THE APPLICATION OF ANTLE OPERATING, INC. TO CONSIDER INCREASED NET GOR FOR ITS MATHIEWS-HENDON UNIT WELL NO. 1, INDIAN MOUNTAIN (CADDO) FIELD, THROCKMORTON COUNTY, TEXAS

Heard by: Donna K. Chandler on May 22, 2009

Appearances:

Ed Antle

Representing:

Antle Operating, Inc. (by phone)

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Antle Operating, Inc. requests that all overproduction for its Mathiews-Hendon Unit Well No. 1 in the Indian Mountain (Caddo) Field be cancelled. Antle had originally requested net gas-oil ratio authority but the well is now producing within its assigned casinghead gas allowable.

The application is unprotested and the examiner recommends cancellation of the overproduction.

DISCUSSION OF EVIDENCE

The Mathiews-Hendon Unit Well No. 1 was completed in the Indian Mountain (Caddo) Field in March 2008, with perforations in the Caddo Lime between 3,996 feet and 4,021 feet. On initial test, the well produced at a rate of 32 BOPD, with no water or gas. The top allowable in the field is 44 BOPD and 53 MCFD, based on a gas-oil ratio limitation of 1,198 cubic feet per barrel. There are two other producing wells in the field at this time.

Antle tested the well in April 2009 to determine rate sensitivity of the gas-oil ratio. The testing showed that the well produced at a lower gas-oil ratio at higher rates. However, by that time, the well was not capable of producing in excess of its casinghead allowable of 53 MCFD. Monthly production shows that the well has not produced in excess of its casinghead allowable since January 2009.

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Cumulative casinghead gas overproduction is approximately 1,083 MCF as of April 1, 2009. Antle requests that this 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 Mathiews-Hendon Unit No. 1 was completed in December 2007 in the Indian Mountain (Caddo) Field.
- 3. The current top allowable in the field is 44 BOPD and 53 MCFD.
- 4. Well testing indicates that the well produces more efficiently at higher rates. However, the well is now capable of producing within its assigned casginghead gas allowable.
- 5. As of April 1, 2009, the cumulative overage for the lease is approximately 1,083 MCF.

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 Mathiews-Hendon Unit Well No. 1 in the Indian Mountain (Caddo) Field will not harm correlative rights and will not cause waste.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends cancellation of overproduction for the Mathiews-Hendon Unit Well No. 1 in the Indian Mountain (Caddo) Field.

Respectfully submitted,

Donna K. Chandler Technical Examiner