



## Shackelford Oil Company Reduces Operations Costs by \$100,000 Annually with Remote Monitoring

**Customer:**  
Shackelford Oil Company

**Well Profile:**  
35 wells in New Mexico, 100 in Oklahoma, mostly oil

- Well Monitoring Objectives:**
- Reduce field driving
  - Collect well data more often
  - Decrease environmental exposure and spill costs

In the vast open spaces of New Mexico and Oklahoma, Shackelford Oil Company owns and operates about 135 wells, primarily oil. With miles of distance between sites, field service personnel have been known to drive as much as 250 miles a day. Even putting in that number of miles, they could not make it to every site daily.

They spent so much time on the road that they didn't have extra hours in the day for roustabouting, leading Shackelford to hire expensive contractors and equipment as needed.

Since many of Shackelford's wells produce a large amount of water, field personnel must keep a close eye on tank levels and take action before overflows. The company needed an easier, more cost-effective way to manage its widely dispersed wells.

### Virtual Pumping

Don Shackelford, President, looked into remote monitoring as an option. Initially testing remote monitoring on a single well, the company saw the potential to reduce mileage while collecting more frequent readings on sites, as well as decrease environmental exposure and costs related to spill cleanups.

When it came time to roll out remote monitoring to all wells, Shackelford chose Wellkeeper. With near real-time, Web-based access to well data, Wellkeeper gives both office and field personnel regular updates on every well. Shackelford can monitor a range of well performance indicators, including water tank levels, compressor values, production and temperatures.

With most wells on Wellkeeper, the workday changed significantly for Shackelford's field personnel. Each morning, they look at their wells via Wellkeeper's Web interface either at home or in the office. At the same time, a staff member in the Midland, Texas office looks at the same data. He notes specific wells that need attention first, and then confers with field service personnel about site visits.

"Every time we bring up another well, we put Wellkeeper on. It's just part of our operations now. I probably wouldn't do business without it. If I bought a big lease, I'd put it on immediately."

"Our office 'pumper' looks at well data just like he's driving up to that well," Shackelford said. "He stays in touch with those in the field to call their attention to wells that are off or show high tank levels."

During the day, field personnel also receive updates via text messages on their cell phones. Both the office "pumper" and field staff check levels again

## The Impact of Remote Monitoring

- Reduced mileage costs by \$49,000.
- Brought roustabouting in house lowering costs by \$5,000 to \$10,000 per month.
- Annual savings of over \$100,000 a year - five times the annual cost of Wellkeeper.
- Decreased spills and cleanup costs.
- Increased production due to less downtime.



in the afternoon so that the team can troubleshoot a well during the day, to prevent nighttime emergencies.

Field personnel no longer spend their days filling out manual gauge reports and driving well-by-well to visit sites most in need of attention. "We spend a lot less time pumping and a lot more time roustabouting," Shackelford said. "We now do a lot of the labor ourselves. It's helped us a lot. Now, we go by wells every third day instead of every day."



*Don Shackelford, President*

In the office, Don Shackelford looks at well production numbers daily. He can compare current data to historical well data, dating back to the point when wells went onto remote monitoring with Wellkeeper. "I pull up reports in the morning and afternoon to see what's happening, and can also understand what's happening with a well over a period of time to see trends and changes," Shackelford said.

### No More Spills

Wellkeeper often catches high tank levels, enabling Shackelford to prevent costly spills. Alarms automatically let staff know when levels reach a certain point. Since installing the solution, the company has dramatically reduced spills and cleanup costs.

Wellkeeper also contributes to state regulatory reporting. The staff member who prepares monthly reports for the State of New Mexico imports well data from Wellkeeper into Excel spreadsheets at the end of each month. By eliminating manual entry of well data from hand-written reports, she cuts hours out of the monthly reporting process.

### Return on Investment: 5 Times the Cost of Wellkeeper

Wellkeeper lowers Shackelford's operations costs in several areas. Field personnel reduced their daily mileage, on average, by about 150 miles per day, per person. Over the course of a year, at current gas rates, that amounts to a cost savings of about \$49,000. The company also minimizes truck maintenance costs and delays truck replacement.

By cutting hours of driving from each day, the company brought roustabouting in house --- instead of paying \$100/hour for contractors. "We save \$5,000 to \$10,000 a month by being able to do roustabouting work ourselves that would have taken three people at \$100 an hour for the crew," Shackelford said.

In total, the company lowered its overall costs by more than \$100,000 a year, which is five times the annual cost of Wellkeeper across all wells. That doesn't even take into account eliminated spill cleanup costs or the peace of mind that comes from reducing environmental liability.

"We're trying to get more and more prudent in reducing spills or problem situations, and Wellkeeper's helping us do that," Shackelford said.

Wellkeeper also reduces downtime because field personnel know about, and fix, problems sooner --- increasing the company's annual production and profitability. With such success with remote monitoring, Shackelford now considers Wellkeeper an integral part of the business.

"Everytime we bring up another well, we put Wellkeeper on," Shackelford said. "It's just part of our operations now. I probably wouldn't do business without it. If I bought a big lease, I'd put it on immediately."

## About Wellkeeper...

Providing Web-based information access. Wellkeeper brings remote monitoring technology previously only available to the majors within reach of any independent. Near real time and historical well data allows operators to identify and troubleshoot downtime more quickly; reduce the costs of spills, field mileage and truck maintenance, reduce environmental liability, and increase production and profitability. Visit [www.wellkeeper.com](http://www.wellkeeper.com) or call 1-888-WELLKEEPER (935-5533) to learn how remote monitoring can impact your operations.