

March 23, 2000

OIL AND GAS DOCKET NO. 7B-0223965

THE APPLICATION OF FORTSON OIL COMPANY FOR A INCREASED GAS OIL RATIO AUTHORITY FOR ITS GODFREY UNIT LEASE WELL NO. 1, TRIPLE HEAT (PALO PINTO) FIELD, JONES COUNTY, TEXAS

Heard by: Margaret Allen, Technical Hearings Examiner

Procedural history

Application received: February 8, 2000

Hearing held: March 22, 2000

Appearances

Charles Salmon

Representing

Fortson Oil Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Fortson is seeking increased gas/oil ratio authority for its Godfrey Gas Unit Lease Well No. 1 to allow this well to produce up to 225 MCF per day, with the daily oil allowable set at the rate corresponding to the daily gas limit.

DISCUSSION OF THE EVIDENCE

The Triple Heat (Palo Pinto) Field was discovered in 1995 and the only well is Fortson's Godfrey Well No. 1. The Godfrey No. 1 was the discovery well and it was perforated from 4150 to 4160 feet. The initial test rate was 85 BOPD with a gas/oil ratio of 553 cubic feet per barrel. The field is under Jones County Regular rules and the corresponding daily allowable for wells at this depth is 48 barrels of oil and 96 MCF. Cumulative field production is 106,600 barrels of oil and 113 MMCF of gas. Production is changing as the reservoir pressure is being depleted, and the operator believes this application will maintain the well's flowing status as long as possible.

When the operator restrict production to meet the current allowable, the well loads with liquids and dies. The well must then be swabbed to be brought back on production and doing this frequently would increase the risk of mechanical problems. The operator believes that approval of its application will permit it to produce the subject well to depletion at the most efficient rate.

The applicant tested the subject well between February 2, 2000, and March 20, 2000, to show that the well could produce greater amounts of oil and gas without causing waste. On a 14/64th inch choke the average daily rates were 60 BO and 130 MCF, for a gas/oil ratio of 2167 cubic feet per barrel. When the choke size was increased to 18/64th inches, the well produced 103 BO and 230 MCF per day with a gas oil ratio of 2233. The choke size was then increased to 19/64th inches where the daily rates averaged 118 BO and 255 MCF, for a gas/oil ratio of 2160 cubic feet per barrel. When the choke size was reduced back to 12/64th inches, the well produced with a gas/oil ratio below 2000 cubic feet per barrel. However, the flowing tubing pressure dropped from its usual value near 190 psi to 120 psi, indicating liquid loading. Overall, the daily test data show that the gas and oil producing rates can be increased significantly while the well's production remains stable, with little change to the gas/oil ratio.

FINDINGS OF FACT

1. Notice of this hearing was given to Fortson Oil, the only operator in the Triple Heat (Palo Pinto) Field, on February 18, 2000.
2. The subject well, the Godfrey Unit No. 1, was drilled in 1995 and perforated between 4150 and 4160 feet.
3. Cumulative production for the Godfrey Unit No. 1, the only well in the field, is 106,600 BO and 113 MMCF of gas.
4. The Jones County Regular allowable for wells at this depth is 48 BOPD with 96 MCF of gas per day.
5. The well was step-rate tested between February 2, 2000, and March 20, 2000, and the results show that it can produce steadily at higher rates without causing waste.
 - a. On a 14/64th inch choke the average daily rates were 60 BO and 130 MCF, for a gas/oil ratio of 2167 cubic feet per barrel.
 - b. On a choke of 18/64th inches, the well produced 103 BO and 230 MCF per day, with a gas oil ratio of 2233 cubic feet per barrel.
 - c. When the choke size was increased to 19/64th inches, the daily rates averaged 118 BO and 255 MCF, for a gas/oil ratio of 2160 cubic feet per barrel.
 - d. The well produced less than 2000 cubic feet per barrel when the choke size was 12/64th inches, however the flowing tubing pressure dropped significantly indicating liquid loading.
6. This is the only well in the field and requiring the well to make up overproduction is not necessary to protect correlative rights.

CONCLUSIONS OF LAW

1. Proper notice was given as required by statute.
2. All things have been done or occurred to give the Railroad Commission jurisdiction to resolve this matter.
3. The requested increase in gas and oil allowable for the Godfrey Unit Lease Well No. 1 will prevent waste and protect correlative rights within the field.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that the Fortson Oil Company Godfrey Unit Well No. 1, Triple Heat (Palo Pinto) Field be allowed to produce up to 225 MMCF of gas and 125 barrels of oil per day. All overproduction for this well should be canceled.

Respectfully submitted,

Margaret Allen
Technical Hearings Examiner

Date of Commission Action: April 25, 2000

Exhibits

1. Summary of conclusions
2. Proration schedule
3. Field data sheet
4. Completion data
5. Log
6. Map
7. Daily gauge reports
8. Test data
9. Production history