

**THE APPLICATION OF CLARK, JOHN M. INC. TO ESTABLISH AN MER FOR THE SEABEAN LEASE, WELL NO. 1 IN THE SEMINOLE, NORTH (SAN ANDRES) FIELD, GAINES COUNTY, TEXAS**

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**Heard by:** Andres J. Trevino, P.E. on February 3, 2011

**Appearances:**

Dale E. Miller

**Representing:**

John M. Clark, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

John M. Clark, Inc. requests an MER of 150 BOPD for its Seabeam No. 1 in the Seminole, North (San Andres) Field. John M. Clark, Inc. 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 Seabeam No. 1 was completed in April 2010 in the San Andres formation by John M. Clark. The well is completed at a depth of 5,591 feet. The well had an initial potential of 80 BOPD and 50 BWPD as a flowing well initially. The top allowable in the field is 82 BOPD.

The Seabeam No. 1 is currently producing with a rod pumping unit. The pumping rate was decreased to produce within the allowable of 82 BOPD. The clock timers were reduced from 24 hrs, 20 hrs to 14 hrs per day operating time. The average oil rate for the well decreased to 99 to 76 BOPD. The producing gas-oil ratio is low between 142 to 430 scf/bbl during the tests. The GORs declined as the well was produced at higher rates. The WOR decreased from 35% to 8% as oil rates were increased during the test. John M. Clark believes that producing the well at capacity (up to 150 BOPD) will not harm the reservoir. Cumulative overproduction is estimated to be 2,654 BO for the well. 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 Seabean No. 1 was completed in April 2010 as a flowing well with an initial potential of 80 BOPD and 50 BWPD.
3. The top allowable for the Seminole, North (San Andres) Field is 82 BOPD.
4. The Seabean No. 1 initially was a flowing well but currently produces with rod pumping unit.
  - a. The maximum oil rate of 131 BOPD was produced in January 2011.
  - b. The wells were tested by decreasing the pumping unit's operating time from 24 hrs per day to 14 hrs per day.
  - c. The producing gas-oil ratio is low, 142-430 cubic feet per barrel and declines at higher producing rates. The WOR remain the lowest at the higher production rates.
5. Producing the Seabean No. 1 at rates up to 150 BOPD will not cause waste.
6. The subject lease is overproduced approximately 2,654 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 150 BOPD and cancellation of overproduction for the Seabean No. 1 for the Seminole, North (San Andres) 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 150 BOPD and cancellation of overproduction for the Seabean No. 1 for the Seminole, North (San Andres) Field.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner