

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 5, 1962

Mr. Oliver Seth
Seth, Montgomery, Federici, and Andrews
Attorneys at Law
301 Don Gaspar Avenue
Santa Fe, New Mexico

Re: Case No. 2314 - Application of
Shell Oil Company for an excep-
tion to the gas-oil ratio
provisions of Rule 26(A), Order
No. R-1670.

Dear Mr. Seth:

Following the hearing of the subject case on June 28, 1961, the Commission requested that further tests be made on the well in question and the results of those tests be submitted to the Commission. On December 11, 1961, the results of these tests were submitted to the Commission, as requested.

Several members of the Commission staff have reviewed the results of these tests and are of the opinion that any decision made in this case should be based upon the results of these tests.

Since the results of these tests are not part of the record in Case No. 2314 and since no opportunity for cross-examination with respect to them has been afforded to other counsel who made appearances in this case, the matter should be reopened at a hearing before Examiner Utz, who heard the case in the first instance.

The case is being set for hearing before Examiner Utz on January 24, 1962, at which time Shell may wish to appear

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and present the test results and any other additional information which may have become available since the last hearing.

Very truly yours,

RICHARD S. MORRIS
Attorney

RSM/esr

cc: Mr. Jack Campbell
Campbell and Russell
Attorneys at Law
P. O. Drawer 640
Roswell, New Mexico

Mr. Clarence Hinkle
Hervey, Dow, and Hinkle
Attorneys at Law
P. O. Box 10
Roswell, New Mexico

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WESTERN UNION TELEGRAM

W. P. MARSHALL, President

SYMBOLS

DL=Day Letter

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1201 (4-60)

1962 JAN 23

MAIN OFFICE 000

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LA042 DB075

1962 JAN 23 # 8151

D MDA048 PD=FAX MIDLAND TEX 23 1014A CST=

NEW MEXICO OIL CONSERVATION COMM, STATE LAND OFC BLDG=
ATTN A L PORTER SANTA FE NMEX=.

IN REFERENCE TO CASE (2314) WHICH HAS BEEN RE-OPENED ON THE JANUARY 24, 1962, DOCKET, HUMBLE OIL AND REFINING COMPANY WISHES TO REITERATE ITS POSITION SET OUT IN OUR TELEGRAM OF JUNE 27, 1961, IN THE ORIGINAL HEARING ON THIS MATTER. IT IS EMPHASIZED AGAIN THAT HIGH GAS OIL RATIOS ARE COMMON IN THE JALMAT OIL POOL AND THE WELL FOR WHICH SHELL REQUESTS EXCEPTION APPEARS SIMILAR TO MANY OTHER JALMAT OIL WELLS. IT IS URGED THAT THE COMMISSION DENY SHELL'S REQUEST=
HUMBLE OIL AND REFINING CO R R MCCARTY BY H E MEADOWS=.

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W. P. MARSHALL, PRESIDENT

1201 (4-60)

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VLA182 BB395

1961 JUN 27 PM 4 31

D MDA253 PD=FAX MIDLAND TEX 27 510P CST=

NEW MEXICO OIL CONSERVATION COMMISSION, ATTN A L PORTER

JR= SANTA FE NMEX=

June 27th Evening

IN REFERENCE TO CASE 2314, HUMBLE IS OPPOSED TO SHELL'S REQUEST FOR EXCEPTION TO THE GAS-OIL RATIO PROVISION OF ORDER R-1670, RULE 26 (A). HUMBLE'S S W HARRISON 1 IN SECTION 25, T-24-S, R-36-E, DIRECTLY OFFSET BY SHELL'S STATE 1-A, PRODUCES DRY GAS. IT IS OUR UNDERSTANDING THAT SHELL STATE 1-A PRODUCES WITH A GAS-OIL RATIO OF APPROXIMATELY 20,000 CUBIC FEET PER BARREL. MANY JALMAT OIL WELLS PRODUCE WITH SIMILAR RATIOS; FOR INSTANCE, THE RANGE OF GAS-OIL RATIOS ON

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

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HUMBLE'S JALMAT OIL WELLS INS FROM 7212 TO 40,386 CUBIC FEET PER BARREL. HUMBLE IS OPPOSED TO SHELL'S REQUEST ON THE GROUNDS THAT HUMBLE'S CORRELATIVE RIGHTS WOULD BE VIOLATED IF THIS EXCEPTION WERE GRANTED AND FURTHER, THE SHELL STATE 1-A GAS-OIL RATIO IS NOT EXCEPTIONAL FOR WELLS CLASSIFIED AS JALMAT OIL WELLS=
HUMBLE OIL & REFINING CO H L HENSLEY BY HENRY E MEADOWS==

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE