

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 8A-0295517

THE APPLICATION OF PARALLEL PETROLEUM, LLC. TO ESTABLISH AN MER ALLOWABLE FOR THE RIDERS OF DESTINY 1H, IN THE HARRIS (SAN ANDRES FIELD, GAINES COUNTY, TEXAS

HEARD BY: Richard Eyster, P.G. - Technical Examiner
Terry Johnson - Legal Examiner

DATE OF HEARING: April 22, 2015

APPEARANCES:

REPRESENTING:

APPLICANT:

Matthew Baab

Parallel Petroleum, LLC.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Parallel Petroleum, LLC. ("Parallel") requests an MER Allowable of 550 BOPD for its Riders of Destiny 1H, (API No. 42-165- 38058), in the Harris (San Andres) Field. Parallel also requests that all accumulated overproduction for the well be cancelled.

The application is unopposed and the examiners recommend approval of the requested MER Allowable and cancellation of overproduction.

DISCUSSION OF EVIDENCE

The Harris (San Andres) Field was discovered in February 25, 1998 at a depth of 4843 feet. The April 2015 oil proration schedule indicates there are 176 producing oil wells and multiple operators carried on the proration schedule. The top allowable in the field is 305 barrels of oil per day ("BOPD"). Cumulative production from the field through March 2015 is reported to be 5,756,602 barrels of oil and 791,481 cubic feet of natural gas.

Parallel completed the Riders of Destiny 1H, in the subject field on August 25, 2014. The initial potential test was performed on rod pumping. The initial potential test results reported the

subject well produced at 269 BOPD, 118 MCFGPD and 1,144 BWPD.

Current production averages are estimated as 273 BOPD, 119 MCFGPD and 1,315 BWPD. The gas-oil ratio is 438 cubic feet per barrel. Parallel testified it believes allowing the subject well to produce at 550 BOPD will provide optimal recovery of hydrocarbons from the subject field.

Cumulative overproduction for the subject well through April 02, 2015 is approximately 18,036 BO. Parallel requests that all overproduction be canceled. Parallel testified it believes cancellation of overproduction from the subject well is appropriate, as it will not cause waste or harm correlative rights.

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 Harris (San Andres) Field was discovered in February 25, 1998 at a depth of 4843 feet.
 - a. There are 176 producing oil wells and multiple operators carried on the April 2015 oil proration schedule.
 - b. The top allowable in the field is 305 BOPD.
3. Parallel Petroleum, LLC. Completed the Riders of Destiny 1H, (API No. 42-165-38058), in the Harris (San Andres) Field August 25, 2014 The initial potential test was performed on rod pump and reported a production rate of 269 BOPD, 118 MCFGPD and 1,144BWPD.
4. Current production averages are estimated as 273 BOPD, 119 MCFGPD and 1,315 BWPD. The gas-oil ratio is 438 cubic feet per barrel.
5. Increasing the oil allowable for the Ben No. 1 will not effect the ultimate recovery from the well and will not cause waste.
6. Cancellation of overproduction from the Riders of Destiny 1H is appropriate.

CONCLUSIONS OF LAW

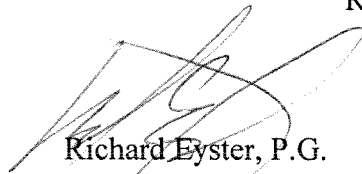
1. Notice of this hearing was given to all persons entitled to notice and no protests were received.

2. All things have occurred or been accomplished to give the Commission jurisdiction in this matter.
3. Approval of an MER Allowable of 550 BOPD and cancellation of the overproduction for the Riders of Destiny 1H, in the Harris (San Andres) Field, will not cause waste and will promote development of the field.


EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission approve an MER Allowable of 550 BOPD and cancel the overproduction for the Riders of Destiny 1H, in the Harris (San Andres) Field, as requested by Parallel Petroleum, LLC

Respectfully submitted,



Richard Eyster, P.G.
Technical Examiner



Terry Johnson
Legal Examiner