

THE APPLICATION OF MEADCO PROPERTIES TO ESTABLISH AN MER FOR THE SUGG 1903 "A" NO. 1 IN THE TOM KETCHUM (WOLFCAMP REEF) FIELD, IRION COUNTY, TEXAS

Heard by: Donna K. Chandler on August 17, 2000

Appearances:

Pat Drexler
David Cotner

Representing:

Meadco Properties (by phone)

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Meadco Properties requests approval of an MER of 225 BOPD for its Sugg 1903 "A" No. 1 in the Tom Ketchum (Wolfcamp Reef) Field. In addition, it is requested that all overproduction for the subject well be canceled.

The application is unopposed and the examiner recommends approval of the requested MER and cancellation of overproduction.

DISCUSSION OF EVIDENCE

The Tom Ketchum (Wolfcamp Reef) Field was discovered in February 2000 upon completion of the Sugg 1903 "A" No. 1 by Meadco Properties. No other wells have been completed in the field. Meadco does not intend to drill additional wells in the field. The current allowable in the field is 200 BOPD, which is the discovery allowable for this depth. The field operates under Statewide rules.

The Sugg 1903 "A" No. 1 produced 193 BOPD, 86 MCFD and 13 BWPD on initial test. The well produces from perforations at 6,470 feet to 6,528 feet. Cumulative production through July 2000 is approximately 35,000 BO.

The Sugg 1903 "A" No. 1 was tested in July 2000 at various rates. The results of the testing is summarized as follows:

<u>choke</u>	<u>oil</u>	<u>gas</u>	<u>gor</u>
12/64"	240	331	1,380 cu ft/bbl
10/64"	117	166	1,419 cu ft/bbl
8/64"	84	96	1,145 cu ft/bbl
12/64"	245	309	1,263 cu ft/bbl

The producing gas-oil ratio is constant regardless of producing rate. The ratio was slightly lower at the 8/64" rate, but production was erratic during the test at that rate, with rates ranging from 66 BOPD to 98 BOPD. Meadco requests an MER of 225 BOPD even though the well was tested at higher rates.

The Sugg 1093 "A" lease is overproduced approximately 5,000 BO. It is requested that all overage be canceled.

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 Tom Ketchum (Wolfcamp Reef) Field was discovered in February 2000 upon completion of the Sugg 1903 "A" No. 1 by Meadco Properties.
3. No other wells have been completed in the field and Meadco does not intend to drill additional wells in the field.
4. The current allowable in the field is 200 BOPD and 400 MCFD.
5. Cumulative production from the Sugg 1903 "A" No. 1 is 35,000 BO through July 2000.
6. The producing gas-oil ratio for the Sugg 1903 "A" No. 1 is constant at 1,200-1,400 cubic feet per barrel, regardless of producing rate. The rate was more erratic at the lowest test rate of approximately 84 BOPD.
7. The Sugg 1903 "A" lease is overproduced approximately 5,000 BO.

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 225 BOPD and cancellation of overproduction for the Sugg 1903 "A" No. 1 in the Tom Ketchum (Wolfcamp Reef) 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 225 BOPD for the Sugg 1903 "A" No. 1 in the Tom Ketchum (Wolfcamp Reef) Field and that all accumulated overproduction for this well be canceled.

Respectfully submitted,

Donna K. Chandler
Technical Examiner