

**OIL AND GAS DOCKET NO. 03-0261526**

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**THE APPLICATION OF SANDALWOOD EXPLORATION, L.P. TO CONSIDER AN MER ALLOWABLE FOR THE BELLVILLE ISD WELL NO. 1 IN THE RACCOON BEND (UWX CONS. FBA) FIELD, AUSTIN COUNTY, TEXAS**

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**Heard by:** Andres J. Trevino, P.E. on May 28, 2009

**Appearances:**

Doug Dashiell  
Michael Francisco

**Representing:**

Sandalwood Exploration, L.P.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Sandalwood Exploration, L.P. requests that an MER allowable of 500 BOPD be established for its Bellville ISD Well No. 1 in the Raccoon Bend (UWX Cons. FBA) Field. Sandalwood 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 Raccoon Bend (UWX Cons. FBA) Field was discovered in April 2008 and was consolidated in February 2009 with a discovery allowable of 200 BOPD. The Bellville ISD Well No. 1 is the second producing oil well in the field and Sandalwood is the only operator in the field. The field is governed by Special field rules.

Sandalwood initially completed the Bellville ISD Well No. 1, on October 2008 into the F and G Sand in the Wilcox. as a flowing well. The No. 1 was completed at a depth of 6,562 feet and produced thru the tubing. The average first month production was 184.5 BO, 115 MCF and 2 BW flowing at 350 psi. On March 2009, the well was recompleted by adding perforations into the H1, H2, H3, and the H4 sands starting at a depth of 6,628 feet. The well had an initial potential of 301 BOPD, 229 MCFPD and no water with a flowing tubing pressure of 800 psi.

During April and May 2009, Sandalwood tested the Bellville ISD Well No. 1 at various rates to determine sensitivity. The results of the test are summarized as follows:

<u>choke size</u>	<u>oil rate</u>	<u>gas rate</u>	<u>gas-oil ratio</u>	<u>FTP</u>
14/64"	227 BOPD	159 MCFD	659 cuft/bbl	622 psi
19/64"	330 BOPD	268 MCFD	813 cuft/bbl	802 psi
20/64"	526 BOPD	558 MCFD	1,061 cuft/bbl	796 psi
21/64"	546 BOPD	645 MCFD	1,182 cuft/bbl	782 psi

The producing gas-oil ratio show slight rate sensitivity. It is slightly lower at the lower rate of production. The highest daily test rate was 546 BOPD and 645 MCFD. When the well was choked back to produce below the allowable of 200 BOPD the well began to produce in slugs and started to load up. The flowing tubing pressured dropped off by 22%.

The reservoir is within a relatively small plunging horst block. The reservoir energy is primarily derived from a moderately strong water drive. Sandalwood believes that producing the well at capacity (up to 500 BOPD) will not harm the reservoir.

The well is estimated to be overproduced approximately 6,643 BO as of May 2009. Sandalwood requests that this overage 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 Raccoon Bend (UWX Cons. FBA) Field was discovered in April 2008 and was consolidated in February 2009 with a discovery allowable of 200 BOPD. The Bellville ISD Well No. 1 is the second well in the field.
3. The Bellville ISD Well No. 1 was recompleted in March 2009, by adding perforations into the H1, H2, H3, and the H4 sands starting at a depth of 6,628 feet. The well had an initial potential of 301 BOPD, 229 MCFPD and no water with a flowing tubing pressure of 800 psi.
4. Variable rate testing of the Bellville ISD Well No. 1 indicates that producing at rates of up to 500 BOPD will not cause waste.
  - a. The average maximum oil rate was 546 BOPD on a 21/64" choke.
  - b. The well began to load up and produce in slugs when the well was choked back to produce at the allowable rate of 200 BOPD.

- c. The flowing tubing pressure dropped from 796 psi to 622 psi when the well was choked back to produce at the allowable rate.
5. The reservoir is within a relatively small plunging horst block. The reservoir energy is primarily derived from a moderately strong water drive.
6. The well is estimated to be overproduced approximately 6,643 BO as of May 2009. Cancellation of this overage will not harm correlative rights.

### **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 500 BOPD for the Bellville ISD Well No. 1 and cancellation of overproduction for the well in the Raccoon Bend (UWX Cons. FBA) 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 500 BOPD and cancellation of overproduction for the Bellville ISD Well No. 1 in the Raccoon Bend (UWX Cons. FBA) Field in Austin County, Texas.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner