

**THE APPLICATION OF BEPCO, L.P. TO CONSIDER INCREASED NET GOR AUTHORITY FOR THE J. B. WALTON NO. 115 IN THE KEYSTONE, SW. (SAN ANDRES) FIELD, WINKLER COUNTY, TEXAS**

---

**Heard by:** Donna K. Chandler on April 5, 2007

**Appearances:**

Cary McGregor

**Representing:**

BEPCO, L.P.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

BEPCO, L.P. requests authority to produce its J. B. Walton No. 115 under increased net gas-oil ratio authority with a daily gas limit of 700 MCFD. BEPCO 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 700 MCFD and cancellation of overproduction.

**DISCUSSION OF EVIDENCE**

The Keystone, SW. (San Andres) Field was discovered in 1981 at a depth of 4,446 feet. The top allowable in the field is 93 BOPD, with a casinghead gas limit of 400 MCFD per well. There are 32 active oil wells in the field.

The J. B. Walton No. 115 was completed in February 2007 with perforations between 4,184 feet and 4,316 feet. On initial test, the well produced at a rate of 65 BOPD, 794 MCFD and 37 BWPD flowing through a 20/64" choke with 350 psi flowing tubing pressure.

BEPCO tested the well 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 400 MCFD. Also, at reduced rates, the well begins to load, as evidenced by decreases in flowing tubing pressure. The most stable production occurred at rates of about 650 MCFD, when the average gas-oil ratio was approximately 27,000 cubic feet per barrel.

Restricting gas production from the well is not necessary to prevent waste. BEPCO demonstrated that the structure of the reservoir does not influence production. The No.

115 well is structurally lower than several other wells which produce at lower gas-oil ratios.

The well has accumulated approximately 7,000 MCF of casinghead gas overproduction as of April 1, 2007. BEPCO 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 Keystone, SW. (San Andres) Field is 93 BOPD and 400 MCFD. There are 32 producing oil wells in the field.
3. The J. B. Walton No. 115 was completed in February 2007 and produced at a rate of 65 BOPD, 794 MCFD and 37 BWPD flowing through a 20/64" choke with 350 psi flowing tubing pressure.
4. The J. B. Walton No. 115 is rate sensitive and produces at higher gas-oil ratios when restricted to rates near the current allowable of 400 MCFD.
5. The most stable production occurred at rates of about 650 MCFD, when the average gas-oil ratio was approximately 27,000 cubic feet per barrel.
6. Restricting gas production from the well is not necessary to prevent waste.
7. 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 700 MCFD for the J. B. Walton No. 115 in the Keystone, SW. (San Andres) 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 J. B. Walton No. 115 in the Keystone, SW. (San Andres) Field be authorized to produce under net gas-oil ratio authority with a daily gas limit of 700 MCFD and that all accumulated

overproduction for this lease be canceled.

Respectfully submitted,

Donna K. Chandler  
Technical Examiner