



RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 10-0273415

THE APPLICATION OF PIONEER NATURAL RES. USA, INC. TO CONSIDER THE CANCELLATION OF OVERPRODUCTION FOR VARIOUS WELLS IN THE PANHANDLE, WEST FIELD, HARTLEY, HUTCHINSON, MOORE AND POTTER COUNTIES, TEXAS

HEARD BY: Richard D. Atkins, P.E. - Technical Examiner
Gene Montes - Legal Examiner

DATE OF HEARING: January 11, 2012

APPEARANCES:

REPRESENTING:

APPLICANT:

George C. Neale
Cary MacGregor
Gary Edge
Virginia Tijerina

Pioneer Natural Res. USA, Inc.

INTERVENOR:

Jamie Nielson
Steve Towns

ConocoPhillips Company

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Pioneer Natural Res. USA, Inc. ("Pioneer") requests that all overproduction for various wells in the Panhandle, West Field be canceled. The wells are listed below:

<u>WELL NAME</u>	<u>LEASE ID</u>
Bivins Lease, Well No. A160	023418
Bivins Lease, Well No. A176	057913
Bivins Lease, Well No. A177	062443
Fee Lease, Well No. A7	149706

<u>WELL NAME</u>	<u>LEASE ID</u>
Read Lease, Well No. A2	023607
Masterson Lease, Well No. B96	050742
Thompson Lease, Well No. B5	023647

The application is unopposed and the examiners recommend cancellation of the overproduction.

DISCUSSION OF EVIDENCE

The Panhandle, West Field was discovered in February 1933 at an average depth of 4,200 feet. The field is classified as non-associated-prorated and there are 2,404 producing gas wells and 150 operators carried on the proration schedule. Pioneer is one of the largest operators in the field and operates 500 wells. For August 2011, the total reservoir capability is 4.7 BCFG with a total reservoir market demand of 4.6 BCFG. Most of the wells in the field produce at rates below 100 MCFGPD.

Due to incomplete or late filed G-10 tests and Commission delays in processing, seven of Pioneer's wells are over-produced by a total of approximately 101.8 MMCFG. The seven wells are shown below:

<u>WELL NAME</u>	<u>OVER PRODUCTION (MMCFG)</u>
Bivins Lease, Well No. A160	27.2
Bivins Lease, Well No. A176	0.0
Bivins Lease, Well No. A177	9.9
Fee Lease, Well No. A7	51.2
Read Lease, Well No. A2	1.8
Masterson Lease, Well No. B96	4.6
Thompson Lease, Well No. B5	7.0

Pioneer requests that all of the over-production for the seven subject wells be canceled. The over-production represents approximately 2% of the monthly prorated gas volume. Pioneer submitted a letter from their marketing department stating that there was a 100% market demand for all of the gas produced from the field by Pioneer.

FINDINGS OF FACT

1. Notice of this hearing was given to all operators in the Panhandle, West Field at least ten days prior to the date of hearing.
2. The Panhandle, West Field was discovered in February 1933 at an average depth of 4,200 feet.
 - a. The field is classified as non-associated-prorated and there are 2,404 producing gas wells and 150 operators carried on the proration schedule.
 - b. Pioneer is one of the largest operators in the field and operates 500 wells.
 - c. For August 2011, the total reservoir capability is 4.7 BCFG with a total reservoir market demand of 4.6 BCFG.
 - d. Most of the wells in the field produce at rates below 100 MCFGPD.
3. Due to incomplete or late filed G-10 tests and Commission delays in processing, seven of Pioneer's wells are over-produced by a total of approximately 101.8 MMCFG.
4. The over-production represents approximately 2% of the monthly prorated gas volume.
5. There is a 100% market demand for all of the gas produced from the field by Pioneer.

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 the overproduction for the seven subject wells in the Panhandle, West Field will not harm correlative rights and will not cause waste.

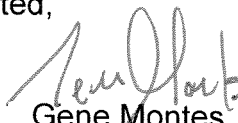
RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission cancel the overproduction for the seven subject wells in the Panhandle, West Field, as requested by Pioneer Natural Res. USA, Inc.

Respectfully submitted,



Richard D. Atkins, P.E.
Technical Examiner



Gene Montes
Legal Examiner