

THE APPLICATION OF EOG RESOURCES, INC. TO CONSIDER INCREASED NET GOR AUTHORITY FOR THE COOPER 358 LEASE WELL NOS. 1H AND 2H, LIPSCOMB (CLEVELAND) FIELD, LIPSCOMB COUNTY, TEXAS

Heard by: Andres J. Trevino on January 15, 2008

Appearances:

Rick Johnston

Representing:

EOG Resources, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

EOG Resources, Inc. requests that all overproduction for its Cooper 358 lease be cancelled. EOG had originally requested increased net gas-oil ratio authority for the Nos. 1H and 2H on the lease. However, casinghead gas production has declined such that increased allowable is unnecessary.

This application was unopposed and the examiner recommends cancellation of overproduction for the lease.

DISCUSSION OF EVIDENCE

The Cooper 358 Well No. 1H was completed in May 2007. The well is a horizontal well with a lateral length of approximately 1,500 feet, from 8,966 (MD) to 10,441 (MD). On initial test the well produced at a rate of 463 BOPD, 3,132 MCFD and 72 BWPD. The Cooper 358 No. 2H was completed in July 2007. This well is also a horizontal well with a lateral length of approximately 1,300 feet. This well produced at a rate of 38 BOPD, 225 MCFD and 6 BWPD on initial test.

The top allowable in the field is 101 BOPD and 750 MCFD, based on a fieldwide Net GOR authority granted in 1979. There are 45 oil wells in the field and approximately 100 associated gas wells. The gas field is AOF status.

The wells were not tested due to the insufficient flowing tubing pressure at reduced rates. The wells were producing through an open choke and likely to be equipped with artificial lift in the near future.

The lease is overproduced approximately 58 MMCF as of April 1, 2008. EOG requests that all overage be cancelled.

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 Cooper 358 Well No. 1H was completed in May 2007.
 - a. The well is a horizontal well with a lateral length of approximately 1,500 feet, from 8,966 (MD) to 10,441 (MD).
 - b. On initial test the well produced at a rate of 463 BOPD, 3,132 MCFD and 72 BWPD.
3. The Cooper 358 No. 2H was completed in July 2007.
 - a. The well is a horizontal well with a lateral length of approximately 1,300 feet.
 - b. This well produced at a rate of 38 BOPD, 225 MCFD and 6 BWPD on initial test.
4. The top allowable in the field is 101 BOPD and 750 MCFD.
5. The wells currently produce within their assigned casinghead gas limit.
6. The lease is overproduced approximately 58 MMCF of casinghead gas as of April 1, 2008.

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 overproduction for the Cooper 358 lease in the Lipscomb (Cleveland) Field will not cause waste and will not harm correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that all accumulated overproduction for Cooper 358 lease in the Lipscomb (Cleveland) Field.

Respectfully submitted,

Andres J. Trevino
Technical Examiner