



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 10-0321270

APPLICATION OF UNIT PETROLEUM COMPANY (877099) TO CONSIDER A NET GAS-OIL RATIO AND TO CANCEL OVERPRODUCTION FOR THE ISAACS (09491) LEASE, WELL NO. 1, CANADIAN, SE (DOUGLAS) FIELD, ROBERTS COUNTY, TEXAS

HEARD BY: Ashley Correll, Technical Examiner
Kristi M. Reeve, Administrative Law Judge

HEARING DATE: August 8, 2019

CONFERENCE DATE: November 19, 2019

APPEARANCES:

APPLICANT:
Barry Hagemann

REPRESENTING:
Unit Petroleum Company

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Unit Petroleum Company (877099) ("Unit Petroleum") seeks the cancelation of all overproduction for the Isaacs (09491) Lease ("Lease"), Well No. 1, in the Canadian, SE (Douglas) Field ("Field"), Roberts County, Texas. Originally, Unit Petroleum also requested a Net Gas-Oil Ratio ("GOR") for the Well No. 1 on the Lease, but the well is now producing within its casinghead gas limit.

The application is unopposed and the Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend Unit Petroleum's application for the cancelation of all overproduction for the Lease be approved.

DISCUSSION OF THE EVIDENCE

The Canadian, SE (Douglas) Field (Field No. 15217250) ("Field") was discovered on April 17, 1977. Based on the August 2019 proration schedule provided during the

hearing, 15 oil wells and 190 gas wells are on schedule in the Field. Unit Petroleum is one of the operators in the Field. The top casinghead gas limit is 242 thousand cubic feet (MCF) per day.

Unit Petroleum recompleted the Isaacs Lease ("Lease"), Well No. 1 ("Well"), in July 2016 to produce from the Field. The Well is the only well on the Lease. As of July 2019, the Well is overproduced by 63,655 MCF. According to the July 2019 Oil Production Ledger and decline curve, the Well will continue to produce within the oil allowable and casinghead gas limit and will remain in compliance.

In summary, Unit Petroleum requests that all overproduction for the Lease be canceled. The Examiners recommend granting the application.

At the hearing, Unit Petroleum agreed on the record that the Final Order in this case is to be final and effective when the Master Order relating to the Final Order is signed.

FINDINGS OF FACT

1. Unit Petroleum Company ("Unit Petroleum") seeks the cancellation of overproduction for the Isaacs (09491) Lease ("Lease"), Well No. 1 ("Well"), in the Canadian, SE (Douglas) Field, Roberts County, Texas.
2. Unit Petroleum submitted its request for a hearing to establish a Net Gas Oil-Ratio (GOR) and to cancel overproduction for the Lease on June 28, 2019.
3. On July 10, 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 August 8, 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 August 8, 2019 as noticed. Applicant appeared and participated at the hearing. No one appeared in protest.
4. A Commission letter dated May 31, 2019 was sent to Unit Petroleum regarding the intent to cancel the P-4 certificate of compliance for the Lease. The Lease is overproduced by 63,655 thousand cubic feet ("MCF") through July 17, 2019.
5. At the August 8, 2019 hearing, Unit Petroleum withdrew its request to establish a Net GOR due to the Well producing below the casinghead gas limit.

6. The Well was recompleted in the Canadian, SE (Douglas) Field in July 2016. Based on production data, the Well is now producing within its assigned casinghead gas limit of 242 MCF per day.
7. At the hearing, Unit Petroleum 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. 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.

EXAMINERS' RECOMMENDATION

The Examiner's recommend the application of Unit Petroleum Company, for the cancelation of all overproduction for the Isaacs (09491) Lease, Well No. 1, in the Canadian, SE (Douglas) Field, in Roberts County, Texas, be granted.

Respectfully submitted,


Ashley Correll
Technical Examiner


Kristi M. Reeve
Administrative Law Judge