

**OIL AND GAS DOCKET NO. 09-0235352**

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**THE APPLICATION OF WEST BAY EXPLORATION COMPANY TO ESTABLISH AN MER FOR THE SICKING "B" LEASE, CAHOON (ELLENBURGER) FIELD, COOKE COUNTY, TEXAS**

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**Heard by:** Margaret Allen, Technical Hearings Examiner

**Procedural history**

Application received: June 13, 2003

Hearing held: September 8, 2003

**Appearances**

Rick Johnston

Representing:

West Bay Exploration Co.

**EXAMINERS' REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

West Bay Exploration Company ("West Bay") wants to produce its Sicking "B" Lease Well No. 1, Cahoon (Ellenburger) Field, Cooke County, Texas, at a daily rate of 120 barrels of oil.

**DISCUSSION OF THE EVIDENCE**

West Bay's Sicking Lease Well No. 1 was the discovery well for the Cahoon (Ellenburger) Field in November of 2000. The Sicking "B" Lease Well No. 1 was completed in March of 2001, and had an initial potential of 80 BOPD and 20 MCF/D, with no water. The discovery allowable of 100 BOPD expired in November of 2002, and the Sicking "B" No. 1 has since acquired about 3800 BO of overproduction. The yardstick allowable for wells at this depth is 78 BOPD.

The two-well field is located on a small structure and has a water drive. The Sicking No. 1 is structurally lower and is already producing about 90% water, with a potential of only 5 BOPD. The applicant expects eventually to have to install a pump on the Sicking "B" No. 1 but at the moment this well is flowing water-free, through perforations between 2430' and 2440'. The typical flowing tubing pressure is 160 psi on a 10/64th inch choke.

Trial and error has shown that the subject well needs to be treated frequently to maintain production. Every 11 days the well's flowing tubing pressure decreases to about 120 psi and the operator hot oil's the flow line and has a wireline service cut downhole paraffin. The operator opens the choke to clear the paraffin, then returns it to 10/64th inches.

West Bay reported daily production from the Sicking "B" No. 1 between March 30 and May 3, 2003, to show the operational problems. The well flowed 90 to 105 BOPD on a choke of 10/64th inches, with flowing tubing pressure of 160 psi. On April 20th, the choke size was reduced from 10/64th to 8/64th inches at 7:10 AM. The flowing tubing pressure decreased to 80 psi by 11:00 AM

and the well died by 2 PM. A swabbing unit restored production and the choke was returned to 10/64th inches.

On April 30th, 2003, the choke size was reduced from 10/64th inches to 9/64th inches at 7:15 AM. The flowing tubing pressure began decreasing and had dropped to 50 psi by 1:30 PM. The operator pressured the tubing up to 130 psi with air compression and was able to keep the well flowing by opening the choke to 11/64th inches.

The applicant is requesting an MER of 120 BOPD to allow this well to flow as long as possible. No other wells will be drilled on this structure and cancellation of overproduction will not harm correlative rights.

### **FINDINGS OF FACT**

1. Notice of this hearing was issued to West Bay Exploration Company, the only operator of record in the Cahoon (Ellenburger) Field, on July 11, 2003.
2. The Cahoon (Ellenburger) Field was discovered in November, 2000, and had a discovery allowable of 100 BOPD until November 2002.
3. The Sicking "B" No. 1 was perforated from 2430' to 2440' in March, 2001, and tested at an initial rate of 80 BOPD and 20 MCF/D, without water.
4. The top daily allowable for wells at this depth is 78 BO and 156 MCF.
5. The subject well accumulated about 3800 barrels of overproduction after the expiration of the discovery allowable.
6. The subject well produces 90 to 105 BOPD on a choke of 10/64th inches at a flowing tubing pressure of 160 psi.
7. When the choke in the subject well is reduced below 10/64th inches, the well dies and must to swabbed before returning to production.
8. The field has a water drive and eventually the subject well will need to be pumped.
9. At present, the Sicking "B" No. 1 can be produced efficiently on a 10/64th inch choke at rates up to 120 BOPD.
10. Cancellation of this well's overproduction will not harm the correlative rights as the only other active well in the field is nearly watered out.

### **CONCLUSIONS OF LAW**

1. Proper notice was given to all necessary parties as required by applicable statutory and regulatory provisions.

2. All things have been done or occurred to give the Railroad Commission jurisdiction to resolve this matter.
3. Approval of increased oil allowable for the West Bay Exploration Company Sicking "B" Lease Well No. 1, in the Cahoon (Ellenburger) Field will prevent waste and protect correlative rights.
4. Cancellation of the overproduction of the West Bay Exploration Company Sicking "B" Lease Well No. 1, in the Cahoon (Ellenburger) Field, will not harm correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends approval of the request of West Bay Exploration Company to produce its Sicking "B" Lease Well No. 1, in the Cahoon (Ellenburger) Field, at daily rates up to 120 barrels of oil.

Respectfully submitted,

Margaret Allen  
Technical Hearings Examiner