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**THE APPLICATION OF EXXON MOBIL CORPORATION TO BALANCE THE ELKHART (PETTIT) FIELD, ANDERSON COUNTY, TEXAS**

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**Heard by:** Margaret Allen, Technical Hearings Examiner

**Procedural history**

Application received: April 17, 2003

Hearing held: June 5, 2003

**Appearances**

Tim George

William T. Duncan, Jr.

Representing

Exxon Mobil Corporation

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Exxon Mobil is seeking to have all overproduction and underproduction canceled for prorated wells in the Elkhart (Pettit). This procedure is also known as balancing the field.

**DISCUSSION OF THE EVIDENCE**

The Elkhart (Pettit) Field was discovered in 1964 and has allowables based on acre-feet. Exxon Mobil operates two wells in the field, and BRG Petroleum Corporation operates the third well. BRG filed a waiver of objection to balancing this field but its purchaser, Etc. Marketing, Ltd., did not.

Two of the wells are underproduced while Exxon Mobil's Elkhart DO GU 5 Lease Well No. 1 had 14,591 MCF of overproduction on March 1, 2003. The Elkhart DO GU 5 Lease Well No. 1 has a current deliverability of 522 MCF/D and receives 55.8% of the field's allowable. The other two wells have deliverabilities of 230 and 169 MCF/D respectively and their allowables are limited by their capability.

The overproduced well was producing only about 1200 MCF per month until May, 2002. At that time, perforations in new intervals were added and the well was acidized. Production increased to about 14,000 MCF per month. Exxon Mobil did not timely file a Form GC-1 which would have showed the increase in this well's deliverability. Because the proration system looks back to the third previous month's production to assign allowables, it assigned this well insufficient allowable during June, July and August of 2002.

The well accumulated 171,146 MCF of overproduction by September 1, 2002. Since then, allowables have increased to reflect the well's increased capability. The amount of overproduction decreased by March, 2003, but not enough to prevent a shut-in letter. The amount of overproduction

has continued to decrease and was 6822 MCF as of May 1, 2003. The well produced an average of 380 MCF per day during April, 2003, while its allowable during that month was 497 MCFD.

**FINDINGS OF FACT**

1. Notice of hearing was issued on May 19, 2003, to the current operators of wells in the Elkhart (Pettit) Field and to current gatherers.
2. Exxon Mobil operates two wells in the field, and BRG Petroleum Corporation operates the third well.
3. BRG filed a waiver of objection to balancing this field but its purchaser, Etc. Marketing, Ltd., did not.
4. Two of the wells are underproduced while Exxon Mobil's Elkhart DO GU 5 Lease Well No. 1 had 14,591 MCF of overproduction on March 1, 2003.
5. In April, 2002, perforations were added to the Elkhart DO GU 5 Lease Well 1, increasing its deliverability by more than ten times.
6. The allowables for the Elkhart DO GU 5 Lease Well did not reflect the market demand, as shown by the well's actual production, between June and August 2002.
7. Allowables have increased to reflect the well's increased capability and its overproduction has decreased to 6822 MCF.
8. Balancing the field will not harm correlative rights as the other two wells have deliverabilities of less than 300 MCF/D.

**CONCLUSIONS OF LAW**

1. Proper notice of hearing was timely given to all persons legally entitled to notice.
2. All things have occurred and have been done to give the Commission jurisdiction to decide this matter.
3. The Commission has authority to balance (cancel overproduction and underproduction) from gas wells in a field. Tex. Nat. Res. Code Chapter 86.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the Elkhart (Pettit) Field be balanced, as per the attached order.

Respectfully submitted,

Margaret Allen  
Technical Hearings Examiner

Date of Commission Action: June 24, 2003