THE APPLICATION OF PIONEER NATURAL RES. USA, INC. TO CANCEL OVERPRODUCTION FOR THE MUNRO "16" LEASE WELL NO. 5 IN THE WAYNE-HARRIS (WOLFCAMP) FIELD, IRION COUNTY, TEXAS

Heard by: Donna K. Chandler on September 19, 2007

Appearances: Representing:

George C. Neale Jenna Staggs Robert Larobadiere Pioneer Natural Res. USA, Inc.

#### **EXAMINER'S REPORT AND RECOMMENDATION**

#### STATEMENT OF THE CASE

Pioneer Natural Res. USA, Inc. requests that all overproduction for its Munro "16" lease in the Wayne-Harris (Wolfcamp) Field be cancelled. Pioneer had originally requested an MER for the No. 5 well on the lease, but the well is are no longer capable of producing in excess of its current allowables.

The application is unprotested and the examiner recommends approval of cancellation of overproduction for the lease.

# **DISCUSSION OF EVIDENCE**

The top allowable in the Wayne-Harris (Wolfcamp) Field is 102 BOPD. Pioneer Natural Res. USA, Inc. completed its Munro "16" No. 5 in December 2006. The well had an initial potential of 160 BOPD, 60 MCFD and 63 BWPD on rod pump. The well produces from perforations between 5,554 and 5,606 feet. There are five other active wells in the field, all operated by Pioneer. The No. 5 is the only well on the Munro "16" lease.

The highest month of production was June 2007 when the well produced an average of over 220 BOPD. The well has steadily declined since that time to a current rate of approximately 80 BOPD. Overproduction as of September 1, 2007 is approximately 10,300 BO. Pioneer 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 top allowable in the Wayne-Harris (Wolfcamp) Field is 102 BOPD.
- 3. Pioneer Natural Res. USA, Inc. completed its Munro "16" Well No. 5 in December 2006. It is the only well on the lease.
- 4. On initial test, the well produced at a rate of 160 BOPD, 60 MCFD, and 63 BWPD on rod pump. The well currently produces about 80 BOPD.
- 5. The subject lease is overproduced approximately 10,300 BO as of September 1, 2007.

# **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. Cancellation of overproduction for the Munro "16" lease in the Wayne-Harris (Wolfcamp) Field will not cause waste and will not harm correlative rights.

#### RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends cancellation of overproduction for the Munro "16" lease in the Wayne-Harris (Wolfcamp) Field.

Respectfully submitted,

Donna K. Chandler Technical Examiner