

**THE APPLICATION OF CHARRO OPERATING, L.L.C. TO CONSIDER INCREASED NET GOR AUTHORITY FOR THE VIDAURI "F" LEASE, WELL NO. 10 IN THE VIDAURI (5800) FIELD, REFUGIO COUNTY, TEXAS**

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**Heard by:** Andres J. Trevino, P.E. on April 30, 2009

**Appearances:**

Dale E. Miller

**Representing:**

Charro Operating, L.L.C.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Charro Operating, L.L.C. requests authority to produce its Vidauri "F" No. 10 under increased net gas-oil ratio authority with a daily gas limit of 250 MCFD. Charro requests the top allowable be increased to 102 BOPD from 82 BOPD as the 1947 allowable yardstick for a field producing between 5,000' and 6,000' on a 40 acre unit allows. Charro 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 250 MCFD, a top allowable of 102 BOPD for the field and cancellation of overproduction for the Vidauri "F" No. 10.

**DISCUSSION OF EVIDENCE**

The Vidauri (5800) Field was discovered in 1954 at a depth of 5,788 feet. The allowable in the field is 82 BOPD, with a casinghead gas limit of 164 MCFD per well. The 1947 top allowable for a 40 acre unit in a field 5,000 to 6,000 feet deep is 102 BOPD. Charro requests the top allowable be increased to the appropriate 102 BOPD top allowable.

The Vidauri "F" No. 10 was completed in May 2008 with perforations between 5,616 feet and 5,620 feet. On initial test, the well produced at a rate of 16 BOPD, 105 MCF of gas and 52 BWPD flowing through a 14/64" choke with 245 psi flowing tubing pressure. Because the well was producing with a GOR of 6,563 cuft/bbl the well received a penalized oil allowable of 25 BOPD.

The well was tested at various rates. The testing demonstrates that the well is rate sensitive and produces at higher gas-oil ratios when restricted to rates near the current allowable of 164 MCFD. At a 12/64" choke, the well produced 145 MCFPD, 29 BOPD and 30 BWPD with a GOR of 5,027 cu.ft/bbl. At a 10/64" choke, the well produced 192 MCFPD, 52 BOPD and 50 BWPD with a GOR of 3,705 cu.ft/bbl. At reduced rates, the well begins to load, as evidenced by decreasing flowing tubing pressures and increase in water-oil ratio. The most stable production occurred at rates of about 220 MCFD, when the average gas-oil ratio was the lowest at approximately 3,705 cubic feet per barrel.

Restricting oil or gas production from the well is not necessary to prevent waste.

The well has 783 BO and 7,646 MCF of casinghead gas accumulated overproduction as of March 31, 2009. Charro Operating requests that all 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 Vidauri (5800) Field is 82 BOPD and 164 MCFD. There are two other shut-in oil wells in the field.
3. The Vidauri (5800) Field was discovered in 1954 at a depth of 5,788 feet. The 1947 top allowable for a 40 acre unit in a field 5,000 to 6,000 feet deep is 102 BOPD.
4. The Vidauri "F" No. 10 was completed in May 2008 and produced at a rate of 16 BOPD, 105 MCF of gas and 52 BWPD flowing through a 14/64" choke with 245 psi flowing tubing pressure.
5. The Vidauri "F" No. 10 is rate sensitive and produces at higher gas-oil ratios and begins to load when restricted to rates near the current allowable of 164 MCFD.
6. The most stable production occurred at rates of about 220 MCFD, when the average gas-oil ratio was the lowest at 3,705 cubic feet per barrel.
7. Restricting oil or gas production from the well is not necessary to prevent waste.

8. The well has 783 BO and 7,646 MCF of casinghead gas accumulated overproduction as of March 31, 2009.

**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 250 MCFD for the Vidauri "F" No. 10 in the Vidauri (5800) 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 Vidauri "F" No. 10 in the Vidauri (5800) Field be authorized to produce under net gas-oil ratio authority with a daily gas limit of 250 MCFD and that all accumulated overproduction for this lease be canceled. It is further recommended the top allowable be increased to the appropriate 1947 yardstick allowable of 102 BOPD from 82 BOPD.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner