



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 09-0279562

THE APPLICATION OF BEST PETROLEUM EXPLORATIONS, INC. TO ESTABLISH THE MOST EFFICIENT RATE OF PRODUCTION FOR THE ERWIN-MOBLEY LEASE, WELL NO. 1, JMG MAG (MISS) FIELD, JACK COUNTY, TEXAS

HEARD BY: Richard D. Atkins, P.E. - Technical Examiner
Laura Miles-Valdez - Legal Examiner

HEARING DATE: January 16, 2013

APPEARANCES:

REPRESENTING:

APPLICANT:

Dale E. Miller

Best Petroleum Explorations, Inc.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Best Petroleum Explorations, Inc. ("Best") requests that all over-production for the Erwin-Mobley Lease, Well No. 1 (API No. 42-237-38757), JMG Mag (Miss) Field (ID No. 45099 250) be cancelled. Best had originally requested a most efficient rate of production for the well, but the well is now producing above a gas-oil ratio of 100,000 cubic feet per barrel and a Form G-1 has been submitted to reclassify the well as a gas well.

The application is unopposed and the examiners recommend cancellation of the over-production for the Erwin-Mobley Lease, Well No. 1, JMG Mag (Miss) Field, as requested by Best.

DISCUSSION OF EVIDENCE

The JMG Mag (Miss) Field was discovered in August 2000 at an average depth of 5,900 feet. The field is classified as associated with an AOF status. There are 34 producing oil wells, 74 producing gas wells and twelve operators carried on the proration schedules. The field operates under Jack County Regular Field Rules with a top oil allowable of 111 BOPD and a maximum casinghead gas-oil ratio of 2,000 cubic feet per barrel. Cumulative production from the field through December 2012 is 614.8 MBO and 20.3 BCFG.

The Erwin-Mobley Lease, Well No. 1, was tested as a gas well in December 2012 through perforations between 5,900 feet and 6,050 feet. On initial test, the well produced flowing at a rate of 327 MCFGPD, 1 BOPD and 3 BWPD, with a gas-oil ratio of 327,000 cubic feet per barrel. Best had originally requested a most efficient rate of production for the well, but a Form G-1 has been submitted to reclassify the well as a gas well.

The cumulative over-production through October 2012 for the Erwin-Mobley Lease, Well No. 1, is 13,056 MCFG. Best requests that all over-production for the Erwin-Mobley Lease, Well No. 1, JMG Mag (Miss) Field be canceled.

FINDINGS OF FACT

1. Notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of hearing.
2. The JMG Mag (Miss) Field was discovered in August 2000 at an average depth of 5,900 feet.
 - a. The field is classified as associated with an AOF status.
 - b. There are 34 producing oil wells, 74 producing gas wells and twelve operators carried on the proration schedules.
 - c. The field operates under Jack County Regular Field Rules with a top oil allowable of 111 BOPD and a maximum casinghead gas-oil ratio of 2,000 cubic feet per barrel.
3. The Erwin-Mobley Lease, Well No. 1, was tested as a gas well in December 2012 through perforations between 5,900 feet and 6,050 feet. On initial test, the well produced flowing at a rate of 327 MCFGPD, 1 BOPD and 3 BWPD, with a gas-oil ratio of 327,000 cubic feet per barrel.
4. A Form G-1 has been submitted to reclassify the Erwin-Mobley Lease, Well No. 1, as a gas well.
5. The cumulative over-production through October 2012 for the Erwin-Mobley Lease, Well No. 1, is 13,056 MCFG.

CONCLUSIONS OF LAW

1. Notice of this hearing was given as specified in the provisions of all regulatory codes.

2. All things have occurred or been accomplished to give the Commission jurisdiction in this matter.
3. Cancellation of all over-production for the Erwin-Mobley Lease, Well No. 1, JMG Mag (Miss) Field will not harm correlative rights and will not cause waste.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission cancel all over-production for the Erwin-Mobley Lease, Well No. 1, JMG Mag (Miss) Field, as requested by Best Petroleum Explorations, Inc.

Respectfully submitted,



Richard D. Atkins, P.E.
Technical Examiner



Laura Miles-Valdez
Legal Examiner