

December 27, 1999

OIL & GAS DOCKET NO. 02-0223225

APPLICATION OF CHRISTOPHER OIL & GAS, INC. TO CONSIDER AN MER FOR THE SCHIRMER "C" LEASE WELL NO. 2, BONNIE VIEW (5600) FIELD, REFUGIO COUNTY, TEXAS

HEARD BY: Thomas H. Richter, P.E.

DATE OF HEARING: December 27, 1999

APPEARANCES:

Ross C. Ford, Jr. (via telephone)

REPRESENTING:

Christopher Oil & Gas, Inc.

PROTESTANTS: None

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the unprotested application of Christopher Oil & Gas, Inc. for Commission consideration for MER authority of 150 BOPD for the Schirmer "C" Lease Well No. 2 in the Bonnie View (5600) Field. It is also proposed that all oil production in excess of the assigned allowable be canceled effective the date of the Order. The examiner recommends approval of an MER of 150 BOPD for a period of 12 months and then the authority expires.

DISCUSSION OF THE EVIDENCE

The Bonnie View (5600) Field was discovered in the 1980's at 5,549'. The field is governed by Statewide Rules. The top allowable for a well in the field is 102 barrels of oil per day. The only well in the field is the Christopher Oil & Gas, Inc, Schirmer "C" Well No. 2 perforated from 5,739' to 5,742'. The well was completed October 10, 1999 and was potentialed on October 16, 1999 at 155 BOPD, 80 MCFD and 308 BWPD. The producing gas-oil ratio was 519:1. The water cut initially was 30 - 35%. The water cut over the last two months has increased to 70 - 75%.

The proposed MER of 150 BOPD will not cause any loss in the ultimate recovery from the reservoir. The well was tested over a 30 day period. Well producing rates ranged from 180 BOPD to 133 BOPD. Casinghead gas production is not rate sensitive ranging from 180 to 135 MCFD.

Water production did appear to be somewhat rate sensitive. At lower oil producing rates the water cut increased. At 170 BOPD the water-oil ratio was 2.29. At 133 BOPD the water-oil ratio was 3.16. The well does produce a small volume of sand. It is believed that the lower producing rates will allow the formation sand to “fall-back” on to the perforations which in turn will cause the loss of oil production and the increase in water production. The well currently produces at 117 BOPD and is continuing to decline and will fall below the top allowable in the near future.

It is proposed that the oil produced in excess of the assigned allowable be canceled. This is the only producing well in the subject field.

FINDINGS OF FACT

1. Notice of this application was given to all persons entitled to notice at least ten (10) days prior to the hearing.
2. There was no protest of the application.
3. The Bonnie View (5600) Field was discovered in the 1980's at 5,549'.
 - a. The field is governed by Statewide Rules.
 - b. The only well in the field is the Christopher Oil & Gas, Inc, Schirmer “C” Well No. 2 perforated from 5,739' to 5,742'. The well was completed October 10, 1999 and was potentialed on October 16, 1999 at 155 BOPD, 80 MCFD and 308 BWPD.
 - c. The top allowable for a well in the field completed at this depth is 102 BOPD.
4. The proposed MER of 150 BOPD will not cause any loss in the ultimate recovery from the reservoir.
 - a. Well producing rates ranged from 180 BOPD to 133 BOPD.
 - b. Casinghead gas production is not rate sensitive ranging from 180 to 135 MCFD.
 - c. Water production did appear to be somewhat rate sensitive. At lower oil producing rates the water cut increased. At 170 BOPD the water-oil ratio was 2.29. At 133 BOPD the water-oil ratio was 3.16.
 - d. The well does produce a small volume of sand.
5. It is proposed that the oil that was produced in excess of the assigned allowable be canceled.

- a. Canceling the overproduction will not harm correlative rights.

CONCLUSIONS OF LAW

1. Notice of this hearing was provided in accordance with all applicable regulatory statutes and rules.
2. All things have occurred or been accomplished to afford the Commission the jurisdiction to consider and decide this matter.
3. Consideration and approval of this application for a MER is a matter properly within the jurisdiction of the Commission to foster conservation and prevent waste.
4. Approval of the proposed application of Christopher Oil & Gas, Inc for an MER of 150 BOPD for the Schirmer "C" Lease Well No. 2 will foster conservation and not cause waste.
5. Cancellation of the oil production in excess of the assigned allowable will not harm correlative rights.

EXAMINER'S RECOMMENDATION

It is recommended that the application of Christopher Oil & Gas, Inc. for an MER of 150 BOPD for the Schirmer "C" Lease Well No. 2 in the Bonnie View (5600) Field be approved for a period of 12 months with the authority expiring at that time. It is further recommended that the oil produced in excess of the assigned allowable should be canceled for the subject well.

Respectfully submitted,

Thomas H. Richter, P.E.
Technical Examiner
Office of General Counsel