

**OIL AND GAS DOCKET NO. 02-0255683**

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**THE APPLICATION OF CORUM PRODUCTION COMPANY TO ESTABLISH AN MER FOR THE REYES WELL NO. 1 IN THE CHAMPIONSHIP (FRIO 6800) FIELD, VICTORIA COUNTY, TEXAS**

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**Heard by:** Richard D. Atkins, P.E. and Donna K. Chandler on March 17, 2008

**Appearances:**

Scott Stephens  
Kemp McMillan

**Representing:**

Corum Production Company

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Corum Production Company requests an MER of 150 BOPD for its Reyes Well No. 1 in the Championship (Frio 6800) Field. Corum also requests that all accumulated overproduction be cancelled for this lease.

The application is unopposed and the examiner recommends approval of the requested MER and cancellation of overproduction.

**DISCUSSION OF EVIDENCE**

The Reyes No. 1 was completed in the Championship (Frio 6800) Field in September 2003. The field has a top allowable of 111 BOPD and a cumulative production of 183,075 BO and 95,241 MCFG. Of that total, the Reyes No. 1 has produced 125,038 BO and 71,088 MCFG.

Corum is the only operator in the field and has one flowing well and two wells on gas lift. The Reyes No. 1 is completed as the lowest well in the field. Prior to October 2007, the well had never overproduced its allowable.

In August 2007, the Reyes No. 1 started producing water. The well currently produces under gas lift on a 29/64" choke at a rate of approximately 150 BOPD, 69 MCFGPD and 450 BWPD. Since there is insufficient gas flow rates to support the volume of water production, smaller choke sizes cause the well to load up with water and cease to flow. Once the well ceases to flow, a swabbing unit is required to restore the well's flowing conditions.

The reservoir has a strong water drive and producing the well at rates in excess of 111 BOPD is necessary to recover the remaining reserves available to the well.

Corum also requests that the overproduction be cancelled.

**FINDINGS OF FACT**

1. Notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of hearing.
2. The Reyes No. 1 was completed in the Championship (Frio 6800) Field in September 2003.
3. The well currently produces under gas lift on a 29/64" choke at a rate of approximately 150 BOPD, 69 MCFGPD and 450 BWPD.
4. Since there is insufficient gas flow rates to support the volume of water production, smaller choke sizes cause the well to load up with water and cease to flow.
5. Once the well ceases to flow, a swabbing unit is required to restore the well's flowing conditions.
6. The reservoir has a strong water drive and producing the well at rates in excess of 111 BOPD is necessary to recover the remaining reserves available to the well.
7. Producing the Reyes No. 1 at rates up to 150 BOPD will not cause waste.

**CONCLUSIONS OF LAW**

1. Notice of this hearing was given as specified in the provisions of all regulatory codes.
2. All things have occurred or been accomplished to give the Commission jurisdiction in this matter.
3. Approval of an MER of 150 BOPD and cancellation of overproduction for the Reyes No. 1 in the Championship (Frio 6800) Field will not cause waste and will not harm correlative rights.

**RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends approval of an MER of 150 BOPD and cancellation of overproduction for the Reyes No. 1 in the Championship (Frio 6800) Field.

Respectfully submitted,

Richard D. Atkins, P.E.  
Technical Examiner