

THE APPLICATION OF CONOCOPHILLIPS COMPANY TO ESTABLISH AN MER FOR THE QUEENBEE WELL NO. 2 IN THE EMBAR (DEVONIAN) FIELD, ANDREWS COUNTY, TEXAS

Heard by: Andres J. Trevino, P.E. on December 11, 2006

Appearances:

Jamie Nielson
Greg Cloud

Representing:

ConocoPhillips Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

ConocoPhillips Company requests an MER of 500 BOPD for its Queenbee Well No. 2 in the Embar (Devonian) Field. ConocoPhillips 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 Queenbee Well No. 2 was initially completed in the Embar (Devonian) Field in August 2006. The well is perforated between 8582 feet and 9,169 feet and produced on rod pump upon initial completion at a rate of 69 BOPD, 1BWPD and 113 MCFPD before fracture stimulation. The top allowable in the Embar (Devonian) Field is 197 BOPD and 394 MCFD.

In September 2006, the well was acidized/fractured stimulated and produced 106 BOPD, 316 BWPD (frac fluids) and 59 MCFPD when returned to production. Through October 2006, oil production continued to steadily increase to about 524 BOPD, water production decreased to 1 BWPD and gas increased to 597MCFPD. The GOR decreased from about 1,600 before the stimulation to about 1,100 after the stimulation. In November 2006, oil production stabilized at 500 BOPD and the GOR remained constant at 1,100. ConocoPhillips requests an MER of 500 BOPD for the well.

The subject lease is overproduced approximately 9,324 BO as of November 30, 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 Queenbee Well No. 2 was completed in August 2006 and has produced on rod pump initially then has flowed since the well was acidized/fractured stimulated.
3. The top allowable in the Embar (Devonian) Field is 197 BOPD.
4. Prior to the acidized/fractured stimulation in September 2006, the well produced at a rate of about 69 BOPD and 1 BWPD.
5. After the acidized/fractured stimulation, the well is capable of flowing over 500 BOPD.
 - a. The well is equipped with a pumpjack, rods and a downhole pump while it is flowing up the tubing and casing annulus.
 - b. The downhole rod pump is used to agitate the well to flow.
6. The subject lease is overproduced approximately 9,324 BO as of November 30, 2006.
 - a. Cancellation of over production 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 500 BOPD and cancellation of overproduction for the Queenbee Well No. 2 in the Embar (Devonian) 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 500 BOPD and cancellation of overproduction for the Queenbee Well No. 2 in the Embar (Devonian) Field.

Respectfully submitted,

Andres J. Trevino, P.E.
Technical Examiner