

## OFFICE OF GENERAL COUNSEL

April 28, 2000

**OIL & GAS DOCKET NO. 7C-0224350**

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**APPLICATION OF EOG RESOURCES TO ESTABLISH AN MER FOR THE HALFF "57" LEASE WELL NO. 1 IN THE AMACKER-TIPPETT (WOLFCAMP) FIELD, UPTON COUNTY, TEXAS**

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**HEARD BY:** Thomas H. Richter, P.E.

**DATE OF HEARING:** April 27, 2000

**APPEARANCES:**

Rick Johnston

**REPRESENTING:**

EOG Resources

**PROTESTANTS:** None

### **EXAMINER'S REPORT AND RECOMMENDATION**

#### **STATEMENT OF THE CASE**

This is the unopposed application of EOG Resources ("EOG") for Commission consideration for MER authority of 2000 BOPD for the Halff "57" Well No. 1 in the Amacker-Tippett (Wolfcamp) Field. It is also proposed that all oil and casinghead gas production in excess of the assigned allowable be canceled effective the date of the Order if this application is approved by the Commission. The examiner recommends approval of the application.

#### **DISCUSSION OF THE EVIDENCE**

The Amacker-Tippett (Wolfcamp) Field was discovered in May 1977 at a depth of 9,218' subsurface depth. Special field rules provide for minimum well spacing of 660'/1320', 160 acre proration units with optional 80 acre density and 100% acreage allocation. The proration schedule indicates a top allowable for a well in the field is 435 BOPD. This is a multi-operator field with 36 wells.

The EOG Resources, Halff "57" Lease Well No. 1 was completed February 24, 2000 through perforations from 9,185' to 9,234' subsurface depth. The well potential at 486 BOPD, 192 MCF of gas per day, no water with a gas-oil ratio (GOR) of 395:1.

The subject well was tested over a 30-day period with the following results:

OIL BPD	WATER BPD	GAS MCFD	TBG PSIG	GOR CF/BO	WOR BW/BO
553	0	494	1925	892	-
1096	0	822	1775	749	-
1507	0	1086	1300	721	-
1924	0	1337	1000	716	-
1961	0	1445	651	737	-

An MER of 2000 BOPD will not cause the waste of reservoir energy and will not result in the loss of hydrocarbon reserves. The gas-oil ratio is not relatively rate sensitive

It is proposed that the oil and casinghead gas produced in excess of the assigned allowable be canceled. The overage for oil production is estimated as of April 22, 2000 as being 48,950 barrels and the casinghead gas is 11,266 MCF.

#### FINDINGS OF FACT

1. Notice of this application was given to all persons entitled to notice at least ten (10) days prior to the hearing.
2. There was no protest of the application.
3. The Amacker-Tippett (Wolfcamp) Field was discovered in May 1977 by completion at a depth of 9,218' subsurface depth.
  - a. Special field rules provide for minimum well spacing of 660'/1320', 160 acre proration units with optional 80 acre density and 100% acreage allocation.
  - b. The proration schedule indicates a top allowable for a well in the field is 435 BOPD.
  - c. This is a multi-operator field with 36 wells.
4. The EOG Resources, Half "57" Lease Well No. 1 was completed February 24, 2000 through perforations from 9,185' to 9,234' subsurface depth.
5. An MER of 2000 BOPD will result in the efficient use of reservoir energy and will not result in a decrease in the ultimate recovery of hydrocarbons.
  - a. The subject well was tested over a 30-day period with the following results:

OIL BPD	WATER BPD	GAS MCFD	TBG PSIG	GOR CF/BO	WOR BW/BO
553	0	494	1925	892	-
1096	0	822	1775	749	-
1507	0	1086	1300	721	-
1924	0	1337	1000	716	-
1961	0	1445	651	737	-

- b. The gas-oil ratio is not relatively rate sensitive.
6. It is proposed that the oil and casinghead gas that was produced in excess of the assigned allowable be canceled.
- a. Canceling the overproduction will not harm correlative rights.

### CONCLUSIONS OF LAW

1. Notice of this hearing was provided in accordance with all applicable regulatory statutes and rules.
2. All things have occurred or been accomplished to afford the Commission the jurisdiction to consider and decide this matter.
3. Consideration and approval of this application for a MER is a matter properly within the jurisdiction of the Commission to foster conservation and prevent waste.
4. Approval of the proposed application of will foster conservation and will not cause waste.
5. Cancellation of the oil production in excess of the assigned allowable will not harm correlative rights.

### EXAMINER'S RECOMMENDATION

It is recommended that the application of EOG Resources for an MER of 2000 BOPD for the Halff "57" Well No. 1 in the Amacker-Tippett (Wolfgang) Field be approved. It is further recommended that the oil and casinghead gas produced in excess of the assigned allowable should be canceled for the subject well.

Respectfully submitted,

Thomas H. Richter, P.E.  
Technical Examiner  
Office of General Counsel