



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 7B-0309437**

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**THE APPLICATION OF FORZA OPERATING, LLC (278837) TO CONSIDER A NET GAS-OIL RATIO AND CANCEL OVERPRODUCTION FOR THE BROWN (32178) LEASE, TAYLOR COUNTY REGULAR FIELD, TAYLOR COUNTY, TEXAS**

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**HEARD BY:** Karl Caldwell – Technical Examiner  
Jennifer Cook – Administrative Law Judge

**HEARING DATE:** May 16, 2018  
**CONFERENCE DATE:** August 21, 2018

**APPEARANCES:** **REPRESENTING:**

**APPLICANT:**

Chase Menard, Operations Engineer

Forza Operating, LLC

### **EXAMINERS' REPORT AND RECOMMENDATION**

#### **STATEMENT OF THE CASE**

Forza Operating, LLC ("Forza") requests to increase the net-gas allowable and cancel overproduction for the Brown (32178) Lease, Taylor County Regular Field, Taylor County, Texas. Notice of the application was provided to all operators on the proration schedule for the field, and the application is unopposed. At the hearing, the Technical Examiner and Administrative Law Judge (collectively "Examiners"), informed the applicant that the Examiners would take official notice of the proration schedule for the subject field. The Examiners recommend approval of the application.

#### **DISCUSSION OF THE EVIDENCE**

There is currently only one well producing on the Brown (32178) Lease, Well No. 1 (API No. 42-441-34554). The well is currently being produced with a traditional downhole pump. Gas is being flowed up the casing-tubing annulus and through the

separator, while the liquids are produced up the tubing. Chase Menard, Forza's operations engineer, testified that it is not mechanically possible to restrict the well. The well is currently producing 6 BOPD and 180 Mcfd of casinghead gas. The initial potential of the well as reported on Form W-2 on May 28, 2017, showed a gas-oil ratio (GOR) of 14,944:1. Forza has received a cumulative oil and casinghead gas overproduction letter from the Commission due to a high GOR. The GOR for the field as established by Statewide Rule 49 is 2,000:1. As a result, the well has accumulated overproduction.

With the current oil and gas production, Forza is concerned that if they attempt to restrict the tubing at the surface, the gas may lock up the downhole pump and inhibit fluid from being effectively lifted. The Brown No. 1 well was hydraulically fracture stimulated with approximately 100,000 lb of 20/40 proppant and around 2,000 bbl of total fluid. If Forza is required to shut-in the well, it may damage the proppant pack and stress the reservoir, reducing the EUR. Forza is requesting a net GOR of 220 Mcfd for the Brown Lease, which will allow wells on the Brown Lease to produce 20 to 25 BOPD without being penalized by the associated gas produced with the oil. Forza also requests cancellation of overproduction for the subject lease.

Forza agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be effective on the date a Master Order relating to this Final Order is signed.

#### **FINDINGS OF FACT**

1. Notice of the application was provided to operators in the Taylor County Regular Field at least ten (10) days prior to the date of the hearing, and no protests were received.
2. Forza Operating, LLC (Forza) requests to increase the net-gas allowable and cancel overproduction for the Brown (32178) Lease, Taylor County Regular Field, Taylor County, Texas.
3. There is currently only one well producing on the Brown (32178) Lease, Well No. 1 (API No. 42-441-34554).
4. The GOR for the field is 2,000:1.
5. The initial potential of the well as reported on Form W-2 on May 28, 2017 showed a gas-oil ratio (GOR) of 14,944:1.
6. The well is currently being produced with a traditional downhole pump, and it is not mechanically possible to restrict the well.

7. The well is currently producing 6 BOPD and 180 Mcfd of casinghead gas.
8. Forza has received a cumulative oil and casinghead gas overproduction letter from the Commission due to a high GOR.
9. With the current oil and gas production, Forza is concerned that if they attempt to restrict the tubing at the surface, the gas may lock up the downhole pump and inhibit fluid from being effectively lifted.
10. The Brown No. 1 well was hydraulically fracture stimulated with approximately 100,000 lb of 20/40 proppant and around 2,000 bbl of total fluid. If Forza is required to shut in the well, it may damage the proppant pack and stress the reservoir, reducing the EUR.
11. Forza is requesting a net GOR of 220 Mcfd for the Brown Lease and cancellation of all overproduction.
12. Forza agreed, that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order shall be final and effective on the date a Master Order relating to this Final Order is signed.

#### **CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of an increased net gas-oil ratio authority and cancellation of all overproduction for the Brown Lease in the Taylor County Regular Field will prevent waste.
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the consent of the applicants, this Final Order can be final and effective when a Master Order relating to this Final Order is signed.

#### **EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Brown (32178) Lease, Taylor County Regular Field, be authorized to produce under increased net gas-oil ratio authority with a casinghead gas limit of 220

Mcf per day, and all overproduction for Brown (32178) Lease, Taylor County Regular Field, Texas be cancelled.

Respectfully submitted,



Karl Caldwell  
Technical Examiner



Jennifer Cook  
Administrative Law Judge