

**OIL AND GAS DOCKET NO. 02-0258106**

---

**THE APPLICATION OF DOUBLE PLAY OIL & GAS, INC. FOR AN MER AND AN INCREASED NET GAS OIL RATIO FOR THE MCNEILL NORTHEAST LEASE, WELL NO. 1C, IN THE PAISANO CREEK (HOCKLEY) FIELD, LIVE OAK COUNTY, TEXAS**

---

**Heard by:** Richard D. Atkins, P.E. - Technical Examiner

**Hearing Date:** August 6, 2008

**Appearances:**

Rick Johnston

**Representing:**

Double Play Oil & Gas, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Double Play Oil & Gas, Inc. requests an MER of 75 BOPD and an increased net gas-oil ratio authority with a casinghead gas limit of 275 MCFGPD for its McNeill Northeast Lease, Well No. 1C, in the Paisano Creek (Hockley) Field, Live Oak County, Texas. Double Play also requests that all accumulated overproduction be cancelled for this well.

The application is unopposed and the examiner recommends approval of the requested MER, net gas-oil ratio authority and cancellation of overproduction.

**DISCUSSION OF EVIDENCE**

The McNeill Northeast Lease, Well No. 1C, was completed in the Paisano Creek (Hockley) Field in June 2007 with perforations between 4,362 feet and 4,365 feet. On initial test, the well flowed on a 22/64" choke at a rate of 125 BOPD, 382 MCFGPD and 28 BWPD. The field operates under Statewide Rules and the top allowable is 64 BOPD with an allowable gas-oil ratio of 2,000 cubic feet per barrel.

Although the Paisano Creek (Hockley) Field was discovered in October 1959, the McNeill Northeast Lease, Well No. 1C, is the only well currently carried on the oil proration schedule. The well is producing from a Hockley sand and a solution gas drive is the primary drive mechanism for the reservoir.

The well was not tested at various rates, as it was placed on rod pump in November 2007. Since the well was placed on rod pump, the gas oil ratio has increased from 1,700 to over 4,200 and the oil producing rate is declining. An increasing gas oil ratio and a

declining oil producing rate are the main characteristics of a reservoir producing under a solution gas drive mechanism.

Double Play Oil & Gas, Inc. requests an MER of 75 BOPD and an increased net gas-oil ratio authority with a casinghead gas limit of 275 MCFGPD for its McNeill Northeast Lease, Well No. 1C in the Paisano Creek (Hockley) Field.

Through April 30, 2008, the McNeill Northeast Lease, Well No. 1C, was overproduced by 25,753 BO and 24,180 MCFG. Double Play also requests that all accumulated 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 McNeill Northeast Lease, Well No. 1C was completed in the Paisano Creek (Hockley) Field in June 2007 with perforations between 4,362 feet and 4,365 feet. On initial test, the well flowed on a 22/64" choke at a rate of 125 BOPD, 382 MCFGPD and 28 BWPD.
3. The Paisano Creek (Hockley) Field operates under Statewide Rules and the top allowable is 64 BOPD with an allowable gas-oil ratio of 2,000 cubic feet per barrel.
4. The Paisano Creek (Hockley) Field produces from a Hockley sand and a solution gas drive is the primary drive mechanism for the reservoir.
5. The McNeill Northeast Lease, Well No. 1C is the only well completed in the Paisano Creek (Hockley) Field. The well is a pumping well and is capable of producing in excess of 75 BOPD and 275 MCFGPD.
6. Since the well was placed on rod pump, the gas oil ratio has increased from 1,700 to over 4,200 and the oil producing rate is declining. An increasing gas oil ratio and a declining oil producing rate are the main characteristics of a reservoir producing under a solution gas drive mechanism.
7. Producing the McNeill Northeast Lease, Well No. 1C, at rates up to 75 BOPD and 275 MCFGPD 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 75 BOPD, an increased net gas-oil ratio authority with a casinghead gas limit of 275 MCFGPD and cancellation of overproduction for the McNeill Northeast Lease, Well No. 1C, in the Paisano Creek (Hockley) Field will not cause waste and will not harm correlative rights.

**RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiner recommends approval of an MER of 75 BOPD, an increased net gas-oil ratio authority with a casinghead gas limit of 275 MCFGPD and cancellation of overproduction for the McNeill Northeast Lease, Well No. 1C, in the Paisano Creek (Hockley) Field, Live Oak County, Texas.

Respectfully submitted,

Richard D. Atkins, P.E.  
Technical Examiner