

**OIL AND GAS DOCKET NO. 03-0234053**

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**THE APPLICATION OF CARRIZO OIL & GAS, INC. TO ESTABLISH AN MER AND INCREASED NET GAS/OIL RATIO FOR THE PAULINE HUEBNER A-382 LEASE, WELL NO. 1, PROVIDENCE (FRIO) FIELD, MATAGORDA COUNTY, TEXAS**

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

**Procedural history**

Application received: March 4, 2002

Hearing held: April 18, 2003

**Appearances**

Applicant

George C. Neale

Representing

Carrizo Oil & Gas, Inc.

**EXAMINER'S REPORT AND PROPOSAL FOR DECISION**

**STATEMENT OF THE CASE**

Carrizo Oil & Gas, Inc., ("Carrizo") initially wanted to produce its Pauline Huebner A-382 Lease Well No. 1, Providence (Frio) Field, Matagorda County, Texas, with increased oil and gas allowable. After conducting step-rate tests Carrizo determined the well does not need to produce more than its allowable. Carrizo is only requesting that the overproduction of this well be canceled.

**DISCUSSION OF THE EVIDENCE**

The Providence (Frio) Field was discovered in January of 2002, at a depth of 13,543'. The top daily allowable of 1100 BOPD and 2200 MCF was established under Docket No. 03-0230631, on March 20, 2002. Field rules require wells to be 1320' from lease lines, 2640' between wells and specify 160-acre density. Brigham operates the other two wells on the proration schedule for the field. One Brigham well has an MER of 2000 BOPD with a gas limit of 5000 MCF, and the other has an MER of 1650 BO with a daily gas limit of 10 MMCF. A third Brigham well has recently been completed and the operator is requesting an MER of 1625 BO for this well, with a daily gas limit of 4300 MCF.

Carrizo's Pauline Heubner A-382 Lease, Well No. 1, was completed in November of 2002, with perforations between 11,183' and 11,380'. The well's initial potential was 1090 BOPD at a gas/oil ratio of 2597 cubic feet per barrel, and its cumulative production has been 180,000 BO.

Daily production was 1200 to 1800 barrels of oil per day until the end of March, 2003. The well began producing sand about the time, causing the producing rate to decrease and the flowing tubing pressure to increase. The well is now producing about 600 BOPD at a gas/oil ratio of 2500 cubic feet per barrel. The well is not capable of producing more than the top allowable for the field under its current configuration. Carrizo believes it might be possible to increase the producing rate but only at the risk of increasing sand production.

The well had received authority to conduct a step-rate test on March 10, 2003. Between March

10 and the end of the month, the well overproduced by 40,000 barrels of oil and 160 MMCF of gas. All of the other wells in this field have higher allowables than the Heubner A-382 No. 1, and produce more. Shutting the Heubner A-382 No. 1 in to make up overproduction is not necessary to protect correlative rights and would not prevent waste.

**FINDINGS OF FACT**

1. Notice of this hearing was given to all operators in the Provedence (Frio) Field, on March 28, 2003.
2. The Carrizo Oil & Gas Pauline Heubner A-382 Lease No. 1 began producing in November of 2002, from perforations between 11,183 feet and 11,380 feet.
3. The top allowable for the field has been established at 1100 BOPD, with a daily gas limit of 2200 MCF.
4. The other two wells now in the field, operated by Brigham Oil & Gas, have MERs allowing higher oil and gas rates than the field allowable and a third Brigham well is requesting higher allowables.
5. The subject well's initial potential was 1090 BO, at a gas/oil ratio of 2597 cubic feet per barrel, and its cumulative production is 180,000 BO and 164 MMCF of gas.
6. Step-rate testing was authorized March 10, 2003 and before the end of March the well overproduced 40,000 barrels of oil and 160 MMCF of gas.
7. At the end of March, 2003, sand production into the wellbore lowered its producing rates and increased the flowing tubing pressure.
8. The applicant believes that the well might be reworked to produce over the top allowable again, but only at the risk of increasing sand production further.
9. Requiring the well to be shut-in to make up overproduction will not prevent waste.
10. Because the other wells in the field have higher allowables and produce more than the subject well, shutting the subject well in to make up overproduction is not necessary to protect 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. Cancellation of the overproduction for the Pauline Heubner A-382 Lease Well No. 1 will not cause waste and nor harm correlative rights within the field.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that all overproduction for the Carrizo Oil & Gas Pauline Heubner A-382 Lease Well No. 1, Provedence (Frio) Field be canceled.

Respectfully submitted,

Margaret Allen  
Technical Hearings Examiner

Date of Commission Action: May 6, 2003