OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO

March 1, 1954

Shell Pipe Line Company
Box 1598
Hobbs, New Mexico

Gentlemen:

The New Mexico Oil Conservation Commission, requests that you submit to our Hobbs Office not later than March 10, 1954, the following information pertaining to the transmission of condensate.

(1) For each individual run during the month of February, 1954, show the amount of the run and the gravity corrected to 60° F.

(2) The information desired pertains to the following leases and well numbers.

Amerada - Hare #7

Yours very truly,

OIL CONSERVATION COMMISSION

S. J. Stanley
Engineer District 1

SJS/jd

cc: OCC, Santa Fe, N. M.

OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO

March 1, 1954

Gulf Refining Company
Box 2167
Hobbs, New Mexico

Gentlemen:

The New Mexico Oil Conservation Commission, requests that you submit to our Hobbs Office not later than March 10, 1954, the following information pertaining to the transmission of condensate.

(1) For each individual run during the month of February, 1954, show the amount of the run and the gravity corrected to 60° F.

(2) The information desired pertains to the following leases and well numbers:

Gulf - Paddock #3
Gulf - Danglade #1
R. Olsen Oil Co. - Drinkard #1

Yours very truly,

OIL CONSERVATION COMMISSION

S. J. Stanley
Engineer District 1

SJS/jd

cc: OCC, Santa Fe, N. M.

OIL CONSERVATION COMMISSION

HOBBS, NEW MEXICO

March 1, 1954

Texas-New Mexico Pipe Line Company
Box 1510
Midland, Texas

Gentlemen:

The New Mexico Oil Conservation Commission, requests that you submit to our Hobbs Office not later than March 10, 1954, the following information pertaining to the transmission of condensate.

(1) For each individual run during the month of February, 1954, show the amount of the run and the gravity corrected to 60° F.

(2) The information desired pertains to the following leases and well numbers.

Continental - Hawk B-9 #7
Continental - Lockhart A-27 #1TD
Gulf - Vivian #5
Humble- Penrose #1
Ohio - Muncey #3
R. Olsen Oil Co. - Boyd #2
Phillips - Sims A #1
Sinclair - Sarkeys A #1
Toklan Prod. Co. - Williamson #2
Trinity Prod. Co. - Weatherly #1

Yours very truly,

OIL CONSERVATION COMMISSION

S. J. Stanley
Engineer District 1

SJS/jd

cc: OCC, Santa Fe, N. M.

MAIN OFFICE OCC

SKELLY OIL COMPANY

1954 APR 14 PM 1:16

TULSA 2, OKLAHOMA

MANUFACTURING DEPARTMENT
JAMES W. VAIDEN, VICE PRESIDENT
GAS PURCHASES AND SALES
R. D. TURNER, SUPERINTENDENT
L. L. BYARS, ATTORNEY

April 7, 1954

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
OCC EXHIBIT No. 1
CASE 584

Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

Re: Case No. 584
Measurement of Gas from Low Pressure
Separators on Gas Distillate Wells.

Gentlemen:

It is our understanding that the case mentioned in the caption above will come up for hearing in Santa Fe on April 15, and we would like to give you our view point concerning the matter.

We are at present taking gas from five or six such low pressure separators and the gas is being measured through the same meter as the casinghead gas. Our District Plant Superintendent has advised that ultimately there will be about 75 wells in this catagory in the area that we serve, and that they will average about 20,000 cubic feet per day of low pressure gas. The cost of installing meters to measure this low pressure gas separately will run about $700.00 per well, resulting in our case of a total investment of $52,500.00. Obviously the quantity of gas involved does not justify such an investment.

So that the producers may have some figure to take into consideration in determining their gas oil ratios, we would like to recommend that the said low pressure gas be measured once each three months by meter, pitot tube, or orifice well tester, to determine its ratio to the total volume produced from the well, and the ratio so determined be used to determine the low pressure gas for the ensuing quarterly period. For example, if the well was producing at the rate of 500,000 cubic feet per day at the time of the test and the low pressure gas measured 20,000 cubic feet, then the low pressure gas would equal 4.0% of the total gas produced. If the said well produced 25,000,000 cubic feet for the month, then the low pressure gas would be 1,000,000 cubic feet and the high pressure gas 24,000,000 cubic feet.

Your earnest consideration of the above proposal will be greatly appreciated.

Yours very truly,

R. D. Turner

RDT:ms
cc: Messrs. J. A. Craig, J. R. Green and
J. N. Dunlavey

New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 871
SANTA FE, NEW MEXICO

Nancy:
Hold this.
Subject will be up for hearing on 3rd Mar.

February 10, 1954

MEMORANDUM

TO: R. R. Spurrier, Secretary and Director

FROM: W. B. Macey, Chief Engineer

SUBJECT: Commingling of Distillate and Gas Measurement, Tubb and Blinebry Gas Pools.

As you know we have had a considerable number of requests in the past few months to allow operators to commingle distillate produced from gas wells completed in the Tubb and Blinebry gas pools. I believe that we also approved commingling in some instances of distillate with oil produced from the Drinkard oil pool.

Although we have not any actual legal authority to do this, it is apparent that in the absence of any prohibition of commingling of distillate we are on sound ground. However, I believe that we should have a hearing to legalize commingling of distillate produced from these two pools. At the same time we should clarify the matter of gas measurement. In order to understand the problem, I will outline the present procedure of gas and distillate separation.

It is the practice of most operators to install a high pressure separator to handle gas produced from both zones, a separator being installed for each zone. The separation pressure is about five hundred pounds. After the distillate is separated from the high pressure gas (the high pressure gas going to the transmission line) the distillate is either put into a storage tank or is run through a low pressure separator. At this point additional gas comes out of solution in the distillate and some of this gas is being put into the low pressure casinghead system going to gasoline plants in the area, the distillate being put into storage tanks. There is a definite conservation advantage for the operators to use a two stage separation because under single stage separation where the distillate goes directly from the high pressure separator into the stock tanks, any gas in solution boils out of the distillate in the stock tanks and escapes through the tank vent.

Under the other system of two stage separation all of the gas is saved and utilized. Where a two stage system is in operation and the low pressure gas taken from the second stage goes into a casinghead system it is metered along with casinghead gas produced from the Drinkard oil wells on the lease. This volume of low pressure gas is not charged against the present gas well allowable and it further complicates the problem by increasing the total amount of casinghead gas coming from the Drinkard oil wells thereby making any check of GOR's on Drinkard wells virtually impossible.

Because of this situation I believe it advisable for us to call a hearing to outline the recommended procedures for separation of distillate and high pressure gas so that adequate rules can be written to cover this matter.

DRRS
2/12