

July 12, 2005

OIL & GAS DOCKET NO. 8A-0242811

**APPLICATION OF GREAT WESTERN DRILLING COMPANY TO CONSIDER AN
MER FOR THE C&H "13" LEASE WELL NO. 1 IN THE LINKER (CLEARFORK)
FIELD, HOCKLEY COUNTY, TEXAS**

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

DATE OF HEARING: June 30 2005

APPEARANCES:

Sam Roberts (via phone)
George C. Neale, attorney

REPRESENTING:

Great Western Drilling Co.
S.K Rogers Oil, Inc.

EXAMINER'S REPORT AND RECOMMENDATION
STATEMENT OF THE CASE

This is the unopposed application of Great Western Drilling Company for Commission consideration for C&H "13" Lease Well No. 1 for an MER of 203 BOPD. It is also proposed that all oil production in excess of the assigned allowable be canceled effective the date of the Order. The examiner recommends approval.

DISCUSSION OF THE EVIDENCE

The Linker (Clearfork) Field was discovered in 1961 at 7,162' subsurface depth. The field is governed by Special Field Rules and the MER allowable for a well in the field is 121 BOPD. This is a large multi-operator multi-well field.

The Great Western Drilling Co., C&H "13" Lease Well No. 1 was completed February 9, 2005 through two sets of perforations from 7,066' to 7,340' and 6,837' to 6,985' subsurface depth. The well potentialled at 125 BOPD, 20 MCFD and 3 BWPD. The well produces using artificial lift. Since initial completion, the well has cumulative production of 14,100 BO.

An MER of 203 BOPD will not result in reduction of the ultimate recovery of reserves. The well was tested at three different rates by changing pump rate and stroke length. The lowest average rate was 110 BOPD, 17 MCFD and 3 BWPD and a GOR of 151:1. The second average rate was 167 BOPD, 25 MCFD and 3 BWPD and a GOR of 152:1. The third average rate was 203 BOPD, 26 MCFD and 4 BWPD and a GOR of 127:1. The well is not rate sensitive.

It is proposed that the oil produced in excess of the assigned allowable on the C&H "13"

Lease (68765) be canceled. It is estimated that the overproduction through June 2005 is 7838 BO.

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 Linker (Clearfork) Field was discovered in 1961 at 7,162' subsurface depth.
 - a. The field is governed by Special Field Rules and the MER allowable for a well in the field is 121 BOPD.
 - b. This is a large multi-operator multi-well field.
4. The Great Western Drilling Co., C&H "13" Lease Well No. 1 was completed February 9, 2005 through two sets of perforations from 7,066' to 7,340' and 6,837' to 6,985' subsurface depth.
 - a. The well potentialized at 125 BOPD, 20 MCFD and 3 BWPD.
 - b. The well produces using artificial lift.
5. An MER of 203 BOPD will not result in reduction of the ultimate recovery of reserves.
 - a. The well was tested at three different rates by changing pump rate and stroke length.
 - b. The lowest average rate was 110 BOPD, 17 MCFD and 3 BWPD and a GOR of 151:1.
 - c. The second average rate was 167 BOPD, 25 MCFD and 3 BWPD and a GOR of 152:1.
 - d. The third average rate was 203 BOPD, 26 MCFD and 4 BWPD and a GOR of 127:1.
 - e. The well is not rate sensitive.
6. 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 is a matter properly within the jurisdiction of the Commission to foster conservation and prevent waste.
4. Approval of the proposed application of Great Western Drilling Company for an MER for the C&H "13" Lease Well No. 1 will not harm correlative rights nor 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 Great Western Drilling Company for an MER of 203 BOPD for the C&H "13" Lease Well No. 1 be approved. It is further recommended that the oil produced in excess of the assigned allowable for the C&H "13" Lease (68765) be canceled.

Respectfully submitted,

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