



RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

August 7, 2007

OIL & GAS DOCKET NO. 02-0252555

APPLICATION OF DOUBLE PLAY OIL & GAS TO CONSIDER AN MER FOR THE MCNEILL NORTH LEASE WELL NO. 2 IN THE PARKTEX (HOCKLEY, LOWER) FIELD, LIVE OAK COUNTY, TEXAS

HEARD BY: Thomas H. Richter, P.E.
DATE OF HEARING: July 31, 2007
APPEARANCES:

REPRESENTING:

Richard Johnston

Double Play Oil & Gas

EXAMINER'S REPORT AND RECOMMENDATION STATEMENT OF THE CASE

This is the unopposed application of Double Play Oil & Gas for Commission consideration for MER authority of 140 BOPD for the McNeill North Lease Well No. 2 in the Parktex (Hockley, Lower) Field. It is also proposed that all accrued production in excess of the assigned allowable for the lease be canceled effective the date of the Order if this application is approved by the Commission. The examiner recommends approval of the application.

DISCUSSION OF THE EVIDENCE

Parktex (Hockley, Lower) Field was discovered in 1954 at approximately 4,437' subsurface depth. The top allowable for a well in the field is 93 BOPD. Double Play Oil & Gas is the only operator in the field with one well.

The Double Play Oil & Gas, McNeill North Lease Well No. 2 was completed September 21, 2005 through perforations from 4,426' to 4,430' subsurface depth. The well potentialized at 176 BOPD, 402 MCFD and no water. The GOR (gas-oil ratio) was 2284:1 and flowing on a 12/64ths choke. The oil gravity is 44.2 ° API. The initial flowing tubing pressure was 995 psig. A net GOR of 500 MCFD was granted by Order No. 02-0248231 effective October 10, 2006.

An MER of up to 140 BOPD is appropriate and will not result in the loss of otherwise recoverable reserves. The subject interval is 30' thick. Double Play has re-completed the well several times by lowering the perforations and lowering the production packer to block-off the upper perforations each time whenever the gas production became excessive. The testing shows that the

well is not relatively rate sensitive. The subject well was tested over a 30-day period with the following results:

OIL BPD	WATER BPD	GAS MCFD	TBG PSIG	GOR CF/BO	CHOKE 64 ths
101	0	384	690	3808	11
88	0	358	635	4088	10
103	0	383	695	3733	11

The highest production during the test was 119 BOPD. However, for the months of April and May, the well averaged 137 and 138 BOPD respectively.

It is proposed that all accrued oil production in excess of the assigned allowable be canceled.

FINDINGS OF FACT

1. Notice of this application was given to all persons entitled to notice at least ten (10) days prior to the hearing.
2. There was no protest of the application.
3. Parktex (Hockley, Lower) Field was discovered in 1954 at approximately 4,437' subsurface depth. The top allowable for a well in the field is 93 BOPD.
4. The Double Play Oil & Gas, McNeill North Lease Well No. 2 was completed September 21, 2005 through perforations from 4,426' to 4,430' subsurface depth.
 - a. The well potentialled at 176 BOPD, 402 MCFD and no water.
 - b. A net GOR of 500 MCFD was granted by Order No. 02-0248231 effective October 10, 2006.
5. An MER of 140 BOPD will not cause the waste of reservoir energy and will not result in the loss of hydrocarbon reserves.
 - a. The subject interval is 30' thick.
 - b. Double Play has re-completed the well several times by lowering the perforations and lowering the production packer to block-off the upper perforations each time whenever the gas production became excessive.
 - c. The testing shows that the well is not relatively rate sensitive.

6. Canceling the overproduction will not harm correlative rights as the McNeill North Well No. 2 is the only well in the field.

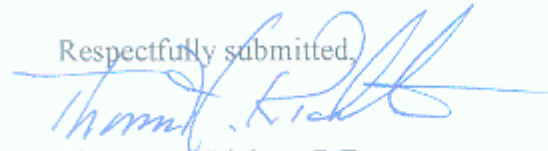
CONCLUSIONS OF LAW

1. Notice of this hearing was provided in accordance with all applicable regulatory statutes and rules.
2. All things have occurred or been accomplished to afford the Commission the jurisdiction to consider and decide this matter.
3. Consideration and approval of this application for an MER is a matter properly within the jurisdiction of the Commission to foster conservation and prevent waste.
4. Approval of the proposed application of will foster conservation and will not cause waste.
5. Cancellation of all accrued oil production in excess of the assigned allowable will not harm correlative rights.

EXAMINER'S RECOMMENDATION

It is recommended that the application of Double Play Oil & Gas for Commission consideration for MER authority of 140 BOPD for the McNeill North Lease Well No. 2 in the Parktex (Hockley, Lower) Field be approved. It is further recommended that all accrued oil production in excess of the assigned allowable for the McNeill North Lease (09001) be canceled.

Respectfully submitted,



Thomas H. Richter, P.E.
Technical Examiner
Office of General Counsel