



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 7B-0284935

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THE APPLICATION OF TAMARACK PETROLEUM COMPANY, INC. TO CONSIDER A MER ALLOWABLE AND INCREASED NET GAS-OIL RATIO AUTHORITY FOR EACH WELL IN THE ORAN (MARBLE FALLS) FIELD, PALO PINTO COUNTY, TEXAS

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HEARD BY: Richard D. Atkins, P.E. - Technical Examiner  
Laura Miles-Valdez - Legal Examiner

HEARING DATE: December 11, 2013

APPEARANCES: REPRESENTING:

**APPLICANT:**

Dale E. Miller

Tamarack Petroleum Company, Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Tamarack Petroleum Company, Inc. ("Tamarack") requests approval of a MER oil allowable of 200 barrels of oil per day and increased net gas-oil ratio authority with a casinghead gas limit of 1,200 MCFGPD for each well in the Oran (Marble Falls) Field, Palo Pinto County, Texas. Tamarack also requests that all over-production in the field be canceled.

The application is unopposed and the examiners recommend approval of the requested MER oil allowable, increased net gas-oil ratio authority and cancellation of all over-production for each well in the Oran (Marble Falls) Field.

### DISCUSSION OF EVIDENCE

The Oran (Marble Falls) Field was discovered in June 1979 at an average depth of 4,800 feet. The field is classified as associated-one well and there are 13 producing oil wells, one shut-in gas well and five operators carried on the proration schedules. The field operates under Field Rules that provide for 330'-933' well spacing, 20 acre density and allocation based on 100% acres. The top oil allowable in the field is the 1965 Yardstick Allowable of 48 BOPD with an allowable gas-oil ratio of 2,000 cubic feet per barrel. Cumulative production from the field through September 2013 is 158.0 MBO and 1.8 BCFG.

To date, Tamarack has drilled and completed four wells and Newark E&P Operating, LLC ("Newark") has drilled and completed ten wells in the Oran (Marble Falls) Field. Both operators are planning on drilling additional development wells. The field produces from the Marble Falls formation and the primary drive mechanism is a strong water drive. Although most of the wells are initially completed as flowing wells, they rapidly decline in production and have to be placed on pump or gas lift. All of the wells make significant amounts of produced water that can be over 1,000 barrels per day.

Tamarack submitted production data from four leases that it or Newark operate and wells on each lease have produced oil and casinghead gas in excess of the current top allowable. Since the reservoir produces under a strong water drive mechanism, Tamarack believes that oil will be swept past the producing wells if the production rate is curtailed. Tamarack does not want to allow the water drive to encroach on the oil column and opined that producing the wells at rates up to 200 barrels of oil per day is necessary to effectively and efficiently recover the remaining oil reserves that are available to each well.

Based on the production data submitted, Tamarack requests a MER allowable of 200 barrels of oil per day and increased net gas-oil ratio authority with a casinghead gas limit of 1,200 MCFGPD for each well in the field. Due to producing the wells at rates in excess of the current allowable, the producing wells are over-produced. Tamarack also requests that all over-production in the Oran (Marble Falls) Field be canceled.

### FINDINGS OF FACT

1. Notice of this hearing was given to all parties entitled to notice at least ten (10) days prior to the date of the hearing and no protests were received.
2. The Oran (Marble Falls) Field was discovered in June 1979 at an average depth of 4,800 feet.
  - a. The field is classified as associated-one well and there are 13 producing oil wells, one shut-in gas well and five operators carried on the proration schedules.

- b. The field operates under Field Rules that provide for 330'-933' well spacing, 20 acre density and allocation based on 100% acres.
    - c. The top oil allowable in the field is the 1965 Yardstick Allowable of 48 BOPD with an allowable gas-oil ratio of 2,000 cubic feet per barrel.
  3. A MER oil allowable of 200 barrels of oil per day and increased net gas-oil ratio authority with a casinghead gas limit of 1,200 MCFGPD for each well in the Oran (Marble Falls) Field is appropriate.
    - a. The field produces from the Marble Falls formation and the primary drive mechanism is a strong water drive.
    - b. Although most of the wells are initially completed as flowing wells, they rapidly decline in production and have to be placed on pump or gas lift.
    - c. All of the wells make significant amounts of produced water that can be over 1,000 barrels per day.
    - d. Since the reservoir produces under a strong water drive mechanism, oil will be swept past the producing wells if the production rate is curtailed.
    - e. To prevent the water drive from encroaching on the oil column, producing each well in the field at rates up to 200 BOPD is necessary to effectively and efficiently recover the remaining oil reserves that are available to each well.
  4. Due to producing the wells at rates in excess of the current allowable, the producing wells are over-produced.

**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 a top MER oil allowable of 200 BOPD, increased net gas-oil ratio authority with a casinghead gas limit of 1,200 MCFGPD and cancellation of all over-production for each well in the Oran (Marble Falls) Field will prevent waste, will not harm correlative rights and will promote development of the field.

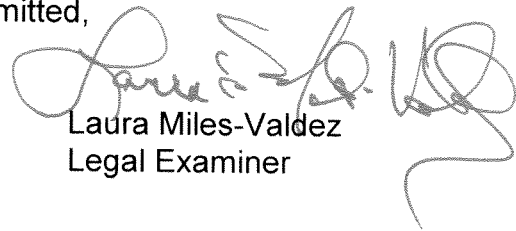
RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission approve a top MER oil allowable of 200 BOPD, increased net gas-oil ratio authority with a casinghead gas limit of 1,200 MCFGPD and cancellation of all over-production for each well in the Oran (Marble Falls) Field, as requested by Tamarack Petroleum Company, Inc.

Respectfully submitted,



Richard D. Atkins, P.E.  
Technical Examiner



Laura Miles-Valdez  
Legal Examiner