

**THE APPLICATION OF T-C OIL COMPANY, FOR MER AUTHORITY FOR ITS BOYD NO. 1 OIL UNIT WELL NO. 1, LIVE OAK LAKE, EAST (4750) FIELD, GOLIAD COUNTY, TEXAS**

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**Heard by:** Margaret Allen, Technical Hearings Examiner

**Procedural history**

Application received: June 22, 2006

Hearing held: August 9, 2006

**Appearances**

John Soule (by telephone)

Roger Dixon (by telephone)

Representing

T-C Oil Company

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

T-C Oil Company ("T-C") is seeking MER authority for its Boyd No. 1 Oil Unit Well No. 1 in the Live Oak Lake, East (4750) Field to allow it to produce up to 185 BOPD.

**DISCUSSION OF THE EVIDENCE**

The T-C Boyd No. 1 Oil Unit Well No. 1 is the discovery well of the Live Oak Lake, East (4750) Field. It was completed June 4, 2006, as a flowing well. The initial daily potential, on a small choke size, was 117 BO and 94 MCF with no water. Perforations are from 4752' to 4759'. This well was drilled on a small seismic anomaly and no additional wells will be drilled to this anomaly.

The discovery allowable for wells at this depth is 100 BOPD and the yardstick allowable will be 93 BOPD. The Boyd No. 1 Oil Unit Well No. 1 is capable of producing at higher rates without causing waste.

The well was tested between July 1 and August 6, 2006, with the following results:

| Choke size | Flowing tubing pressure (psi) | Oil rate (BOPD) | Gas rate (MCFD) | Gas/Oil Ratio CuFt/Bbl |
|------------|-------------------------------|-----------------|-----------------|------------------------|
| 8/64"      | 1134                          | 97              | 154             | 1593                   |
| 11/64"     | 1021                          | 183             | 235             | 1288                   |
| 9/64"      | 971                           | 123             | 145             | 1180                   |
| 10/64"     | 962                           | 165             | 189             | 1145                   |

No water was produced during the test. Cumulative production is 5592 BO and 7191 MMCF with no water.

The step-rate test shows that the well is not rate-sensitive. The gas/oil ratio never exceeded 2000 cubic feet per barrel and actually fell throughout the test. It will not cause waste to produce this well at daily rates up to 185 BOPD. It will not violate correlative rights to cancel overproduction for the Boyd No. 1 Oil Unit Well No. 1 as it is the only well in the field.

#### **FINDINGS OF FACT**

1. Notice of this hearing was given to all operators in the Live Oak Lake, East (4750) Field, on July 26, 2006.
2. The subject well, the T-C Oil Company Boyd No. 1 Oil Unit Well No. 1, discovered the Live Oak Lake, East (4750) Field in June, 2006.
3. The subject well was perforated between 4752' and 4759', and its initial potential on a small choke was 117 BOPD and 94 MCFD', with no water.
4. The discovery allowable for the Live Oak Lake, East (4750) Field is 100 BOPD, and the yardstick allowable will be 93 BOPD.
5. Cumulative production is 5592 BO and 7191 MMCF.
6. A step-rate test showed the Boyd No. 1 Oil Unit Well No. 1 can produce up to 185 BOPD without causing waste.
  - a. The gas/oil ratio never exceeded 2000 cubic feet per barrel and decreased during the test.
  - b. No water was produced during the test.
  - c. The gas/oil ratio is not sensitive to the producing oil rate.

7. Cancellation of overproduction for the T-C Oil Company Boyd No. 1 Oil Unit Well No. 1 will not harm 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. An increase in daily oil allowable for the T-C Oil Company Boyd No. 1 Oil Unit Well No. 1 to 185 barrels per day will not cause waste and will promote conservation within the field.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the Boyd No. 1 Oil Unit Well No. 1, operated by T-C Oil Company in the Live Oak Lake, East (4750) Field, be allowed to produce up to 185 barrels of oil per day, as per the attached order.

Respectfully submitted,

Margaret Allen  
Technical Hearings Examiner