

Railroad Commission of Texas

OIL AND GAS DIVISION

ARTHUR H. BARBECK
Chief Engineer



AUSTIN, TEXAS

COMMISSIONERS
JIM C. LANGDON
Chairman
BEN RAMSEY
BYRON TUNNELL
FRED OSBORNE, Secretary

September 17, 1968

MEMORANDUM TO THE COMMISSION:

DOCKET NO. 6-58,778

IN RE:

The Application of McAlester Fuel Company for Exception to the Requirement of Conclusive Casing Pressure Data Before Transfer of Allowable as a Casing Leak Well on its D. Bradford, Well No. 2, East Texas Field, Rusk County, Texas

DATE OF HEARING:

August 29, 1968

APPEARANCES:

J. V. Robinson and C. A. Dillard
for McAlester Fuel Company

McAlester Fuel Company is requesting permission to classify its D. Bradford, Well No. 2 as a "casing leak" well and to transfer the top allowable of 20 BOPD to the D. Bradford, Well No. 1, located on the same lease, effective July 1, 1968.

On June 18, 1968, McAlester Fuel Company filed Form S-10 with the Commission's District Office in Kilgore, along with other supporting evidence, to request classification of their D. Bradford as a "casing leak" well and to transfer the allowable to the D. Bradford, Well No. 1.

Prior to this date, McAlester Fuel Company had, in the presence of Commission personnel, cemented off the perforations in the D. Bradford, Well No. 2, and 24 hours later on June 14, 1968, had pressure tested the casing three separate times. The well would not take fluid and maximum pressure drop was 240 psi over a period of 33 minutes. The Commission's District Office in Kilgore felt that this was not sufficient proof of casing leak and recommended that the application not be approved administratively.

The applicant's witness testified that as far back as 1965, they had experienced trouble due to mud, and that several times during the intervening years as the well pump was serviced, evidence was found of mud damage to the pump. On June 10, 1968, an attempt was made to service the well and it was found that the tubing was stuck at approximately 2400'. In the witness' opinion, the casing has collapsed at

approximately 2400' and the well cannot be cleaned out and returned to production without considerable expense. The witness feels that it would be more economical to drill a new well than to try to clean out this well inside 5" casing. Based on the remaining life of this portion of the field, which is estimated to be from five to seven years, a new well could not reach payout. The applicant requests that the subject well be classified as a "casing leak" well with the allowable transferred to the D. Bradford, Well No. 1, effective July 1, 1968, which is the date the transfer would normally have been effective had the application been approved administratively. The applicant named several other wells in the area which have previously been approved as casing leak wells.

Based on the evidence presented, it is the writer's opinion that the history of mud damage to the pump and mud recovered during bailing operations in the well, as well as the pressure drop during the casing test, is indicative of a casing leak, and it is the writer's recommendation that the application be approved.

This hearing was not protested.

Respectfully submitted,

J. C. Herring

J. C. Herring
Senior Staff Engineer

JCH:jms

RECOMMENDATION APPROVED:

RECOMMENDATION DENIED:

<u><i>W. Barbuck</i></u>	CHIEF ENGINEER	_____
<u><i>JCF</i></u>	CHAIRMAN	_____
<u><i>SB</i></u>	COMMISSIONER	_____
_____	COMMISSIONER	_____

DCA: 9-24-68

EFFECTIVE: 7-1-68