

Case 877



MAIN OFFICE 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,

A handwritten signature in cursive script that reads "W. E. Owen".

W. E. Owen
Division Manager

CLASS OF SERVICE
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WESTERN UNION

FX-1201

SYMBOLS
DL=Day Letter
NL=Night Letter
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MAIN OFFICE OCC

W. P. MARSHALL, PRESIDENT

1251

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1955 APR 19 11 25 AM
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CASE
 877

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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

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WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

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SYMBOLS
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LA23 OB666 WM62

1955 JUN 7 PM 12

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

1955 JUN 7 PM 2:25

MAIN OFFICE OCC

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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

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

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.

Case # 77

PLANNING OFFICE OOC

203 MAY 1955 (11 7:40)

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

877
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

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WESTERN UNION

MAIN OFFICE S.C.C.

1220

SYMBOLS

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W. P. MARSHALL, PRESIDENT

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LA45 SSC219

1955 APR 19 PM 3 00

L HBA124 LONG NL PD=HOBBS NMEX 19

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 EMINENT 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

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W. P. MARSHALL, PRESIDENT

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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

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.

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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

ADA DEARNLEY AND ASSOCIATES

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



STENOTYPE REPORTERS

- CONVENTIONS
- COURT PROCEEDINGS
- DEPOSITIONS
- HEARINGS

NOTARIES PUBLIC

Member: NSRA, ASA, SWSRA

June 8, 1955

RECEIVED
STATE 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