



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 10-0299348

THE APPLICATION OF PANTERA ENERGY COMPANY FOR CANCELLATION OF OVERPRODUCTION FOR THE MORTON WELL 1R, MCDOWELL C WELL 7R, TAYS WELL 2R, BRIDGES WELL 1, BURNETT M M WELL 2, B A DONALDSON WELL 2, B A DONALDSON WELL 3R, B A DONALDSON WELL 4, JOHNSON TRACT 3, WELL NO. 1, C R JONES G WELL 1R, NIELD WELL 3, RAGER WELL 2, SANFORD A WELL 1, SUPPES WELL 1R, WARD A WELL 2 R, WEYMOUTH WELL 7F, WEYMOUTH WELL 8R, & WILBAR WELL 5, PANHANDLE (WEST) FIELD, HUTCHINSON AND MOORE COUNTIES, TEXAS

HEARD BY: Richard Eyster, P.G.— Technical Examiner
Jennifer Cook — Administrative Law Judge

HEARING DATE: March 1, 2016

CONFERENCE DATE: August 24, 2016

APPEARANCES:

REPRESENTING:

APPLICANT:

Pantera Energy Company

David Gross
Jason Herrick

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the application of Pantera Energy Company (Pantera) to cancel the overproduction from the Morton Well 1R, McDowell C Well 7R, Tays Well 2R, Bridges Well 1, Burnett M M Well 2, B A Donaldson Well 2, B A Donaldson Well 3R, B A Donaldson Well 4, Johnson Tract 3, Well No. 1, C R Jones G Well 1R, Nield Well 3, Rager Well 2, Sanford A Well 1, Suppes Well 1R, Ward A Well 2 R, Weymouth Well 7F, Weymouth Well 8R, & Wilbar Well 5, Panhandle (West) Field, Hutchinson and Moore Counties, Texas.

Pantera is requesting that the overproduction from their eighteen wells in this field be canceled. All persons entitled to notice received notice of the hearing. The application

is not protested. The Technical Examiner and the Administrative Law Judge, (collectively the "Examiners") recommend approval of Pantera's request to cancel the overproduction

DISCUSSION OF THE EVIDENCE

The Panhandle, West Field was discovered in February 1933 at an average depth of 4,164 feet. The field is classified as non-associated-prorated and there are 2,532 producing gas wells and approximately 150 operators carried on the proration schedule. Pantera is one of the operators in the field. Most of the wells in the field produce at rates below 100 MCFGPD.

At the hearing, Pantera contended that the eighteen wells have not exceeded the production limits established by the Commission, but are in a technically overproduced status due to the sequence in which the G-10 tests for the wells were processed in 2013.

After the March 1, 2016 hearing, Pantera sent a letter dated March 10, 2016, advising the Examiners that since the hearing eight of the eighteen wells have become significantly underproduced and no longer have any overproduction and requested no action be taken on these wells.

The eight underproduced wells are:

Well Name	Underproduction as of 3/1/2016
Bridges No. 1	-1,219, Mcf
Burnett MM 2	- 3,284 Mcf
McDowell C 7R	- 4,414 Mcf
Morton 1R	- 3,394 Mcf
Nield 3	- 4,269 Mcf
Tays 2R	- 5,842 Mcf
Ward A 2R	- 9,744 Mcf
B A Donaldson 4	0 Mcf

However, due to Commission delays in processing of the G-10 tests, ten of Pantera's wells are over-produced by a total of approximately 212,732 Mcf. Pantera is requesting that all of the over-production for the remaining ten subject wells be canceled. For December 2015 the reservoir market demand was 4,022,850 Mcf. Pantera stated that there was a 100% market demand for all of the gas produced from the field by Pantera.

Pantera is now requesting cancellation of the overproduction from only the ten wells listed below:

Well Name	Over Production as of 3/1/2016
B A Donaldson Well 2	6,360 Mcf
B A Donaldson Well 3R	50,030 Mcf
Johnson Tract 3 Well No. 1	6,092 Mcf
C R Jones G Well 1R,	7,762 Mcf
Rager Well 2	860 Mcf
Sanford A Well 1	5,520 Mcf
Suppes Well 1R	14,117 Mcf
Weymouth Well S 7F	45,801Mcf
Weymouth Well 8R,	35,321 Mcf
Wilbar Well 5	40,869 Mcf

FINDINGS OF FACT

1. Notice of this hearing was given to all operators in the Panhandle, West Field at least ten days prior to the date of hearing.
2. The Panhandle, West Field was discovered in February 1933 at an average depth of 4,164 feet.
 - a. The field is classified as non-associated-prorated and there are 2,532 producing gas wells and approximately 150 operators carried on the proration schedule.
 - b. Pioneer is one of the 150 operators in the field.
 - c. For December 2013 the reservoir market demand was 3,365,984 Mcf.
 - d. Most of the wells in the field produce at rates below 100 MCFGPD.
3. Due to and Commission delays in G-10 test processing, ten of Panteras wells are over-produced by a total of approximately 212,732 Mcf.

4. There is a 100% market demand for all of the gas produced from the field by Pantera.

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. Cancellation of the overproduction for the ten wells will not harm correlative rights and will prevent waste.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission approve Panteras request to cancel the overproduction for the ten wells in the Panhandle (West) Field, Hutchinson and Moore Counties, Texas.

Respectfully submitted,



Richard Eyster, P.G.
Technical Examiner



Jennifer Cook
Administrative Law Judge