commission, we will furnish all the operators in the pool with complete results of all the tests in plenty of time so you can have at least two weeks to study the matter.

The only day in June we can get this hearing room is the 13th. Now, the hearing is on the 15th, the regular hearing. We can not get the hearing room on the 14th.

MR. HUGHSTON: That is satisfactory with Shell.

MR. MACEY: We will continue the matter until the 13th of June. We will issue complete instructions to all the operators and everyone will be furnished a copy of the instructions. I would suggest that anyone who wishes to, give Mr. Stanley the name and address of where you want the data sent to so there won't be any misunderstanding as to who gets what. We will continue the case until the 13th of June at 9:00 o'clock.

STATE OF NEW MEXICO)
 : ss.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 29th day of April, 1955.


Notary Public, Court Reporter

My Commission Expires:
June 19, 1955

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

ADA DEARNLEY AND ASSOCIATES

Ada Dearnley • Marianna Meier • Margaret McCoskey • Helen Purcell
605 SIMMS BUILDING • ALBUQUERQUE, NEW MEXICO • Phone 3-6691



STENOTYPE REPORTERS

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June 8, 1955

RECEIVED
SANTA FE LAND OFFICE
JUN 9 10 22 AM '55
SANTA FE, N. M.

Mr. E. S. (Johnny) Walker
Santa Fe, New Mexico

Dear Mr. Walker:

I am enclosing a new cover and first page
for Case No. 877, hearing held on April 21,
1955. Please pull the first page and cover
of your copy and replace them with these.

Thank you.

Very truly yours,

ADA DEARNLEY & ASSOCIATES

By B. Rockwell

NEW MEXICO
OIL CONSERVATION COMMISSION

Box 2045
Hobbs, New Mexico

May 26, 1955

TOWNSEND WOLFCAMP POOL OPERATORS:

Gentlemen:

The results of the recent gas-oil Ratio Survey conducted by the Commission Staff in the Townsend-Wolfcamp Pool are herein attached. There is also compiled the results of a Bottom-Hole-Pressure Survey recorded during the month of May, 1955.

The gas-oil ratio survey is tabulated in such a manner that it can be readily transcribed on Form C-116 and reported for the required annual survey in the Townsend Wolfcamp Pool.

Very truly yours,

s/ S. J. Stanley
Engineer

SJS/cd

GAS OIL RATIO SURVEY FOR THE TOWNSEND WOLF CAMP POOL

OPERATOR	WELL NO.	DATE OF TEST	PRODUCING METHOD	CHOKES SIZE	TEST HOURS	DAILY ALLOWABLE BBL'S.	PRODUCTION WATER BBL'S.	OIL BBL'S.	GAS MCF	GOR CU.FT. PER BBL.
GULF OIL CORP.										
Townsend	1	5-16-55	F	17/64	24	183	0	198.81	267.183	1344
HUMBLE OIL & RFG. CO.										
Townsend ac/1	1	5-10-55	F	11/64	24	183	-	192.04	334.620	1742
"	3	5-12-55	F	11/64	24	183	-	196.27	335.341	1709
"	5	5-13-55	F	32/64	24	80	-	83.87	307.314	3664
Townsend ac/2	6	5-11-55	F	11/64	24	183	-	171.50	364.343	2124
"	7	5-11-55	F	11/64	24	183	-	207.19	421.47	2034
M. A. MACHRIS										
State	32-10	5-10-55	F	14/64	24	183	0	217.33	364.553	1677
"	36-3	5-12-55	F	14/64	24	183	0	216.01	261.743	1212
"	42-10	5-12-55	F	14/64	24	183	0	204.12	204.735	1003
"	32-3	5-12-55	F	15/64	24	183	0	145.09	245.371	1691
"	15-2	5-12-55	F	15/64	24	183	0	218.12	300.08	1376
PURE OIL CO.										
State Lea	1	5-12-55	F	13/64	24	183	0	212.83	396.528	1873
"	2	5-10-55	F	14/64	20	183	0	207.34	314.510	1517
"	3	5-12-55	F	13/64	22	183	0	216.27	420.773	1946
"	4	5-11-55	F	14/64	21	183	0	220.79	347.447	1574
SHELL OIL CO.										
Lusk	1	5-12-55	F	14/64	23	183	0	204.90	274.844	1341
Hilburn	1	5-10-55	F	14/64	20 1/2	183	0	202.74	376.073	1855
"	2	5-16-55	F	15/64	23 1/2	183	0	196.15	334.66	1655
"	3	5-12-55	F	14/64	24	183	0	183.70	342.269	1863
State TA	1	5-11-55	F	26/64	24	183	0	127.48	698.153	5477
"	2	5-10-55	F	24/64	20 1/2	183	0	211.43	470.472	2225
"	3	5-12-55	F	14/64	22	183	0	198.92	418.004	2101
"	4	5-13-55	F	18/64	24	183	0	228.43	528.646	2314
State ETA	1	5-18-55	F	24/64	24	183	0	162.72	403.466	2480

GAS OIL RATIO SURVEY FOR THE TOWNSEND WOLF CAMP POOL
ERRATA SHEET

OPERATOR LEASE	WELL NO.	DATE OF TEST	PRODUCING METHOD	CHOKE SIZE	TEST HOURS	DAILY ALLOWABLE BBL.S.	PRODUCTION DURING TEST			GOR CU.FT. PER BBL.
							WATER BBL.S.	OIL BBL.S.	GAS MCF	
HUMBLE OIL & RFG. CO. Townsend ac/2	6	5-10-55	F	11/64	24	183	-	231.2	364.343	1576

WILSHIRE OIL COMPANY OF TEXAS
LEGGETT BUILDING MIDLAND, TEXAS

April 11, 1955

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

Attention Mr. W. B. Macey, Secretary-Director

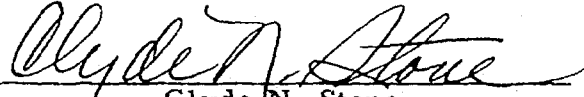
Gentlemen:

Reference is made to the gas-oil ratio tests scheduled for the year of 1955 insofar as said schedule is applicable to the Townsend Wolfcamp Pool scheduled to be tested during the month of May, 1955. This company respectfully requests that all said gas-oil ratio tests in said pool be witnessed by the Oil Conservation Commission representatives.

Reference is also made to Case No. 877, application of Shell Oil Company for revision of gas-oil ratio limitation of 2,000 cubic feet of gas per barrel of oil as applied to production in the Townsend Wolfcamp Pool, Lea County, New Mexico, under the provisions for redetermination as set out in Rule No. 506 (d). Inasmuch as gas-oil ratio tests are scheduled for the month of May, 1955, for the determination of such gas-oil ratios in the Townsend Wolfcamp Pool, and due to the fact that said hearing at this time would not have the benefit of the results of the pool-wide ratios, this company respectfully requests that said hearing be postponed and set over until the regular hearing docket for the month of June.

Very truly yours,

WILSHIRE OIL COMPANY OF TEXAS


Clyde N. Stone

CNS:bw

cc: Mr. Charles Rieder
Box 871
Santa Fe, New Mexico

Mr. Stanley J. Stanley
P. O. Box 2045
Hobbs, New Mexico

JOHNSTON OIL AND GAS COMPANY

1453 ESPERSON BUILDING

HOUSTON 2, TEXAS

PRESSURE SURVEY
APRIL 5, 1955

JOHNSTON OIL & GAS
RINCON # 6
RIO ARriba COUNTY
NEW MEXICO

G-116
ZERO POINT TUBING GATE
MAXIMUM TEMPERATURE 178°F
WELL SHUT IN 121 HOURS
CASING PRESSURE 1250 P.S.I.
TOTAL DEPTH 6717
FLUID LEVEL 4025

<u>DEPTH</u>	<u>PRESSURE</u>	<u>GRADIENT</u>
LUBE	1205	
2500	1317	
5000	1439	.04
6000	1719	.05
6813	1961	.28
6863	1977	.30
6883 (EXTENDED)	1984	.32
		.35

SURVEY RUN BY B & R SERVICE CO.
P. O. BOX 1056, FARMINGTON, NEW MEXICO

JAMES W. COPELAND
P. O. BOX 813, FARMINGTON, NEW MEXICO
APRIL 9, 1955

JOHNSTON OIL AND GAS COMPANY

1453 ESPERSON BUILDING

HOUSTON 2, TEXAS

PRESSURE SURVEY
APRIL 5, 1955

JOHNSTON OIL & GAS
RINCON # 11
RIO ARriba COUNTY
NEW MEXICO

ZERO POINT TUBING GATE
MAXIMUM TEMPERATURE 168°F
WELL SHUT IN 102 HOURS
CASING PRESSURE- NIL, PACKER
TOTAL DEPTH 6717
FLUID LEVEL 4025

<u>DEPTH</u>	<u>PRESSURE</u>	<u>GRADIENT</u>
LUBE	1252	
4000	1533	.7
5000	1670	.14
6000	1815	.15
6500	1930	.15
6660	1996	.41
6717 (EXTENDED)	2009	.23

SURVEY RAN BY B & R SERVICE CO.
P.O. BOX 1056, FARMINGTON, NEW MEXICO

JAMES W. COPELAND
P. O. BOX 813, FARMINGTON, NEW MEXICO
APRIL 9, 1955

CLASS OF SERVICE
This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1220

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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OIL CONSERVATION COMMISSION, STATE OF NEW MEXICO=

MABRY HALL STATE CAPITOL ATTN W B MACEY SECY &
DIR SANTAFE NMEX=

REFERENCE CASE 877 AND PARTICULARLY SHELL OIL COMPANY APPLICATION FOR REVISION OF GAS OIL RATIO LIMITATION AS APPLIED TO OIL PRODUCTION IN TOWNSEND WOLFCAMP POOL. FROM ANALYSIS OF RESERVOIR DATA AND PERFORMANCE TO DATE WE CONCLUDE THAT THE PRIMARY DRIVE MECHANISM IN THIS POOL IS SOLUTION GAS EXPANSION AND THAT AN INCREASE IN RATIOS IS IMMINENT THROUGHOUT THE ENTIRE POOL. ACCORDINGLY WE VIEW THIS MATTER AS ONE OF PRESSING IMPORTANCE AND MERITING EXPEDITIOUS HANDLING BY THE COMMISSION. BOTTOM HOLE PRESSURES NOW SHOW PROMINENT GRADIENTS OVER SHORT DISTANCES BUT THERE IS NOT YET EVIDENCE OF A SECONDARY GAS CAP BEING FORMED IN THE HIGHER STRUCTURAL AREAS WHICH MIGHT CAUSE MIGRATION OF OIL TO DOWN DIP LEASES. IN FACT THESE GRADIENTS NOW FAVOR THE MARGINAL WELLS SO THAT THEY SHOULD BE BENEFITING FROM ANY PRESSURE EQUALIZATION OR MIGRATION TAKING PLACE WITHIN THE RESERVOIR. THUS

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

1220

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=Inc'l Letter Telegram
VLT=Inc'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

WE DO NOT FEEL THAT LIBERALIZING THE RATIO LIMIT WILL RESULT IN INEQUITIES AS BETWEEN OFFSETTING LEASES. WE THINK THERE IS ENOUGH SIMILARITY IN RESERVOIR PERFORMANCE BETWEEN TOWNSEND WOLFCAMP AND THOSE SHALLOW LEA COUNTY POOLS WHERE THE LIMITING RATIOS ARE AS HIGH AS TEN THOUSAND TO ONE THAT A TWO THOUSAND LIMIT FOR TOWNSEND IS NO MORE VALID THAN TEN THOUSAND LIMITS ARE IN THE OLDER SHALLOW POOLS. UNDER SOLUTION GAS DRIVE THE ULTIMATE OIL RECOVERY FROM A RESERVOIR SHOULD BE INDEPENDENT OF PRODUCTION RATE. THUS CONTINUED ENFORCEMENT OF A TWO THOUSAND LIMIT AT TOWNSEND WOULD IN OUR OPINION SERVE MERELY TO EXTEND UNNECESSARILY THE TIME REQUIRED TO DRAIN THIS POOL AND THEREBY CAUSE ECONOMIC WASTE. THEREFORE WE RESPECTFULLY RECOMMEND THAT THE COMMISSION AMEND THE LIMITING RATIO AT TOWNSEND TO A LIMIT NOT TO EXCEED TEN THOUSAND TO ONE FOR A TRIAL PERIOD OF EIGHTEEN MONTHS; THAT GAS OIL RATIOS HEREAFTER BE REQUIRED ON ALL TOWNSEND WOLFCAMP POOL WELLS SEMI ANNUALLY; AND THAT THIS CASE BE CALLED FOR REVIEW BEFORE THE COMMISSION AFTER FIFTEEN MONTHS FROM THE EFFECTIVE DATE OF ANY INCREASE IN LIMITING RATIO.

SIMMONS MARKHAM AND CONE BY L O STORM.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

871
El Paso Natural Gas Company

El Paso, Texas

June 8, 1955

ADDRESS REPLY TO:
1006 MAIN STREET
HOUSTON 2, TEXAS

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

Attention: Mr. W. B. Macey

Gentlemen:

We have been requested to supply you with certain information concerning the capacity of the gas gathering facilities in the Townsend Field of Lea County, on which we understand you have scheduled a hearing for June 13.

The El Paso Natural Gas Company installed and owns the trunk gathering line connecting the Townsend and Eidson Fields to the Warren Petroleum Corporation's plant in the Saunders Field, and the field compression facilities in the Townsend Field. The capacity for handling gas from the Townsend Field is limited at present to approximately eight million cubic feet per day, such limitation being due to the installed compression facilities.

We were advised recently by the Warren Petroleum Corporation that a total of eleven to twelve million cubic feet per day is now available from the Townsend Field, and were asked by Warren to consider the installation of the necessary additional compression facilities to handle this volume. We are currently conducting a field survey in order to determine as closely as possible the available volume. If our survey confirms the volumes estimated by Warren, we will very probably file an application with the Federal Power Commission for authorization to install the necessary additional compression to enable us to handle the available volume.

If you need any further information on this subject which we may be able to supply, please do not hesitate in calling upon us.

Very truly yours,



A. L. Hill

ALH:ck

cc: Mr. E. D. Dickey, Shell Oil Company,
P.O. Box 1509, Midland, Texas
Mr. F. W. Woodruff

COMPANY	LEASE	WELL NO.	S.T.R.	TESTS		TESTS	
				DATE	TIME	DATE	TIME
GULF OIL CO.	Townsend	1	9-16-35	5-23-55	1:30P.M.	5-24-55	1:30P.M.
HUMBLE OIL & RFG.	Townsend	1	9-16-35	5-9-55	11:00A.M.	5-10-55	11:00A.M.
"	"	3	"	"	"	5-11-55	11:00A.M.
"	"	5	"	"	"	5-12-55	11:00A.M.
"	"	6	"	5-9-55	11:00A.M.	5-10-55	11:00A.M.
"	"	7	"	"	"	5-11-55	11:00A.M.
M. A. MACHRIS	State	42-10	10-16-35	5-9-55	8:45A.M.	5-10-55	8:45A.M.
"	"	32-10	"	5-9-55		5-11-55	8:45A.M.
"	"	36-3	3-16-35	5-23-55	8:00A.M.	5-24-55	8:00A.M.
"	"	32-3	3-16-35	5-23-55	8:30A.M.	5-24-55	8:20A.M.
"	"	15-2	2-16-35	5-23-55	9:15A.M.	5-24-55	9:15A.M.
PURE OIL CO.	State	1	10-16-35	5-9-55	1:00P.M.	5-10-55	1:00P.M.
"	"	2	"	"		5-11-55	1:00P.M.
"	"	3	"	5-9-55	1:00P.M.	5-10-55	1:00P.M.
"	"	4	"	"	"	5-11-55	1:00P.M.
SHELL OIL CO.	Lusk	1	11-16-35	5-23-55	10:00A.M.	5-24-55	10:00A.M.
"	Hillburn	1	3-16-35	5-9-55	2:30P.M.	5-10-55	2:30P.M.
"	"	2	"	"	"	5-11-55	2:30P.M.
"	"	3	"	"	"	5-12-55	2:20P.M.
"	State "TA"	1	4-16-35	5-9-55	2:00P.M.	5-10-55	2:00P.M.
"	"	2	3-16-35	"	"	5-11-55	2:00P.M.
"	"	3	"	"	"	5-12-55	2:00P.M.
"	"	4	"	"	10:45A.M.	5-24-55	10:45A.M.
"	State "ETA"	1	8-16-35	5-23-55	11:15A.M.	5-24-55	11:15A.M.
SOUTHERN PET. CORP.	Tusk	1	11-16-35	5-23-55	3:00P.M.	5-24-55	3:00P.M.
SIMMONS, MARKHAM & CONE	Schenck	1	11-16-35	5-11-55	10:15A.M.	5-12-55	10:15P.M.
"	Townsend	1	9-16-35	5-9-55	10:15A.M.	5-10-55	10:15P.M.
"	"	2	"	"	"	5-12-55	10:15P.M.
STANOLIND OIL & GAS	State "Z"	1	4-15-35	5-23-55	2:15P.M.	5-24-55	2:15P.M.
"	State "AG"	1	10-16-35	5-9-55	8:00A.M.	5-10-55	8:00A.M.
"	"	2	"	"	"	5-12-55	8:00A.M.
SUPERIOR OIL CO.	State R	1	4-16-35	5-26-55	8:00A.M.	5-26-55	8:00A.M.
"	State 26	1	10-16-35	5-26-55	8:45A.M.	5-27-55	8:45A.M.
WILSHIRE OIL CO.	Townsend	1	4-16-35	5-26-55	9:30A.M.	5-27-55	9:30A.M.
"	"	2	"	5-26-55	9:45A.M.	5-27-55	9:45A.M.
"	"	3	"	5-26-55	10:00A.M.	5-27-55	10:00A.M.
"	"	4	"	5-9-55	9:30A.M.	5-10-55	9:30A.M.
"	"	5	"	"	"	5-12-55	9:30A.M.
"	"	46-5	"	5-26-55	10:30A.M.	5-27-55	10:30A.M.
T-P COAL & OIL CO.	State N.M.J	1	1-16-35	5-26-55	11:15A.M.	5-27-55	11:15A.M.

TOWNSEND WOLF CAMP POOL BOTTOM HOLE PRESSURES
POOL DATA -6300' NOMINAL S.I. TIME 48 Hrs.

COMPANY	WELL	DATE PRESS.	TIME S.I.	GAUGE	GRADIENT	B.H.P. @	B.H.P. @	PREVIOUS TEST
LEASE	UNIT	S.T.R.	HRS/MIN.	DEPTH	FBG./100'	GAUGE DEPTH	FIELD DATUM	DATE (1954)
GULF OIL CORP.								
Townsend	1 J	9-16-35	5/3	50/00	4012	10312	41.1	
HUMBLE OIL & PFG. CO.								
Townsend	1 B	9-16-35	5/3	56/00	4030	10400	28.0	2892
"	3 C	"	"	59/00	4030	10335	27.0	2810
"	5 D	"	"	60/00	4038	10300	30.0	1395
"	6 G	"	"	70/00	4026	10400	28.0	2928
"	7 K	"	"	71/00	4024	10200	28.0	2913
MACHIRIS, W. A.								
State	15-2 T	2-16-35	5/3	57/00	3994	10294	19.7	2815
"	32-3 G	3-16-35	"	56/45	4018	10318	7.5	2214
"	32-10 G	10-16-35	"	48/30	4007	10307	30.9	2769
"	36-3 N	3-16-35	"	55/45	4004	10304	28.6	2868
"	42-10 E	10-16-35	"	55/00	3995	10295	28.8	2766
PURE OIL CO.								
St. Lea	1 D	10-16-35	5/3	49/45	4015	10315	30.5	2809
"	2 C	"	"	52/00	4012	10312	29.8	2827
"	3 E	"	"	50/15	4018	10318	28.6	2808
"	4 F	"	"	51/15	4027	10327	29.7	2802
SHELL OIL CO.								
Hilburn	1 W	3-16-35	5/3	50/30	3994	10294		2931
"	2 Q	"	"	53/30	3994	10294		1585
"	3 T	2-16-35	"	54/00	3987	10287		2958
Lusk	1 C	11-16-35	"	49/30	3980	10280		2990
State ETA	1 A	8-16-35	"	49/00	4026	10326		1473
"	1 Q	4-16-35	"	55/00	4020	10320		1186
"	2 U	3-16-35	"	53/00	4021	10321		1879
"	3 V	"	"	50/30	4011	10311		2802
"	4 T	"	"	54/30	4022	10322		1951
SIMMONS, MARKHAM & CONE								
Schenck	1 D	11-16-35	5/3	48/00	3988	10288	28.9	2992
Townsend	1 A	9-16-35	"	"	4013	10313	29.0	2833
"	2 H	"	"	"	4013	10313	29.0	2845
SOUTHERN PETROLEUM EXPL. CO.								
Lusk	1 B	11-16-35	5/3	48/00	3992	10292	29.8	2973

TOWNSEND WOLF CAMP B.H.P. CONT'D.												
COMPANY	WELL	DATE PRESS.	TIME S.I.	GAUGE	GRADIENT	B.H.P. @	B.H.P. @	PREVIOUS TEST				
LEASE	UNIT	S.T.R.	RUN(1955)	HRS/MIN.	ELEV.	DEPTH	TBG.#/100'	GAUGE DEPTH	FIELD DATUM	PRESS. DATE(1954)		
STANOLIND OIL & GAS CO.												
St. AG	1 B	10-16-35	5/3	49/47	4017	10317	26.0	2840	3147	11/10		
"	2 A	"	"	50/35	4010	10317	27.0	2930				
SUPERIOR OIL CO.												
State "4"	1 G	4-16-35	5/3	48/00	4039	10339		*1041	1673	11/10		
" "26"	1 J	10-16-35	"	48/45	4026	10326	29.4	2606				
TEXAS PACIFIC COAL & OIL CO.												
State J	1 L	10-16-35	5/3	48/00	4005	10305	32.7	2760				
WILSHIRE OIL CO. OF TEXAS												
Townsend	1 X	4-16-35	5/3	50/30	4018	10318	3.8	1135	1507	11/9		
"	2 W	"	"	49/30	4019	10319	25.7	1660	1975	"		
"	3 V	"	"	51/30	4022	10322	6.6	1685	2143	"		
"	4 U	"	"	54/30	4026	10326	45.3	1876	2246	"		
"	5 T	"	"	56/00	4026	10326	3.4	1196				
"	46-5 X	5-16-35	"	55/30	4027	10327	8.3	2270	2654	11/10		
ALL WELLS RUN												
				TOTAL PRESSURE	AVERAGE PRESSURE				CHANGE			
24 Wells Run Nov. 1954				63,852	2660.5				-220.3			
38 " " May 1955				92,726	2140.2							
COMPARABLE WELLS												
23 Wells Run Nov. 1954				62,179	2703.4				-333.9			
23 " " May 1955				54,499	2369.5							

* SONOLOG TEST - NOT USED IN TOTALS

GAS OIL RATIO SURVEY FOR THE TOWNSEND WOLF CAMP POOL

OPERATOR LEASE	WELL NO.	DATE OF TEST	PRODUCING METHOD	CHOKE SIZE	TEST HOURS	DAILY		PRODUCTION DURING TEST			GOR CU.FT. PER BBL.
						ALLOWABLE BRLS.	WATER BRLS.	OIL BRLS.	GAS MCF		
GULF OIL CORP. Townsend	1	5-16-55	F	17/64	24	183	0	198.81	267.183	1344	
	HUMBLE OIL & RFG. CO.										
	Townsend ac/1	1	5-10-55	F	11/64	24	183	-	192.04	334.620	1742
	"	3	5-12-55	F	11/64	24	183	-	196.27	335.341	1709
	"	5	5-13-55	F	32/64	24	80	-	83.87	307.314	3664
	Townsend ac/2	6	5-11-55	F	11/64	24	183	-	171.50	364.343	2124
	"	7	5-11-55	F	11/64	24	183	-	207.19	421.47	2034
M. A. MACHRIS State	32-10	5-10-55	F	14/64	24	183	0	217.33	364.553	1677	
	"	36-3	5-12-55	F	14/64	24	183	0	216.01	261.743	1212
	"	42-10	5-12-55	F	14/64	24	183	0	204.12	204.735	1003
	"	32-3	5-12-55	F	15/64	24	183	0	145.09	245.371	1691
	"	15-2	5-12-55	F	15/64	24	183	0	218.12	300.08	1376
PURE OIL CO. State Lea	1	5-12-55	F	13/64	24	183	0	212.83	398.528	1873	
	2	5-10-55	F	14/64	20	183	0	207.34	314.510	1517	
	3	5-12-55	F	13/64	22	183	0	216.27	420.773	1946	
	"	4	5-11-55	F	14/64	21	183	0	220.79	347.447	1574
SHELL OIL CO. Lusk Hilburn	1	5-12-55	F	14/64	23	183	0	204.90	274.844	1341	
	1	5-10-55	F	14/64	20 1/2	183	0	202.74	376.073	1855	
	2	5-16-55	F	15/64	23 1/2	183	0	196.15	334.66	1655	
	"	5-12-55	F	14/64	24	183	0	183.70	342.269	1863	
	State TA	1	5-11-55	F	26/64	24	183	0	127.48	698.153	5477
	"	2	5-10-55	F	24/64	20 1/2	183	0	211.43	470.472	2225
	"	3	5-12-55	F	14/64	22	183	0	198.92	418.004	2101
State ETA	4	5-13-55	F	18/64	24	183	0	228.43	528.646	2314	
	1	5-18-55	F	24/64	24	183	0	162.72	403.466	2480	

TOWNSEND WOLF CAMP POOL BOTTOM HOLE PRESSURES
POOL DATUM -6300' NOMINAL S.I. TIME 48 Hrs.

COMPANY	WELL	S.T.R.	DATE PRESS.	TIME S.I.	ELEV.	GAUGE DEPTH	GRADIENT	B.H.P @	B.H.P @	PREVIOUS TEST
LEASE	UNIT		RUN(1955)	HRS/MIN.			#/100'	GAUGE DEPTH	FIELD DATUM	PRESS. DATE(1954)
GULF OIL CORP.	1 J	9-16-35	5/3	50/00	4012	10312	41.1	2975		
Townsend	1 B	9-16-35	5/3	56/00	4030	10400	28.0	2892	3063	11/12
HUMBLE OIL & RFC. CO.	3 C	"	"	59/00	4030	10335	27.0	2910	3101	"
"	5 D	"	"	60/00	4038	10300	30.0	1395	1954	"
"	6 G	"	"	70/00	4026	10400	28.0	2928	3145	"
"	7 K	"	"	71/00	4024	10300	28.0	2913		
MACHRIS, M. A.										
State	15-2 T	2-16-35	5/3	57/00	3994	10294	19.7	2815		
"	32-3 G	3-16-35	"	56/45	4018	10318	7.5	2214		
"	32-10 G	10-16-35	"	48/30	4007	10307	30.9	2769	3108	11/10
"	36-3 N	3-16-35	"	55/45	4004	10304	28.6	2868	3161	"
"	42-10 E	10-16-35	"	55/00	3995	10295	28.8	2766	3110	"
PURE OIL CO.										
St. Lea "A"	1 D	10-16-35	5/3	49/45	4015	10315	30.5	2809	3086	11/11
"	2 C	"	"	52/00	4012	10312	29.8	2827	3049	"
"	3 E	"	"	50/15	4018	10318	28.6	2808	3075	"
"	4 F	"	"	51/15	4027	10327	29.7	2802	3086	"
SHELL OIL CO.										
Hilburn	1 W	3-16-35	5/3	50/30	3994	10294		2931		
"	2 Q	"	"	53/30	3994	10294		1585		
"	3 T	2-16-35	"	54/00	3987	10287		2958		
Lusk	1 C	11-16-35	"	49/30	3980	10280		2990		
State ETA	1 A	8-16-35	"	49/00	4026	10326		1473		
"	1 Q	4-16-35	"	55/00	4020	10320		1186		
"	2 U	3-16-35	"	53/00	4021	10321		1879		
"	3 V	"	"	50/30	4011	10311		2802		
"	4 T	"	"	54/30	4022	10322		1951		
SIMMONS, MARKHAM & CO.										
Schenck A	1 D	11-16-35	5/3	48/00	3988	10288	28.9	2992	3063	11/9
Townsend	1 A	9-16-35	"	"	4013	10313	29.0	2833		
"	2 H	"	"	"	4013	10313	29.0	2845		
SOUTHERN PETROLEUM EXPL. CO.										
Lusk	1 B	11-16-35	5/3	48/00	3992	10292	29.8	2973		

TOWNSEND WOLF CAMP B.H.P. CONT'D.												
COMPANY	WELL	DATE PRESS.	TIME S.I.	ELEV.	GAUGE DEPTH	GRADIENT	B.H.P. @	B.H.P. @	PREVIOUS TEST			
LEASE	UNIT	S.T.R.	RUN (1955)	HRS/MIN.	DEPT.	TBG. #/100'	GAUGE DEPTH	FIELD DATUM	PRESS. DATE (1954)			
STANOLIND OIL & GAS CO.	1 B	10-16-35	5/3	49/47	4017	10317	26.0	2840	3147	11/10		
St. AG	2 A	"	"	50/35	4010	10317	27.0	2930				
SUPERIOR OIL CO.												
State "4"	1 G	4-16-35	5/3	48/00	4039	10339		*1041	1673	11/10		
" "26"	1 J	10-16-35	"	48/45	4026	10326	29.4	2606				
TEXAS PACIFIC COAL & OIL CO.												
State J	1 L	10-16-35	5/3	48/00	4005	10305	32.7	2760				
WILSHIRE OIL CO. OF TEXAS												
Townsend	1 X	4-16-35	5/3	50/30	4018	10318	3.8	1135	1507	11/9		
"	2 W	"	"	49/30	4019	10319	25.7	1660	1975	"		
"	3 V	"	"	51/30	4022	10322	6.6	1685	2143	"		
"	4 U	"	"	54/30	4026	10326	45.3	1876	2246	"		
"	5 T	"	"	56/00	4026	10326	3.4	1196				
"	46-5 X	5-16-35	"	55/30	4027	10327	8.3	2270	2654	11/10		
ALL WELLS RUN												
			TOTAL PRESSURE	AVERAGE PRESSURE			CHANGE					
24 Wells Run Nov. 1954			63,852	2660.5			-220.3					
38 " " May 1955			92,726	2440.2								
COMPARABLE WELLS												
23 Wells Run Nov. 1954			62,179	2703.4								
23 " " May 1955			54,499	2369.5			-333.9					

* SONOLOG TEST - NOT USED IN TOTALS

GAS OIL RATIO SURVEY FOR THE TOWNSEND WOLF CAMP POOL
ERRATA SHEET

OPERATOR LEASE	WELL NO.	DATE OF TEST	PRODUCING METHOD	CHOKE SIZE	TEST HOURS	DAILY ALLOWABLE BBL'S.	PRODUCTION DURING TEST			GOR CU.FT. PER BBL.
							WATER BBL'S.	OIL BBL'S.	GAS MCF	
HUMBLE OIL & RFG. CO. Townsend ac/2	6	5-10-55	F	11/64	24	183	-	231.2	364.343	1576

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 22, 1955

Mr. Stanley J. Stanley
Box 2045
HOBBS, NEW MEXICO

Dear Sir:

RE: CASE 877 - Gas-Oil Ratio and
Bottom-Hole Pressure Test Schedule,
Townsend-Wolfcamp Pool, Lea County

Reference is made to the above-captioned case, with particular reference to the Commission's supervision of well tests.

You are hereby instructed to prepare a gas-oil ratio test schedule and to supervise and conduct the tests during the month of May. I would suggest that you not schedule the tests until a sufficient period after the bottom-hole pressure tests, so that you may be assured of a normal flowing condition. You are authorized to conduct the tests and obtain the necessary data, and in doing so to take whatever steps you deem advisable in order that a complete and impartial test is obtained.

I would suggest that in the near future you visit all of the properties, discuss the matter both with field and office personnel, so that you will have a thorough knowledge of the situation before the tests are started. Upon completion of all the tests, and after all of the computations have been made, please furnish this office and all of the producing companies with a record reflecting the complete data obtained.

In connection with the bottom-hole pressure tests, which I presume will be conducted by Mr. Staley's office, I suggest you contact Mr. Hirschfeld so that you will know the exact time that all of the tests will have been completed.

Yours very truly,

W. B. Macey
Secretary - Director

WBM:nr

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

C
O
P
Y

WILSHIRE OIL COMPANY OF TEXAS

EGGETT BUILDING MIDLAND, TEXAS

April 11, 1955

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

Attention Mr. W. B. Macey, Secretary-Director

Gentlemen:

Reference is made to the gas-oil ratio tests scheduled for the year of 1955 insofar as said schedule is applicable to the Townsend Wolfcamp Pool scheduled to be tested during the month of May, 1955. This company respectfully requests that all said gas-oil ratio tests in said pool be witnessed by the Oil Conservation Commission representatives.

Reference is also made to Case No. 877, application of Shell Oil Company for revision of gas-oil ratio limitation of 2,000 cubic feet of gas per barrel of oil as applied to production in the Townsend Wolfcamp Pool, Lea County, New Mexico, under the provisions for redetermination as set out in Rule No. 506 (d). Inasmuch as gas-oil ratio tests are scheduled for the month of May, 1955, for the determination of such gas-oil ratios in the Townsend Wolfcamp Pool, and due to the fact that said hearing at this time would not have the benefit of the results of the pool-wide ratios, this company respectfully requests that said hearing be postponed and set over until the regular hearing docket for the month of June.

Very truly yours,

WILSHIRE OIL COMPANY OF TEXAS

Clyde N. Stone
Clyde N. Stone

CNS:bw

cc: Mr. Charles Rieder
Box 871
Santa Fe, New Mexico - w/3 enclosures

Mr. Stanley J. Stanley
P. O. Box 2045
Hobbs, New Mexico

Call @ 4/19/55
ok witnessed test
hearing not postponed

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

FX-1201

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

LA39 SS1106

L•RWIA098 PD=ROSWELL NMEX 19 220PMM=

NEW MEXICO OIL CONSERVATION COMMISSION=

SANTA FE NMEX=

GENTLEMEN IN CASE NUMBER EIGHT SEVEN SEVEN SHELL
PETITION TO INCREASE GAS OIL RATIO TOWNSEND WOLFCAMP
POOL WE OBJECT TO SHELL'S REQUEST TO RAISE GAS OIL
RATIO TEN THOUSAND TO ONE=

SOUTHERN PETROLEUM EXPLORATION INC=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination.

LA23 OB666 WM62

W IDA043 12 COLLECT=ID WASHINGTON DC 7 221PME=

OIL CONSERVATION COMMISSION=

SANTA FE NMEX=

FORECAST JULY DEMAND NEW MEXICO CRUDE IS 218,000 BARRELS
DAILY=

A G WHITE BUREAU MINES=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Case 877



THE SHELL OIL COMPANY

RECEIVED MARCH 24 1955

Box 1957
Hobbs, New Mexico

March 24, 1955

Subject: Request for Hearing in the
Matter of Increasing the
Limiting Gas-Oil Ratio for
the Townsend Wolfcamp Pool,
an Allocated Pool in Lea
County, New Mexico

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

Attention: Mr. W. B. Macey
Secretary and Director

Gentlemen:

Shell Oil Company hereby petitions the Oil Conservation Commission of the State of New Mexico for a hearing under the provisions of Rule 506 (d) "Limiting Gas-Oil Ratios for Allocated Pools" as regards the Townsend Wolfcamp Pool. We request that the present gas-oil ratio limit of 2000 cubic feet per barrel in the Townsend Wolfcamp Pool be increased to such figure as the Commission determines equitable and not causing either underground or aboveground waste.

Yours very truly,

W. E. Owen
Division Manager

JOHNSTON OIL AND GAS COMPANY

1453 ESPERSON BUILDING

HOUSTON 2, TEXAS

PRESSURE SURVEY
APRIL 5, 1955

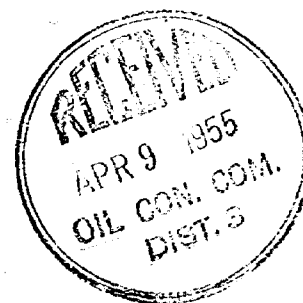
JOHNSTON OIL & GAS
WELCON # 20
RIO ARriba COUNTY
NEW MEXICO

ZERO POINT TUBING GATE
MAXIMUM TEMPERATURE 176°F
WELL SHUT IN 10 1/2 HOURS
CASING PRESSURE - NIL, PACKER
TOTAL DEPTH 6759
FLUID LEVEL 2238

<u>DEPTH</u>	<u>PRESSURE</u>	<u>GRADIENT</u>
LUBE	670	.02
1500	700	.24
5000	1524	.29
6000	1818	.29
6550	1980	.29
6759 (EXTENDED)	2040	

SURVEY RAN BY B & R SERVICE CO.
P.O. BOX 1056, FARMINGTON, NEW MEXICO

JAMES W. COPELAND
P. O. BOX 813, FARMINGTON, NEW MEXICO
APRIL 9, 1955



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 877
Order No. R-1914

APPLICATION OF SHELL OIL COMPANY
FOR REVISION OF THE GAS-OIL RATIO
LIMITATION IN THE TOWNSEND-WOLFCAMP
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
June 13, 1955, at Santa Fe, New Mexico, before the Oil Conser-
vation Commission of New Mexico, hereinafter referred to as the
"Commission."

NOW, on this 22nd day of March, 1961, the Commission,
a quorum being present, and being fully advised in the premises,

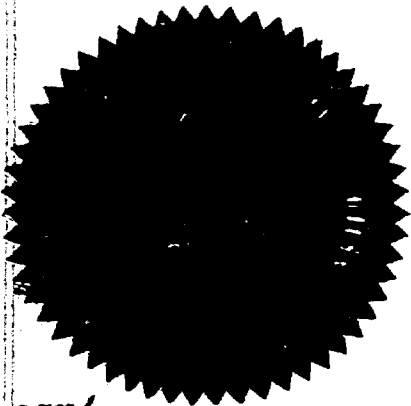
FINDS:

- (1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.
- (2) That the applicant, Shell Oil Company, has requested that
the hearing of the subject application be continued indefinitely.
- (3) That inasmuch as an undue period of time has elapsed
since the subject case was continued, the same should be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 877 be and the same is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

E. L. Mechem
EDWIN L. MECHEM, Chairman

E. S. Walker
E. S. WALKER, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

ear/