

**THE APPLICATION OF FAMCOR OIL, INC. TO ESTABLISH AN MER FOR THE BLACKSTONE MINERALS -J- NO. 1 IN THE LARRY DRAKE (YEGUA) FIELD, POLK COUNTY, TEXAS**

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**Heard by:** Donna K. Chandler on December 11, 2008

**Appearances:**

Tim George  
Mimi Winetroub

**Representing:**

Famcor Oil, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Famcor Oil, Inc. requests an MER of 400 BOPD for its Blackstone Minerals -J- No. 1 in the Larry Drake (Yegua) Field. Famcor 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 Larry Drake (Yegua) Field was discovered in October 2003 upon completion of the Blackstone Minerals -J- No. 1. No other wells have been completed in the field and no additional wells are planned as this is a small anticlinal feature with well defined limits. The top allowable in the field is 93 BOPD.

The Blackstone Minerals -J- No. 1 is perforated from 4,766 feet to 4,771 feet and produced at a rate of 120 BOPD, 1 MCFD and 13 BWPD on initial test. The well continued to flow until May 2008 and production had declined to about 35 BOPD. A rod pump was installed and production increased to about 250 BOPD and about 100 MCFD. Production has declined to about 125 BOPD. Famcor intends to install a submersible pump on the well in the very near future to aid in lifting water production which is currently approximately 600 BWPD. Famcor expects oil production to increase to near 400 BOPD and water production to increase to over 1,000 BWPD with the installation of the submersible pump.

The gas-oil ratio has been very constant at 600-700 cubic feet per barrel, regardless of producing rate. Increasing the oil allowable will not affect ultimate recovery from the well.

Cumulative overproduction is over approximately 6,200 BO as of November 1, 2008.

It is requested that all overage be canceled.

**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 Larry Drake (Yegua) Field was discovered in October 2003 and has a top allowable of 93 BOPD.
3. The Blackstone Minerals -J- No. 1 was the discovery well for the field and no other wells have been completed in the field.
4. The Blackstone Minerals -J- No. 1 was a flowing well until May 2008 when it was equipped with rod pump. Current production is about 125 BOPD and 600 BWPB.
5. The subject well will be equipped with a submersible pump in the near future and production is expected to increase to near 400 BOPD and at least 1,000 BWPB.
6. The producing gas-oil ratio is constant at 600-700 cubic feet per barrel.
7. The subject well is overproduced approximately 6,200 BO.

**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 400 BOPD and cancellation of overproduction for the Blackstone Minerals -J- No. 1 in the Larry Drake (Yegua) 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 400 BOPD and cancellation of overproduction for the Blackstone Minerals -J- No. 1 in the Larry Drake (Yegua) Field.

Respectfully submitted,

Donna K. Chandler  
Technical Examiner