

OIL AND GAS DOCKET NO. 7B-0249083

THE APPLICATION OF DALLAS PRODUCTION, INC. TO CONSIDER INCREASED NET GOR AUTHORITY FOR THE BELDING "D" NO. 1 IN THE STRAWN, N. (BEND CONGL.) FIELD, PALO PINTO COUNTY, TEXAS

Heard by: Donna K. Chandler on December 7, 2006

Appearances:

Greg Cloud

Representing:

Dallas Production, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Dallas Production, Inc. requests authority to produce its Belding "D" No. 1 under increased net gas-oil ratio authority. Dallas also requests that all overproduction for the well be canceled.

This application was unopposed and the examiner recommends approval of increased net gas-oil ratio authority with a daily gas limit of 160 MCFD and cancellation of overproduction.

DISCUSSION OF EVIDENCE

The Belding "D" No. 1 was completed in 1985 as a gas well in the Strawn, N. (Bend Congl.) Field with perforations from 3,536 feet to 3,541 feet. In 1998, perforations were added between 3,568 feet and 3,580 feet and the well was reclassified as an oil well. This well is the only producing well on the current oil proration schedule. There are 18 gas wells in the gas field, which is classified as AOF. The top allowable in the oil field is 44 BOPD and 88 MCFD.

The well has produced on rod pump since 1988. The initial potential as an oil well was 25 BOPD, 100 MCFD and 27 BWPD. In 2003, the rods and pump were pulled after mechanical problems. At that time, 1½" tubing was put in the well to increase velocity, and the well began flowing. The well continued to produce at low rates within its assigned allowable until 2005 when Dallas started using soap sticks to aid in unloading liquids. By October 2006, the well was producing an average of 4 BOPD, 135 MCFD and less than 1 BWPD. The highest rate of production recently was 137 MCFD.

The well has accumulated approximately 11,200 MCF of casinghead gas

overproduction as November 1, 2006. Dallas requests that this 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 top allowable in the Strawn, N. (Bend Congl.) Field is 44 BOPD and 88 MCFD.
3. The Belding "D" is the only producing oil well in the Strawn, N. (Bend Congl.) Field. The well had originally been classified as a gas well on initial completion in 1985.
4. The associated gas field has 18 wells and is AOF.
5. In 2003, the rods and pump were pulled after mechanical problems. Dallas installed 1½" tubing in the well to increase velocity.
6. The well produced within its assigned casinghead allowable until 2005 when Dallas started using soap sticks to aid in unloading liquids.
7. The well is capable of producing up to 137 MCFD with 4 BOPD.
8. The well has accumulated approximately 11,200 MCF of casinghead gas overproduction.

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 increased net gas-oil ratio authority with a casinghead gas limit of 160 MCFD for the Belding "D" Well No. 1 in the Strawn, N. (Bend Congl.) Field and cancellation of overproduction will not cause waste and will not harm correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the Belding "D" No. 1 in the Strawn, N. (Bend Congl.) Field be authorized to produce under net gas-oil ratio authority with a daily gas limit of 160 MCFD and that all accumulated overproduction for this lease be canceled.

Respectfully submitted,

Donna K. Chandler
Technical Examiner