

OIL AND GAS DOCKET NO. 02-0256155

THE APPLICATION OF DOUBLE PLAY OIL & GAS, INC. TO CONSIDER AN MER ALLOWABLE FOR THE MCNEILL NORTH WELL NO. 3C IN THE C.A. WINN, NE. (HOCKLEY 4300) FIELD, LIVE OAK COUNTY, TEXAS

Heard by: Andres J. Trevino, P.E. on May 12, 2008

Appearances:

Rick Johnston

Representing:

Double Play Oil & Gas, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Double Play Oil & Gas, Inc. requests that an MER allowable of 350 BOPD be established for its McNeill North Well No. 3C in the C.A. Winn, NE. (Hockley 4300) Field. BC Operating also requests that all accumulated overproduction be cancelled for this lease.

The application is unopposed and the examiner recommends approval of the requested MER and cancellation of overproduction.

DISCUSSION OF EVIDENCE

The C.A. Winn, NE. (Hockley 4300) Field was discovered in 1962 and has a top allowable of 93 BOPD. The McNeill North Well No. 3C is the only producing oil well in the field and Double Play is the only operator in the field. The field is governed by Statewide rules.

Double Play completed the McNeill North Well No. 3C, on February 2007, as a dually completed flowing well. The 3C was completed at a depth of 4400 feet and produced thru the casing. The initial potential for the well was 140.3 BO, 95 MCF and no water flowing thru a 16/64" choke with a 200 psi flowing casing pressure. Oil production steadily increased over time. The average oil rate initially varied from 170 BOPD to 229 BOPD. The producing gas-oil ratio is low and remained nearly constant at a rate between 1,400-1,600 cubic feet per barrel, regardless of rate.

Double Play attempted to rate test the well on April 7, 2008. Double Play reduced the choke size to 16/64", the flow rate and flowing casing pressure began dropping and would not level off. The test was stopped as Double Play felt the well was loading up and about to die. On April 19, 2008 the well loaded up and died on it's own. Double Play restored production by opening a sliding sleeve and began producing thru the tubing.

The well's production was restored and increased substantially. The well is capable of producing at rates as high as 335 BOPD. The GOR remains fairly constant at rates between 1,400-1,600 cubic feet per barrel. Choking back the well to produce below the allowable of 93 BOPD will cause the well to die. Double Play believes that producing the well at capacity (up to 350 BOPD) will not harm the reservoir as this is a one well field.

The well is overproduced an estimated 40,757 BO as of July 2008. Double Play requests that this overage be cancelled.

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 C.A. Winn, NE. (Hockley 4300) Field was discovered in 1962 and has a top allowable of 93 BOPD. The McNeill North Well No. 3C is the only well in the field.
3. The McNeill North Well No. 3C was completed in February 2007. The initial potential for the well was 140.3 BO, 95 MCF and no water flowing thru a 16/64" choke with a 200 psi flowing casing pressure.
4. The well initially produced thru the casing as a dually completed well.
 - a. The maximum oil rate of 229 BOPD was in March 2008.
 - b. An MER rate test was attempted on April 7, 2008, but was stopped as the well began to load up and die.
 - c. The well loaded up and died on April 19, 2008.
5. The McNeill North Well No. 3C was recompleted in April 22, 2008 by opening a sliding sleeve and producing thru tubing. The well produced at a rate of 330 BOPD, 510 MCFD and no water afterwards.
6. The well is overproduced approximately 40,757 BO as of July 2008. Cancellation of this overage will not harm correlative rights.

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 an MER of 350 BOPD for the McNeill North Well No. 3C and cancellation of overproduction for the well in the C.A. Winn, NE. (Hockley 4300) Field will not cause waste and will not harm correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends approval of an MER of 350 BOPD and cancellation of overproduction for the McNeill North Well No. 3C in the C.A. Winn, NE. (Hockley 4300) Field in Live Oak County, Texas.

Respectfully submitted,

Andres J. Trevino, P.E.
Technical Examiner