

**OIL AND GAS DOCKET NO. 09-0263207**

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**THE APPLICATION OF BEST PETROLEUM EXPLORATIONS, INC. TO CONSIDER INCREASED NET GOR AUTHORITY FOR THE COZART LEASE WELL NO. 1 IN THE LOST VALLEY (CADD0) FIELD, JACK COUNTY, TEXAS**

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**Heard by:** Andres J. Trevino, P.E. Technical Examiner

**Hearing Date:** November 20, 2009

**Appearances:**

Dale Miller

**Representing:**

Best Petroleum Explorations, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Best Petroleum Explorations, Inc. requests authority to produce its Cozart Well No. 1 under increased net gas-oil ratio authority with a daily gas limit of 175 MCFD. Best also requests that all overproduction for the well be canceled.

This application was unopposed and the examiner recommends approval of increased net gas-oil ratio authority with a daily gas limit of 175 MCFD and cancellation of overproduction.

**DISCUSSION OF EVIDENCE**

The Cozart No. 1 was completed in June 2008 and was placed in the Lost Valley (Caddo) Field.

The subject well is perforated between 4,597 feet and 4,603 feet. On initial test, the well produced at a rate of 42 BOPD, 118 MCFD and 400 BWPD with a GOR of 2,810. The well was flowing on an open choke with 30 psi tubing pressure. The top allowable in the field is 48 BO and casinghead gas limit of 96 MCFD. The well has not been stimulated. The well's oil declined in December and January 2009 then increased and leveled off at its current rate of 30 BO and 55 MCFD. The GOR increased from 4,150 to a high of 23,765 in February 2009 then has steadily declined to 1,663 scf/bbl. Best Petroleum believes the

reservoir is of limited size and contains a limited gas cap, an oil rim with water leg below it. The area map reveals the Cozart No.1 is surrounded by plugged wells and dry holes. The Caddo is a carbonate formed of algal reef deposits. The algal deposits form mounds which create structural highs which allow the oil to be trapped. It is believed the Cozart No. 1 is producing one of these mounds.

The well was not tested for fear that choking back the well will cause it to load up and die. Best Petroleum requests 175 MCFD casinghead gas limit as the well has produced rates as high as 160 MCFD in the past. Gas production is expected to increase once the well is placed on pump after the well ceases to flow. Restricting the gas production from this flowing well is not necessary to prevent waste.

The well has accumulated approximately 3,186 MCF of casinghead gas as of November 1, 2009. Best Petroleum requests that this overage 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 Cozart No. 1 was completed in June 2008 and was placed in the Lost Valley (Caddo) Field
3. The well on initial test produced at a rate of 42 BOPD, 118 MCFD and 400 BWPD with a GOR of 2,810. The well was flowing on an open choke with 30 psi tubing pressure.
4. The well has produced casinghead gas rates as high as 160 MCFD.
5. The Cozart No.1 is producing from a reservoir of limited size as it is surrounded by plugged wells and dry holes.
6. The well's current production averages 30 BOPD and 55 MCFD below the top field allowables of 48 BOPD and 96 MCFD.
7. The well was not tested as it is feared the well will load up and die if the well is choked back.
8. Gas production is anticipated to increase once the well ceases to flow and is placed on rod pump.
9. The well has accumulated approximately 3,186 MCF of casinghead gas overproduction.

**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. Approval of increased net gas-oil ratio authority with a casinghead gas limit of 175 MCFD for the Cozart No. 1 in the Lost Valley (Caddo) Field and cancellation of overproduction will prevent waste and will not harm correlative rights.

**RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends that the Cozart No. 1 in the Lost Valley (Caddo) Field be authorized to produce under net gas-oil ratio authority with a daily gas limit of 175 MCFD and that all accumulated overproduction for this lease be canceled.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner