

April 11, 2007

**OIL AND GAS DOCKET NO. 08-0249753**

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**APPLICATION OF IMPERIAL GAS RESOURCES, LLC, TO CONSIDER AN INCREASED NET GOR AUTHORITY FOR THE JESSIE WILLIAMSON LEASE WELL NO. 3, GOLDSMITH, W. (CLEAR FORK, UP.) FIELD, ECTOR COUNTY, TEXAS**

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**HEARD BY:** Thomas H. Richter, P.E.

**DATE OF HEARING:** February 14, 2007

**APPEARANCES:**

George C. Neale, attorney  
Rick Johnston  
Frank Cox  
Robert Neale

**REPRESENTING:**

Imperial Gas Resources

**EXAMINER'S REPORT AND RECOMMENDATION**  
**STATEMENT OF THE CASE**

This is the unopposed application of Imperial Gas Resources for a net gas-oil ratio (GOR) which increases the permitted gas limit to 270 MCFD for the Jessie Williamson Lease Well No. 3. Prior to the hearing, Imperial Gas Resources, requested the hearing be expanded to include an MER of 135 BOPD for the subject well. It is also requested that all overproduction be canceled for its Jessie Williamson.

**DISCUSSION OF THE EVIDENCE**

The Goldsmith, W. (Clear Fork, Up.) Field was discovered in 1956 at 5,640' subsurface depth. The field operates pursuant to Special Field Rules and the top allowable for a well on 40 acres is 102 BOPD and a casinghead gas limit of 204 MCFD. This is a multi-operator field with over 100 wells.

The Imperial Gas Resources, Jessie Williamson Well No. 3 was completed November 10, 2006 through perforations from 6,881' to 6,897' subsurface depth. The well potentialized at 153 BOPD, 300 MCFD and no water. The well was placed in the Goldsmith, W. (Clear Fork, Up.) Field for proration purposes. Imperial requested and received testing authority for the determination of a net GOR authority (270 MCFD) and possibly MER authority (135 BOPD). The well was tested over a 30 day period.

Upon conclusion of the hearing, it was observed that the subject well was completed  $\pm 1,000'$  deeper than any of the 100 plus wells currently carried on the proration schedule. Also, the well is located on the western edge of the known limits of the field. The examiner recommended that Imperial re-evaluate the field placement of the well. It was subsequently determined that the well should be placed and prorated in the Andector (Wichita Albany) Field. The well has since received a permit for the Andector (Wichita Albany) Field. Therefore, the need for a net GOR or MER permit are no longer required.

Cancellation of the over production will not harm correlative rights.

#### FINDINGS OF FACT

1. Notice of this application was given to all person entitled to notice at least ten (10) days prior to the hearing.
2. There was no protest of the application.
3. The Goldsmith, W. (Clear Fork, Up.) Field was discovered in 1956 at 5,640' subsurface depth.
  - a. The field operates pursuant to Special Field Rules and the top allowable for a well on 40 acres is 102 BOPD and a casinghead gas limit of 204 MCFD.
  - b. This is a multi-operator field with over 100 wells.
4. The Imperial Gas Resources, Jessie Williamson Well No. 3 was completed November 10, 2006 through perforations from 6,881' to 6,897' subsurface depth.
  - a. The well potentialled at 153 BOPD, 300 MCFD and no water. The well was placed in the Goldsmith, W. (Clear Fork, Up.) Field for proration purposes.
5. A net GOR is not warranted as the well should be designated in another field.
  - a. The subject well was completed  $\pm 1,000'$  deeper than any of the wells 100 plus wells currently carried on the proration schedule.
  - b. The well is located on the western edge of the known limits of the field.
  - c. Subsequently it was determined that the well should be placed and prorated in the Andector (Wichita Albany) Field.
6. Cancellation of the over production of the Jessie Williamson Lease Well No. 1 (API No. 135-08317) will not harm correlative rights.

**CONCLUSIONS OF LAW**

1. Notice of this hearing was provided in accordance with all applicable regulatory statutes and rules.
2. All things have occurred or been accomplished to afford the Commission the jurisdiction to consider and decide this matter.
3. Cancellation of overproduction will not harm correlative rights.

**EXAMINER'S RECOMMENDATION**

It is recommended that the application of Imperial Gas Resources for cancellation of all overproduction for the Jessie Williamson Lease Well No. 1 (API No. 135-08317) be approved.

Respectfully submitted,

Thomas H. Richter, P.E.  
Technical Examiner  
Office of General Counsel