

June 28, 2000

**OIL & GAS DOCKET NO. 08-0224814**

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**APPLICATION OF TRIUMPH EXPLORATION, INC. TO CONSIDER MER DETERMINATION FOR WELLS ON THE JED CLAMPETT AND JED CLAMPETT "A" LEASES IN THE MEANS FIELD, ANDREWS COUNTY, TEXAS**

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

**DATE OF HEARING:** June 21, 2000

**APPEARANCES:**

Randall Foster (via telephone)

**REPRESENTING:**

Triumph Exploration, Inc.

**PROTESTANTS:** None

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

This is the unprotested application of Triumph Exploration, Inc. for Commission consideration for lease MER authority of 190 BOPD per well for the Jed Clampett and Jed Clampett "A" Leases in the Means 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.

**DISCUSSION OF THE EVIDENCE**

The Means Field was discovered in the 1934 at 4,400'. The field is governed by Statewide Rules and the top allowable for a well in the field is 93 barrels of oil per day. The Means Field is a large multi-operator multi-well field. Exxon operates the 16,000 acre Means San Andres Unit, which is the nearest San Andres production to the Triumph Leases. The Exxon unit is a CO<sub>2</sub> tertiary project that was initiated on this unit in 1983.

Previously the Jed Clampett Lease Well No. 1 was granted MER authority by Order No. 08-0217226 effective November 1997 for 190 BOPD. Since the completion of the Jed Clampett Well No. 1, Triumph has completed the Clampett Well No. 2 (October 1999), the Clampett Well No. 3 (February 2000) and the Clampett "A" Well No. 1 (March 2000). The Clampett Well No. 2 potentialized at 85 BOPD and currently produces 160 BOPD. The Clampett Well No. 3 potentialized at 199 BOPD and currently produces 120 BOPD. The Clampett "A" Well No. 1 potentialized at 152 BOPD and currently produces 110 BOPD. All the wells are produced by artificial lift and produce significant volumes of water.

Triumph believes that its Jed Clampett Leases are being positively affected by Exxon's CO<sub>2</sub> tertiary project. Casinghead gas analysis from the gas gathered from the Clampett wells shows significant components of CO<sub>2</sub>. The producing gas-oil ratio for all the wells is less than 500 cubic feet of gas per barrel of oil.

The proposed lease MER of 190 BOPD per well is proposed in order to take advantage of the effects of Exxon's CO<sub>2</sub> tertiary project. Triumph proposes the continued drilling of new wells and does not desire the burden of coming to the Commission and seeking an MER determination on each specific well.

It is proposed that the oil produced in excess of the assigned allowable on the Jed Clampett and Jed Clampett "A" Leases be canceled.

#### **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 Means Field was discovered in the 1934 at 4,400'.
  - a. The field is governed by Statewide Rules and the top allowable for a well in the field is 93 barrels of oil per day.
  - b. The Means Field is a large multi-operator multi-well field.
4. The proposed lease MER of 190 BOPD per well is proposed in order to take advantage of the effects of Exxon's CO<sub>2</sub> tertiary project.
  - a. The Jed Clampett Leases are being positively affected by Exxon's CO<sub>2</sub> tertiary project. Casinghead gas analysis from the gas gathered from the Clampett wells shows significant components of CO<sub>2</sub>.
  - b. Previously the Jed Clampett Lease Well No. 1 was granted MER authority by Order No. 08-0217226 effective November 1997 for 190 BOPD. Since the completion of the Jed Clampett Well No. 1, Triumph has completed the Clampett Well No. 2 (October 1999), the Clampett Well No. 3 (February 2000) and the Clampett "A" Well No. 1 (March 2000).
  - c. The Clampett Well No. 2 potentialled at 85 BOPD and currently produces 160 BOPD. The Clampett Well No. 3 potentialled at 199 BOPD and currently produces 120

BOPD. The Clampett "A" Well No. 1 potentialized at 152 BOPD and currently produces 110 BOPD. All the wells are produced by artificial lift and produce significant volumes of water.

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 Triumph Exploration, Inc for a lease MER of 190 BOPD per well for the Jed Clampett and Jed Clampett "A" Leases 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 Triumph Exploration, Inc. for Commission consideration for lease MER authority of 190 BOPD per well for the Jed Clampett and Jed Clampett "A" Leases in the Means Field be approved. It is further recommended that the oil produced in excess of the assigned allowable for wells on the subject leases should be canceled.

Respectfully submitted,

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