

THE APPLICATION OF TRACER OPERATING CO., INC. TO CONSIDER INCREASED NET GOR AUTHORITY FOR THE TYLER NO. 1 IN THE STRAWN (MARBLE FALLS 4060) FIELD, PALO PINTO COUNTY, TEXAS

Heard by: Donna K. Chandler on February 12, 2007

Appearances:

Kerry Pollard

Representing:

Tracer Operating, Co., Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Tracer Operating Co., Inc. requests authority to produce its Tyler No. 1 under increased net gas-oil ratio authority with a daily gas limit of 150 MCFD. Tracer 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 150 MCFD and cancellation of overproduction.

DISCUSSION OF EVIDENCE

The Tyler No. 1 was completed in September 2005 and is the only producing well in the Strawn (Marble Falls 4060) Field. The field was discovered in 1982 and the top allowable in the field is 48 BOPD and 96 MCFD. Three other wells have produced from the field.

The subject well is perforated between 3,930 feet and 4,018 feet. On initial test, the well produced at a rate of 10 BOPD, 200 MCFD and 300 BWPD on rod pump. The well has been producing 3-5 BOPD and for the past year, with gas production at slightly more than 100 MCFD. Water production has not decreased. Restricting the gas production from this pumping well is not necessary to prevent waste.

The well has accumulated approximately 7,000 MCF of casinghead gas overproduction as of January 1, 2007. Tracer 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 top allowable in the Strawn (Marble Falls 4060) Field is 48 BOPD and 96 MCFD.
3. The Tyler No. 1 was completed in September 2005 and is the only producing well in the field.
4. The well has produced on rod pump since initial completion.
5. The well is capable of producing 3-5 BOPD and slightly more than 100 MCFD.
6. The well has accumulated approximately 7,000 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 150 MCFD for the Tyler No. 1 in the Strawn (Marble Falls 4060) 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 Tyler No. 2 in the Strawn (Marble Falls 4060) Field be authorized to produce under net gas-oil ratio authority with a daily gas limit of 150 MCFD and that all accumulated overproduction for this lease be canceled.

Respectfully submitted,

Donna K. Chandler
Technical Examiner