



# RAILROAD COMMISSION OF TEXAS

## OFFICE OF GENERAL COUNSEL

October 12, 2006

**OIL AND GAS DOCKET NO. 09-0248558**

---

**APPLICATION OF WISE PRODUCTION COMPANY TO CONSIDER AN INCREASED NET GAS-OIL RATIO AUTHORITY FOR THE BOWIE, NW. (BARNETT SHALE) FIELD, MONTAGUE COUNTY, TEXAS**

---

**HEARD BY:** Thomas H. Richter, P.E.  
**DATE OF HEARING:** October 2, 2006

**APPEARANCES:**  
Kerry Pollard

**REPRESENTING:**  
Wise Production Company

### EXAMINER'S REPORT AND RECOMMENDATION STATEMENT OF THE CASE

This is the unopposed application of Wise Production Company for net gas-oil ratio authority for wells producing from the Bowie, NW. (Barnett Shale) Field. It is also proposed that any overproduction be canceled. At the close of the hearing, the applicant was advised that the examiner believes it would be inappropriate for fieldwide net GOR authority at this time with the results of only one well and the prospect of the expanding area of the growing Newark, East (Barnett Shale) Field. Wise stated that it would not consider a net GOR for only the well to be adverse. The examiner recommends approval of the application for the well only.

### DISCUSSION OF THE EVIDENCE

The Bowie, NW. (Barnett Shale) Field was discovered in 2001 by completion of the Wise Operating, Huth "B" Lease Well No. 1 through perforations from 6,452' to 6,630' subsurface depth. The field is governed by Statewide Rules. The top oil allowable for a well in the field is 111 BOPD and a casinghead gas limit of 222 MCF of gas per day. Wise Production is the only operator in the field with one active well. There are still no Barnett Shale wells within 2.5 miles.

The Huth "B" Well No. 1 potentialled at 35 BOPD, 128 BOPD and no gas. The well produces 46° API gravity oil using artificial lift. Cumulative production is 17,700 BO and 179 MMCF of casinghead gas. Current production is ± 10 BOPD and ± 250 MCFD.

A net GOR that results in a casinghead gas limit of 300 MCFD will not result in the loss of otherwise recoverable reserves. The well is rate sensitive. It is necessary to maintain a casing annulus pressure between 700 to 900 psig to minimize water influx into the wellbore which results in greater oil and gas production. The casing choke was reduced from a 10/64ths to a 6/64th. The well pumped down and gas flowed up the tubing thus surging frac sand from the formation and sticking the downhole pump. The well was down for 12 days and it took another 2 weeks for the oil, gas and water to stabilize on the 10/64ths choke flowing at 9 BOPD, 221 MCFD and 184 BWPD and a casing pressure of 780 psig. The choke was reduced to 7/64ths and after 24 hrs, the well was producing at 6.5 BOPD, 183 MCFD and 164 BWPD flowing at 1120 psig. On the second day the well produced 18 BO, 78 MCF and 236 BW with a casing pressure of 620 psig. The downhole pump became stuck with sand. The 78 MCF of gas was produced through the casing and the tubing was dead. The well was serviced and sand was pumped out of the casing.

The cancellation of any overproduction will not harm correlative rights as this is the only well in field.

#### FINDINGS OF FACT

1. Notice of this application was given to all person entitled to notice at least ten (10) days prior to the hearing.
2. There was no protest of the application.
3. The Bowie, NW. (Barnett Shale) Field was discovered in 2001 by completion of the Wise Operating, Huth "B" Lease Well No. 1 through perforations from 6,452' to 6,630' subsurface depth.
  - a. The field is governed by Statewide Rules and the top oil allowable for a well in the field is 111 BOPD and a casinghead gas limit of 222 MCF of gas per day.
  - b. Wise Production is the only operator in the field with one active well.
4. The Huth "B" Well No. 1 potentialled at 35 BOPD, 128 BWPD and no gas.
  - a. The well produces 46° API gravity oil using artificial lift.
  - b. Cumulative production is 17,700 BO and 179 MMCF of casinghead gas and the current production is ± 10 BOPD and ± 250 MCFD.
5. A net GOR that results in a casinghead gas limit of 300 MCFD will not result in the loss of otherwise recoverable reserves.
  - a. The well is rate sensitive.

- b. It is necessary to maintain a casing annulus pressure between 700 to 900 psig to minimize water influx into the wellbore which results in greater oil and gas production.
6. All overproduction produced for the Huth "B" Lease (RRC Id No. 29947) should be canceled.

CONCLUSIONS OF LAW

1. Notice of this hearing was provided in accordance with all applicable regulatory statutes and rules.
2. All things have occurred or been accomplished to afford the Commission the jurisdiction to consider and decide this matter.
3. Consideration and approval of this application for a net gas-oil ratio is a matter properly within the jurisdiction of the Commission to foster conservation and prevent waste.
4. Cancellation of overproduction of allowable will not harm correlative rights.

EXAMINER'S RECOMMENDATION

It is recommended that the application of Wise Production Company for net gas-oil ratio authority which results in a casinghead gas limit of 300 MCFD for the Huth "B" Lease Well No. 1 in the Bowie, NW. (Barnett Shale) Field be approved and the over production be canceled.

Respectfully submitted,



Thomas H. Richter, P.E.  
Technical Examiner  
Office of General Counsel