

**OIL AND GAS DOCKET NO. 7C-0257096**

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**THE APPLICATION OF SOUTHWEST ROYALTIES, INC TO ESTABLISH AN MER FOR THE BARNETT-AMACKER LEASE WELL NO. 9 IN THE SPRABERRY (TREND AREA) FIELD, UPTON COUNTY, TEXAS**

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**Heard by:** Richard D. Atkins, P.E. - Technical Examiner

**Hearing Date:** June 30, 2008

**Appearances:**

Dick Marshall  
Greg Cloud

**Representing:**

Southwest Royalties, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Southwest Royalties, Inc. requests an MER of 400 BOPD for its Barnett-Amacker Lease Well No. 9 in the Spraberry (Trend Area) Field, Upton County, Texas. Southwest also requests that all accumulated overproduction be cancelled for the well.

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

**DISCUSSION OF EVIDENCE**

The Barnett-Amacker Lease Well No. 9 was completed in the Spraberry (Trend Area) Field in April 2008 with perforations between 9,030 feet and 9,050 feet. On initial test, the well flowed on a 12/64" choke at a rate of 163 BOPD and 97 MCFGPD. The top allowable in the field is 121 BOPD, with an allowable gas-oil ratio of 4,000 cubic feet per barrel.

The Spraberry (Trend Area) Field is an oil field in which Southwest Royalties, Inc. is one of 127 operators in the field. There are approximately 10,529 oil wells on the proration schedules. The average production from each oil well is 3.7 BOPD and 11

MCFGPD. Cumulative production from the field is nearly one billion BO and 3.5 TCFG. Southwest Royalties, Inc. only operates Well No. 9 on the Barnett-Amacker Lease in the Spraberry (Trend Area) Field. Henry Petroleum LP operates two other wells within a one mile radius of the subject lease.

The Barnett-Amacker Lease Well No. 9 was tested at various rates during April, May and June to determine rate sensitivity. The choke was adjusted incrementally from a 12/64" to a 22/64" and the producing rate varied between 117 BOPD and 611 BOPD, on average, with a top rate of 983 BOPD. The gas-oil ratio was very constant, ranging only from 670 cubic feet per barrel to 1,081 cubic feet per barrel. The lowest GOR of 670 cubic feet per barrel was obtained while producing the well at an oil rate of approximately 400 BOPD.

Southwest requests an MER of 400 BOPD for the Barnett-Amacker Lease Well No. 9 and cancellation of any overproduction that may exist.

#### **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 Barnett-Amacker Lease Well No. 9 was completed in the Spraberry (Trend Area) Field in April 2008 with perforations between 9,030 feet and 9,050 feet. On initial test, the well flowed on a 12/64" choke at a rate of 163 BOPD and 97 MCFGPD.
3. The top allowable in the field is 121 BOPD, with an allowable gas-oil ratio of 4,000 cubic feet per barrel.
4. The Barnett-Amacker Lease Well No. 9 is a flowing well and is not rate sensitive. When the rate was varied between 117 BOPD and 611 BOPD, the gas-oil ratio was very constant, ranging only from 670 cubic feet per barrel to 1,081 cubic feet per barrel.
5. The lowest GOR of 670 cubic feet per barrel was obtained while producing the well at an oil rate of approximately 400 BOPD.
6. Producing the Barnett-Amacker Lease Well No. 9 at rates up to 400 BOPD will not cause waste.

#### **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 400 BOPD and cancellation of overproduction for the Barnett-Amacker Lease Well No. 9 in the Spraberry (Trend Area) Field will not cause waste and will not harm correlative rights.

**RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiner recommends approval of an MER of 400 BOPD and cancellation of overproduction for the Barnett-Amacker Lease Well No. 9 in the Spraberry (Trend Area) Field, Upton County, Texas.

Respectfully submitted,

Richard D. Atkins, P.E.  
Technical Examiner