



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 09-0297210

THE APPLICATION OF W. T. WAGGONER ESTATE TO CONSIDER A MER ALLOWABLE FOR THE WAGGONER MINNAS CREEK D LEASE, WELLS D1, AND D2, WILBARGER COUNTY (SPECIAL) FIELD, WILBARGER COUNTY, TEXAS

HEARD BY: Richard Eyster, P.G. – Technical Examiner
Laura Miles - Valdez - Hearings Examiner

REVIEWED BY: Jennifer Cook – Administrative Law Judge

DATE OF HEARING: November 30, 2015

APPEARANCES: **REPRESENTING:**

APPLICANT:

Steve Towns
Nguyen Bao Ngoc

W. T. Waggoner Estate

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the application of W. T. Waggoner Estate ("Waggoner") to consider a most efficient rate (MER) allowable for its Waggoner Minnas Creek D Lease (No. 33012), in the Wilbarger County (Special) Field, Wilbarger County, Texas. Waggoner requests authority to produce 65 BOPD per well, from two wells, the D1 and D2 wells and all future wells on the lease. The request was not protested. The Technical Examiner and Administrative Law Judge, (collectively "Examiners") recommend approval of the 65 BOPD MER allowable and the cancellation of any overproduction.

DISCUSSION OF EVIDENCE

Waggoner completed its Waggoner Minnas Creek D Lease Well No. D1 (API No. 42-487-33019) on July 26, 2014. The vertical well was drilled to a total depth of 2,105 feet, plugged back to 2,096 feet, and produces from a depth interval from 1,928 feet to 1,936

feet. The well produces from a Dyson Sand stratum. On initial 24 hour potential testing, the well produced 70 bbl oil, no gas and no water. The oil has a gravity of 36° API.

Waggoner completed its Well No. D2 (API No. 42-487-33054) on January 22, 2015. The vertical well was drilled to a total depth of 2,075 feet, plugged back to 2,070 feet, and produces from a depth interval from 1,927 feet to 1,936 feet. The well produces from a Dyson Sand stratum. On 24 hour initial potential testing, the well produced 60 bbl oil, no gas and 5 barrels of water. The oil has a gravity of 36° API.

The Wilbarger County (Special) Field currently carries over 250 wells. The top allowable in the field is 16 BOPD.

Waggoner seeks an MER allowable for the subject lease. Waggoner is planning to drill additional wells and fracing and or acidizing the wells in this field. They believe that the Dyson Sand being exploited by the D1 and D2 well will support a higher efficient production rate. The sand interval is about 30 feet thick, and the wells are perforated in the top 8 ft in the D 1 Well and 9 ft. in the D2 Well. The Dyson Sand exhibits a strong bottom water drive. The wells produce no gas and little to no water. Waggoner is requesting an MER allowable of 65 bbl oil per day for the D1 and D2 wells and for all future wells drilled on the 245 acre lease.

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. No protests were received.
2. Waggoner completed its Waggoner Minnas Creek D Lease Well No. D1 (API No. 42-487-33019) on July 26, 2014.
 - a. The vertical well was drilled to a total depth of 2,105 feet, plugged back to 2,096 feet, and produces from a depth interval from 1,928 feet to 1,936 feet
 - b. The well produces from a Dyson Sand stratum.
 - c. On initial potential testing the well produced 70 bbl oil, no gas and no water.
3. Waggoner completed its Well No. D2 (API No. 42-487-33054) on January 22, 2015.

- a. The vertical well was drilled to a total depth of 2,075 feet, plugged back to 2,070 feet, and produces from a depth interval from 1,927 feet to 1,936 feet.
 - b. The well produces from a Dyson Sand stratum.
 - c. On initial potential testing the well produced 60 bbl oil, no gas and 5 barrels of water.
4. The nearest Dyson Sand production is more than two miles to the east.
 5. The Dyson Sand exhibits a strong bottom water drive. The wells produces no gas.

CONCLUSIONS OF LAW

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051.
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.45.
3. An MER allowable of 65 BOPD for the Minnas Creek D Lease (No. 33012) in the Wilbarger County (Special) Field will not cause waste.
4. Cancelling overproduction for the Minnas Creek D Lease will not cause waste.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend approval of a maximum efficient rate allowable of 65 BOPD for wells in the Waggoner Minnas Creek D Lease (No. 33012), in the Wilbarger County (Special) Field, Wilbarger County, Texas. Further, the Examiners recommend that all overproduction in the field be cancelled.

Respectfully submitted,



Richard Eyster, P.G.
Technical Examiner



Jennifer Cook
Administrative Law Judge