

OIL AND GAS DOCKET NO. 08-0247077

THE APPLICATION OF HUNT OIL COMPANY TO ESTABLISH AN MER FOR THE DEFORD-WHITE OIL UNIT WELL NO. 1 IN THE BLOCK A-34 (GLORIETA) FIELD, ANDREWS COUNTY, TEXAS

Heard by: Donna K. Chandler on May 9, 2006

Appearances:

Rick Johnston

Representing:

Hunt Oil Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Hunt Oil Company requests an MER of 225 BOPD for its Deford-White Oil Unit Well No. 1 in the Block A-34 (Glorieta) Field. Hunt 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 Deford-White Oil Unit Well No. 1 was initially completed in the Block A-34 (Glorieta) Field in 1988. The well is perforated between 5,972 feet and 5,984 feet and has produced on rod pump since initial completion. The top allowable in the Block A-34 (Glorieta) Field is 142 BOPD and 284 MCFD.

In mid-2004, the well was worked over and produced only 30 BOPD when returned to production. Through 2005, production continued to steadily increase to about 150 BOPD and 600 BWPD. Oil cut also increased over this time period from about 3% to about 20%. In November 2005, the fluid level in the well was determined to be 1,621 feet from surface. A larger pump was installed in December 2005, and production increased to about 200 BOPD, with oil cut at approximately 26%. The fluid level in March 2006 was at 3,700 feet. On several days in 2006, the well has produced over 200 BOPD. Hunt requests an MER of 225 BOPD for the well.

In 2001, two other wells in the field were granted MER authority. The J. M. White No. 3 was granted an MER of 200 BOPD and the J. M. White No. 4 was granted an MER of 270 BOPD.

The subject lease is overproduced approximately 3,619 BO as of April 1, 2006. 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 Deford-White Oil Unit No. 1 was completed in 1988 and has produced on rod pump since that time.
3. The top allowable in the Block A-34 (Glorieta) Field is 142 BOPD.
4. Prior to the installation of a larger pump in December 2005, the well produced at a rate of about 150 BOPD and 600 BWPD. At that rate, the fluid level in the well was about 1,700 feet below surface.
5. After installation of the larger pump, the well is capable of producing over 200 BOPD and the fluid level is at about 3,700 feet below surface. Oil cut after installation of the larger pump has increased.
6. The subject lease is overproduced approximately 3,619 BO as of April 1, 2006.

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 Deford-White Oil Unit Well No. 1 in the Block A-34 (Glorieta) 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 and cancellation of overproduction for the Deford-White Oil Unit No. 1 in the Block A-34 (Glorieta) Field.

Respectfully submitted,

Donna K. Chandler
Technical Examiner