

THE APPLICATION OF MACHIN & ASSOCIATES, INC. TO RESCIND THE MER IN THE PLEASANT GROVE FIELD, RUSK COUNTY, TEXAS

Heard by: Donna K. Chandler on June 2, 2008

Appearances:

Keith Masters

Representing:

Machin & Associates, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Machin & Associates, Inc. requests that the MER of 40 BOPD per well in the Pleasant Grove Field be rescinded. Machin also requests that all accumulated overproduction in the field be cancelled.

The application is unopposed and the examiner recommends that the MER be rescinded and that all overproduction be cancelled.

DISCUSSION OF EVIDENCE

The Pleasant Grove Field was discovered in 1941 and production is from the Woodbine at a depth of approximately 4,000 feet. Twelve wells have produced from the field with total production of about 1.1 million BO. An MER of 40 BOPD per well was established in the field sometime between 1941 and 1951. Commission records regarding adoption of this MER are scarce.

There was no production from the field between 1987 and February 2008. In February 2008, Machin & Associates completed its KCR Timberland Ltd. No. 1, with a potential of 59 BOPD. The well produces significant paraffin which requires frequent hot oil treatments and swabbing to sustain production. The well was recently put on rod pump and production has stabilized at about 55 BOPD.

The lease has a small amount of overproduction, as the well produced at rates as high as 146 BOPD. Machin 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 Pleasant Grove Field was discovered in 1941 at a depth of approximately 4,000 feet.
3. An MER of 40 BOPD per well was established in the field sometime between 1941 and 1951.
4. There was no production from the field between 1987 and February 2008.
5. In February 2008, Machin & Associates completed its KCR Timberland Ltd. No. 1.
 - a. The well produces significant paraffin which requires frequent hot oil treatments and swabbing to sustain production.
 - b. The well was recently put on rod pump and production has stabilized at about 55 BOPD.

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. Rescission of the MER of 40 BOPD per well in the Pleasant Grove Field will not cause waste and will not harm correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the MER in the Pleasant Grove Field be rescinded and that the 1947 Yardstick allowable of 93 BOPD be implemented in the field.

Respectfully submitted,

Donna K. Chandler
Technical Examiner