

**OIL AND GAS DOCKET NO. 04-0255101**

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**THE APPLICATION OF SEQUOIA MANAGEMENT, LLC TO ESTABLISH AN MER FOR THE DUVAL COUNTY RANCH CO. "K" WELL NO. 47 IN THE CHARAMOUSCA, W. (WILCOX 4) FIELD, DUVAL COUNTY, TEXAS**

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**Heard by:** Donna K. Chandler on February 5, 2008

**Appearances:**

Jim Cowden  
John Miller

**Representing:**

Sequoia Management, LLC

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Sequoia Management, LLC requests an MER of 150 BOPD for its Duval County Ranch Co. "K" Well No. 47 in the Charamousca, W. (Wilcox 4) Field. Sequoia 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 Duval County Ranch Co. "K" No. 47 was drilled in 1977 and completed in the Charamousca, W. (Wilcox 4) Field. In 1994, the well was recompleted to the Charamousca, W. (Wilcox 2) Field. The last reported production from the well was 1998.

In January 2007, Sequoia took over operations of the well and began a workover to restore production. The well was re-perforated in the Wilcox 2 and Wilcox 4 between 5,192 feet and 5,356 feet. A downhole submersible pump was installed in October 2007 and Rule 10 authority has been granted for the two fields. The well is carried in the Charamousca, W. (Wilcox 4) Field with a top allowable of 102 BOPD.

The well produces at a rate of approximately 150 BOPD, 60 MCFD and 1,200 BWPD. Both reservoir have strong water drives and producing the well at rates in excess of 102 BOPD is necessary to recover the remaining reserves available to the well. There are no other producing wells in either field.

The well may have some small amount of overproduction which has not yet shown up on Commission records. Sequoia requests that any 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 Duval County Ranch Co. "K" No. 47 was completed in the Charamousca, W. (Wilcox 4) Field in 1977 and was recompleted to the Charamousca, W. (Wilcox 2) in 1994.
3. Prior to 2007, the last production from the well was 1994.
4. The well has an exception to Statewide Rule 10 to produce from the Wilcox 2 and Wilcox 4.
5. Sequoia took over operations of the well in January 2007. A submersible pump was installed in October 2007 to move large volumes of water.
6. Both reservoirs have strong water drive components and there are no other wells producing from either field.
7. Producing the Duval County Ranch Co. "K" No. 47 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 Duval County Ranch Co. "K" Well No. 47 in the Charamousca, W. (Wilcox 4) 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 Duval County Ranch Co. "K" No. 47 in the Charamousca, W. (Wilcox 4) Field.

Respectfully submitted,

Donna K. Chandler  
Technical Examiner