



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 03-0318564

APPLICATION OF PETRODOME OPERATING, LLC (660286) FOR NET GAS-OIL RATIO FOR THE SW RIVERSIDE UNIT, WELL NO. 1, SOUTHWEST RIVERSIDE (HACKBERRY) FIELD, ORANGE COUNTY, TEXAS

HEARD BY: John L. Moore, Technical Examiner
Ezra A. Johnson, Administrative Law Judge
(collectively "Examiners")

HEARING DATE: May 28, 2019

CONFERENCE DATE: June 18, 2019

APPEARANCES: Don Rhodes, Consulting Agent Petrodome Operating, LLC
Troy Miller, Operation Manager

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Petrodome Operating, LLC (660286) ("Petrodome") seeks a net gas-oil ratio ("Net GOR") with a daily casinghead gas limit of 600 thousand cubic feet per day ("Mcf/d") and the cancellation of overproduction for the SW Riverside Unit, Well No. 1, in the Southwest Riverside (Hackberry) Field ("Field"), Orange County, Texas. The May 2019 proration schedule reflects that the Field is a one-well field, with the oil production from Well No. 1 ("Well") being limited to 123 barrels of oil per day ("bpd") by the Well's producing gas-oil ratio. Petrodome conducted a step-rate production test which demonstrates that flowing the Well at approximately 600 Mcf/d resulted in the most stabilized and efficient production flow rate. Based on the evidence in the record, the Examiners conclude that for the Well, a daily casinghead gas limit of 600 Mcf/d and the cancellation of accrued overproduction will prevent waste and protect correlative rights. The Examiners recommend Petrodome's application be approved.

FINDINGS OF FACT

1. Petrodome seeks an increased Net GOR with a daily casinghead gas limit of 600 Mcf/d and the cancellation of overproduction for the SW Riverside Unit, Well No. 1, in the Southwest Riverside (Hackberry) Field, Orange County, Texas.

2. Petrodome submitted its request for hearing to consider establishing a Net GOR with a daily casinghead gas limit of 600 Mcfd on February 26, 2019.
3. On April 12, 2019 the Hearings Division of the Commission sent a Notice of Hearing ("Notice") to Applicant and all offsetting operators in the field setting a hearing date of May 28, 2019. Consequently, the parties received more than 10 days' notice. The Notice contains (1) a statement of the time, place, and nature of the hearing; (2) a statement of the legal authority and jurisdiction under which the hearing is to be held; (3) a reference to the particular sections of the statutes and rules involved; and (4) a short and plain statement of the matters asserted. The hearing was held on May 28, 2019 as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.
4. On February 12, 2019, the Commission's Oil and Gas Division issued a *Notice of Intent to Cancel P-4 Certificate of Compliance and to Sever Pipeline or Other Carrier Connection* to Petrodome, stating 11,802 casinghead gas production over top allowable.
5. The well is assigned to the Southwest Riverside (Hackberry) Field (84822500), Orange County, Texas. The Field is a one-well, one-operator field, with Petrodome being the sole operator.
6. Petrodome conducted a step-rate production test:
 - a. In the first test stage, the Well produced approximately 600 Mcfd of casinghead gas and approximately 230 barrels of oil, with stable flowing tubing pressures.
 - b. In the second stage test at lower rates, production rates fluctuated. The daily oil production ranged from 48 to 224 bpd, casinghead gas production ranged from 128 to 574 Mcfd, and flowing tubing pressure ranged from 4,515 to 5,067 pounds per inch.
 - c. The Well produces more efficiently at a daily casinghead gas limit of 600 Mcfd.
7. At the hearing, Petrodome agreed on the record that the Final Order in this docketed case is to be final and effective when a Master Order relating to this Final Order is signed.

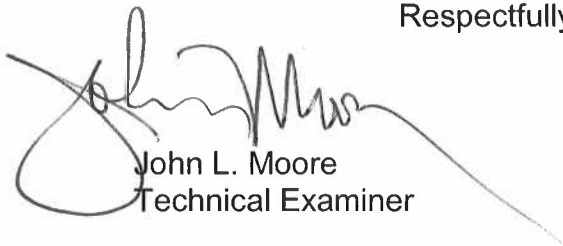
CONCLUSIONS OF LAW

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 §§1.42 and 1.45.
3. A daily casinghead gas limit of 600 Mcfd will prevent waste and protect correlative rights.
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government code, and the agreement of the applicant, the Final Order in this docket is effective when a Master Order relating to the Final Order is signed on June 18, 2019.

EXAMINERS' RECOMMENDATION

The Examiner's recommend the application of Petrodome Operating, LLC, for a daily casinghead gas limit of 600 Mcfd for the SW Riverside Unit, Well No. 1, Southwest Riverside (Hackberry) Field, Orange County, and the cancellation of all casinghead gas overproduction for the Well, be granted.

Respectfully submitted,



John L. Moore
Technical Examiner



Ezra A. Johnson
Administrative Law Judge