RAILROAD COMMISSION OF TEXAS
OFFICE OF GENERAL COUNSEL

February 28, 2001

OIL AND GAS DOCKET NO. 06-0227189

THE APPLICATION OF TEXACO E&P, INC. FOR AN MER ALLOWABLE FOR ITS W. B. RHIDDLEHOOVER OIL UNIT NO. 1, WELL NO. 1, CARTHAGE (T.P. 6400 SW) FIELD, PANOLA COUNTY.

Heard by: Margaret Allen, Technical Hearings Examiner

Procedural history

Application received: January 16, 2001
Hearing held: February 27, 2001

Appearances

	Representing
Sandra Buch	Texaco E&P, Inc.
Gary Kern	
C. Reed Lawrence	

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Texaco E&P is requesting an MER for its W.B. Rhiddlehoover Lease, Well No. 1, in the Carthage (T.P. 6400 SW) Field to allow the well to produce up to 400 BOPD.

DISCUSSION OF THE EVIDENCE

The Carthage (T.P. 6400 SW) Field was discovered in 1976. Thirty-one of the 37 wells in the field are operated by Texaco. The oil allowable of 184 barrels per day is based on the yardstick for wells completed on 80 acres between 6000 and 7000 feet. There are no active gas wells.

The W.B. Rhiddlehoover Oil Unit No. 1, Well No. 1 was completed, under the name of Blankenship Unit Well No. 4, in the Carthage (Cotton Valley) Field in 1989. It was recompleted to the Carthage (T.P. 6400 SW) Field late in December of 2000, with perforations from 6334 to 6344 feet. On December 20, 2000, the initial potential, as indicated on Form W-2, was 151 BOPD

and 91 MCF/D with no water. The well was then fracture-stimulated and retested January 15, 2001. This time the well's potential was measured at 350 BOPD and 447 MCF per day, for a gas/oil ratio of 1277 cubic feet per barrel.

The subject well was step-rate tested between January 23, 2001, and February 13, 2001, to determine if its production is rate-sensitive. Production tests showed that the well can produce at rates higher than the allowable without causing waste. The highest oil rate tested was 396 barrels per day, where the corresponding gas/oil ratio was 1149 cubic feet per barrel.

When tested on a 24/64th inch choke, the average stabilized daily oil rate was 364 BO and daily gas rate was 538 MCF, for a gas/oil ratio of 1478 cubic feet per barrel. When the choke size was decreased to 21/64th inches, the daily average oil rate 351 barrels and gas rate was 464 MCF/D, for a gas/oil ratio of 1323 cubic feet per barrel. The choke size was decreased to 15/64th inches and the average daily rates were 262 barrels of oil and 451 MCF, for a gas/oil ratio to 1722. When the last change in choke size was made to 10/64th inches, the daily rates were 164 BO and 278 MCF, and the gas/oil ratio was 1696 cubic feet per barrel.

The subject well accumulated overproduction during the step-rate test, which Texaco would like canceled. All of the surrounding wells are operated by Texaco, and cancellation of overproduction for the Well No. 1 will not harm correlative rights. Texaco's P.J. McNee Well No. 2 has already received an MER in this field of 425 BOPD, under Oil & Gas Docket No. 06-0213118, on September 10, 1996.

FINDINGS OF FACT

1. Notice of this hearing was mailed to all operators in the Carthage (T.P. 6400 SW) Field, on February 5, 2001, and no one protested.

2. The Carthage (T.P. 6400 SW) Field was discovered in 1976 and 31 of the 37 wells in the field are operated by Texaco.

3. The daily allowable of 184 barrels per day is based on the yardstick for wells completed on 80 acres between 6000 and 7000 feet.

4. The subject well, the W.B. Rhiddlehoover Oil Unit No. 1, Well No. 1 was recompleted to the Carthage (T.P. 6400 SW) Field during December of 2000.

5. After fracture stimulation, Well No. 1 had an initial potential of 350 BOPD and 447 MCF/D, with no water, as measured on January 15, 2001.

6. The W.B. Rhiddlehoover Oil Unit No. 1, Well No. 1 was step-rate tested between January 15 and February 13, 2001, and the results show that it can produce at a daily rate of 400 barrels of oil without causing waste.

a. On a 24/64th inch choke, the average stabilized daily oil rate of the well was 364 BO and the daily gas rate was 538 MCF, for a gas/oil ratio of 1478 cubic feet per barrel.

b. On a choke size of 21/64th inches, the daily average oil rate 351 barrels and gas rate was 464 MCF/D, for a gas/oil ratio of 1323 cubic feet per barrel.

c. On a choke size of 15/64th inches, the average daily rates were 262 barrels of oil and 451 MCF, for a gas/oil ratio to 1722 cubic feet per barrel.

d. On a choke size of 10/64th inches, the daily rates were 164 BO and 278 MCF, and the gas/oil ratio was 1696 cubic feet per barrel.

e. The highest oil rate tested was 396 barrels per day, where the corresponding gas/oil ratio was 1149 cubic feet per barrel.

8. Requiring the well to make up the overproduction that occurred during its step-rate test will not increase ultimate recovery.

9. Texaco operates all of the offsetting wells, and requiring the subject well to make up overproduction is not necessary to protect correlative rights.

CONCLUSIONS OF LAW

1. Proper notice was given as required by statute.

2. All things have been done or occurred to give the Railroad Commission jurisdiction to resolve this matter.

3. The increase in oil allowable for the W.B. Rhiddlehoover Oil Unit No. 1, Well No. 1 will not cause waste and will protect correlative rights within the field.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that the Texaco E&P, Inc. W.B. Rhiddlehoover Oil Unit No. 1, Well No. 1, in the Carthage (T.P. 6400 SW) Field be allowed to produce up to 400 barrels of oil per day. All overproduction for this well should be canceled.

Respectfully submitted,

Margaret Allen
Technical Hearings Examiner

Date of Commission Action: March 20, 2001

Exhibits

1. Map
2. Proration schedule
3. Log
4. Forms W-2
5. Notice to District Office
6. Test data
7. Test data sorted by choke size
8. Graph of test data
9. Prior MER order
10. Requested action