

OIL AND GAS DOCKET NO. 7B-0267634

THE APPLICATION OF PLANTATION OPERATING, L.L.C. TO CONSIDER AN MER ALLOWABLE FOR THE ACKERS "80" WELL NO. 1 IN THE GUITAR (GARDNER SAND) FIELD, CALLAHAN COUNTY, TEXAS

Heard by: Andres J. Trevino, P.E. on November 3, 2010

Appearances:

Dale E. Miller

Representing:

Plantation Operating, L.L.C

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Plantation Operating, L.L.C requests that an MER allowable of 150 BOPD be established for its Ackers "80" Well No. 1 in the Guitar (Gardner Sand) Field. Plantation 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 Guitar (Gardner Sand) Field was discovered in 1975 and currently has six wells on the proration schedule. The top allowable for the field is 44 BOPD. There are two other operators in the field other than Plantation.

The Ackers "80" Well No. 1 was completed by L.C.S. Production Company on May 2007 into the Gardner Sand as a flowing well. The well was later purchased by Plantation. The Ackers "80" No. 1 was completed with perforations between 3,790 to 3,794 feet and produces thru the tubing. The well had an initial potential of 85 BOPD, 97 MCFPD and no water with a flowing tubing pressure of 500 psi.

During October 2010, Plantation tested the Ackers "80" Well No. 1 at various rates to determine sensitivity. The results of the test are summarized as follows:

<u>choke size</u>	<u>oil rate</u>	<u>gas rate</u>	<u>gas-oil ratio</u>	<u>FTP</u>
12/64"	111 BOPD	0 MCFD	0 cuft/bbl	400 psi
12/64"	108 BOPD	0 MCFD	0 cuft/bbl	400 psi
11/64"	86 BOPD	0 MCFD	0 cuft/bbl	375 psi

11/64" 86 BOPD 0 MCFD 0 cuft/bbl 340 psi

The well does not produce any gas therefore the producing gas-oil ratio remained at 0 cuft/bbl through out the rate testing period. At the highest daily test rate of 111 BOPD was achieved on a 12/64" choke. When the well was allowed to produce on a 11/64" choke at a rate of 86 BOPD, the well became unstable and began to load up. The flowing tubing pressure dropped to 375 psi initially and continued to drop off to 340 psi. Plantation stopped testing the well on fears it would load up and die.

The well is on a structural high and the reservoir does not contain a gas cap. The reservoir energy is primarily derived from a water drive. Plantation believes that producing the well at full capacity (up to 150 BOPD) will not harm the reservoir. Plantation request an allowable of up to 150 BOPD to give it the flexibility to keep the well unloaded by opening the choke and increasing production up to 150 BOPD without having to have an additional MER hearing.

The well is estimated to be overproduced by 979 BO as of August 2010. Plantation 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 Guitar (Gardner Sand) Field was discovered in 1975 with a top allowable of 44 BOPD. The Ackers "80" Well No. 1.
3. The Ackers "80" Well No. 1 was completed on May 2007 into the Gardner Sand at a depth of 3,790 feet. The well had an initial potential of 85 BOPD, 97 MCFPD and no water with a flowing tubing pressure of 500 psi.
4. Variable rate testing of the Ackers "80" Well No. 1 indicates that producing at rates of up to 150 BOPD will not cause waste.
 - a. The average maximum oil rate was 111 BOPD on a 12/64" choke.
 - b. The well began to load up and became unstable when the well was choked back to produce at a rate of 86 BOPD.
 - c. The well's GOR remained constant at 0 cuft/bbl as the well produces no gas.
5. The well is on a structural high and the reservoir does not contain a gas cap. The reservoir energy is primarily derived from a water drive.

6. The well is calculated to be overproduced by 979 BO as of August 2010. 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 150 BOPD for the Ackers "80" Well No. 1 and cancellation of overproduction for the well in the Guitar (Gardner Sand) 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 150 BOPD and cancellation of overproduction for the Ackers "80" Well No. 1 in the Guitar (Gardner Sand) Field in Callahan County, Texas.

Respectfully submitted,

Andres J. Trevino, P.E.
Technical Examiner