
THE APPLICATION OF HASSIE HUNT EXPLORATION COMPANY TO ESTABLISH AN MER AND INCREASED NET GAS/OIL RATIO AUTHORITY FOR THE GORDON LEASE, WELL NO. 1-U, FRANKS (BANFIELD) FIELD, GALVESTON COUNTY, TEXAS

Heard by: Margaret Allen, Technical Hearings Examiner

Procedural history

Application received: July 14, 2003

Hearing held: September 4, 2003

Appearances

George C. Neale
Mark Swisher

Representing:
Hassie Hunt Exploration Co.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Hassie Hunt Exploration Company ("Hassie Hunt") wants to produce its Gordon Lease Well No. 1-U, Franks (Banfield) Field, Galveston County, Texas, at daily rates of 1500 BO and 3600 MCF.

DISCUSSION OF THE EVIDENCE

The Gordon Lease Well No. 1-U is the first oil well in the Franks (Banfield) Field. There is one gas well on the proration schedule of the Franks (Banfield) Field, also operated by Hassie Hunt. This gas well was completed in a thin, tight facies of this Frio sandstone and has been shut-in for many years. The Gordon No. 1-U is perforated from 11,062' to 11,082' in a thick sandstone facies with high porosity and high conductivity.

The Gordon well was completed through two strings of tubing in July, 2003. The initial potential of this upper completion was 177 BOPD and 535 MCF/D, with no water. The top allowable for wells at this depth is 237 BOPD and 474 MCF/D. The oil allowable of the Gordon No. 1-U is penalized to 157 BOPD due to high gas/oil ratio.

Hassie Hunt's evidence included a step-rate test conducted on its Gordon No. 1-U between July 21 and August 31, 2003. The results are shown below:

| Choke size (inches) | Average oil rate (barrels per day) | Average gas rate (MCF per day) | Gas/oil ratio (cubic feet per barrel) | Average flowing tubing pressure (psi) |
|-------------------------------|--|--|---|---|
| 6/64 | 82 | 450 | 5566 | 4709 |
| 14/64 | 296 | 1600 | 6031 | 4000 |

| | | | | |
|-----------|------|------|------|------|
| 20/64 | 597 | 2887 | 5112 | 4010 |
| 24/64 | 1182 | 4009 | 3787 | 3809 |
| last week | 1486 | 3602 | 2600 | 3756 |

This test shows that the Gordon No. 1-U produces more efficiently at higher rates. The well was tested on a 24/64th inch choke for 19 days and the average rates are shown in the table. The well's production continued improving and the average daily rates during the last seven days on this choke were 1500 BO and 3600 MCF. Hassie Hunt believes the well could probably produce efficiently at even higher rates but the well's equipment would have to be changed.

This is the only producing well in the field now and cancellation of overproduction will not harm correlative rights. Hassie Hunt has plans to drill additional wells to this reservoir.

FINDINGS OF FACT

1. Notice of this hearing was issued to Hassie Hunt Exploration Company, the only operator of record in the Franks (Banfield) Field, on August 8, 2003.
2. The Hassie Hunt Exploration Company Gordon Lease Well No. 1-U is the first oil well in the Franks (Banfield) Field.
3. There is one gas well on the proration schedule of the Franks (Banfield) Field, also operated by Hassie Hunt, that has been shut-in for many years.
4. The Gordon No. 1-U was perforated from 11,062' to 11,082' in July, 2003, and tested at an initial rate of 177 BOPD and 535 MCF/D, without water.
5. The top daily allowable for wells at this depth is 237 BO and 474 MCF.
6. The subject well was step-rate tested between July 21 and August 31, 2003, and the results show that it produces efficiently at daily rates up to 1500 BO and 3600 MCF of gas.
 - a. On the smallest choke size of 6/64th inches, the average daily production was 82 BO and 450 MCF/D, for a gas/oil ratio of 5566 cubic feet per barrel.
 - b. On a choke size of 14/64th inches, the average daily production was 296 BO and 1600 MCF/D, for a gas/oil ratio of 6031 cubic feet per barrel.
 - c. On a choke size of 20/64th inches, the average daily production was 597 BO and 2887 MCF/D, for a gas/oil ratio of 5112 cubic feet per barrel.
 - d. On the largest choke size of 24/64th inches, the average daily production was 1182 BO and 4009 MCF/D, for a gas/oil ratio of 3787 cubic feet per barrel.
 - e. Producing rates improved on the 24/64th inch choke, averaging 1500 barrels of oil and

3600 MCF per day during the last week of the test.

7. Cancellation of this well's overproduction will not harm the correlative rights as the subject well is the only active well in the field.

CONCLUSIONS OF LAW

1. Proper notice was given to all necessary parties as required by applicable statutory and regulatory provisions.
2. All things have been done or occurred to give the Railroad Commission jurisdiction to resolve this matter.
3. Approval of increased oil and gas allowable for the Hassie Hunt Exploration Company Gordon Lease Well No. 1-U, in the Franks (Banfield) Field will prevent waste, protect correlative rights and promote conservation.
4. Cancellation of the overproduction of the Hassie Hunt Exploration Company Gordon Lease Well No. 1-U, in the Franks (Banfield) Field, will not harm correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends approval of the request of Hassie Hunt Exploration Company to produce its Gordon Lease Well No. 1-U, in the Franks (Banfield) Field, at daily rates up to 1500 barrels of oil and 3600 MCF of gas.

Respectfully submitted,

Margaret Allen
Technical Hearings Examiner