



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 03-0280424

THE APPLICATION OF SAMSON EXPLORATION, LLC TO CONSIDER AN MER ALLOWABLE FOR THE SUNSET UNIT, WELL NO. 1H, SUNSET (FRIO 8230) FIELD, JEFFERSON COUNTY, TEXAS

HEARD BY: Richard D. Atkins, P.E. - Technical Examiner
Michael Crnich - Legal Examiner

HEARING DATE: March 28, 2013

APPEARANCES:

REPRESENTING:

APPLICANT:

James M. Clark

Samson Exploration, LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Samson Exploration, LLC ("Samson") requests approval of an MER allowable of 950 BOPD for its Sunset Unit, Well No. 1H (API No. 42-245-32729), Sunset (Frio 8230) Field, Jefferson County, Texas. Samson also requests that all over-production for the well be canceled. After the hearing, Samson withdrew its request to cancel the over-production, since the well will not be over-produced when the potential test form is processed.

The application is unopposed and the examiners recommend approval of the requested 950 BOPD MER allowable for the Sunset Unit, Well No. 1H, as requested by Samson.

DISCUSSION OF EVIDENCE

The Sunset Unit, Well No. 1H, was completed in the Sunset (Frio 8230) Field in October 2012 with perforations between 9,120 feet (MD) and 9,580 feet (MD). On initial test, the well flowed on an 17/64" choke at a rate of 606 BOPD, 265 MCFGPD and 0 BWPD. The top allowable in the field is the Discovery Allowable of 340 BOPD with an allowable gas-oil ratio of 2,000 cubic feet per barrel. Samson is the only operator in the field and Well No. 1H will be the second well carried on the oil proration schedule.



The Sunset (Frio 8230) Field has a strong water drive as the primary drive mechanism and Samson does not want to curtail the well and allow the water drive to encroach on the oil column. In February and March 2013, Samson tested the well to determine its rate sensitivity. The average test results are summarized as follows:

<u>CHOKE SIZE</u>	<u>FTP (PSI)</u>	<u>OIL (BOPD)</u>	<u>WATER (BWPD)</u>	<u>GAS (MCFGPD)</u>	<u>GOR (CUFT/BBL)</u>
13/64"	1,006	494	0	233	472
17/64"	1,029	695	2	346	498
18/64"	1,038	733	0	337	460
19/64"	1,056	950	0	333	351

The testing indicates that the well produces more efficiently at higher oil rates. The tubing pressure was the highest and the gas-oil ratio was the lowest at the highest producing rate. Based on the testing results, Samson requests an MER allowable of 950 BOPD.

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 Sunset Unit, Well No. 1H, was completed in the Sunset (Frio 8230) Field in October 2012 with perforations between 9,120 feet (MD) and 9,580 feet (MD).
 - a. On initial test, the well flowed on an 17/64" choke at a rate of 606 BOPD, 265 MCFGPD and 0 BWPD.
 - b. The top allowable in the field is the Discovery Allowable of 340 BOPD with an allowable gas-oil ratio of 2,000 cubic feet per barrel.
 - c. Samson Exploration, LLC ("Samson") is the only operator in the field and Well No. 1H will be the second well carried on the oil proration schedule.
3. The Sunset (Frio 8230) Field has a strong water drive as the primary drive mechanism.
4. The Sunset Unit, Well No. 1H, produces more efficiently at higher oil rates.

- a. On a 19/64" choke, the well produced 950 BOPD, 333 MCFGPD with a GOR of 351 cubic feet per barrel.
- b. The tubing pressure was the highest and the gas-oil ratio was the lowest at the highest producing rate.

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 allowable of 950 BOPD for the Sunset Unit, Well No. 1H, in the Sunset (Frio 8230) Field will prevent waste and will not harm correlative rights.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend approval of an MER allowable of 950 BOPD for the Sunset Unit, Well No. 1H, as requested by Samson Exploration, LLC.

Respectfully submitted,



Richard D. Atkins, P.E.
Technical Examiner



Michael Crnich
Legal Examiner