

May 17, 2000

OIL & GAS DOCKET NO. 7C-0224373

APPLICATION OF HUNT OIL COMPANY TO CONSIDER AN MER FOR THE V.T. AMACKER LEASE WELLS NO. 77-2 AND 77-7 IN THE AMACKER-TIPPETT, SW (9100) FIELD, UPTON COUNTY, TEXAS

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

DATE OF HEARING: May 17, 2000

APPEARANCES:

Philip Whitworth, Attorney
David Lettner

REPRESENTING:

Hunt Oil Company

PROTESTANTS: None

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the unopposed application of Hunt Oil Company for Commission consideration for MER authority for the V.T. Amacker Lease Well No. 77-2 of 625 BOPD and for Well No. 77-7 of 520 BOPD in the Amacker-Tippett, SW (9100) Field. It is also proposed that all oil and casinghead gas production in excess of the assigned allowable be canceled effective the date of the Order if this application is approved by the Commission. The examiner recommends approval of the application.

DISCUSSION OF THE EVIDENCE

The Amacker-Tippett, SW (9100) Field was discovered in 1980 at a depth of 9,344' subsurface depth. Special field rules provide for minimum well spacing of 660'/1320', 160 acre proration units with optional 80 acre density and 100% acreage allocation. The proration schedule indicates a top allowable for a well in the field is 435 BOPD. Hunt Oil is the only operator in the field with five wells. The Amacker-Tippett Field area is comprised of many stacked Wolfcamp sands each being its own reservoir/field. Previously, the Hunt Oil Company, V.T. Amacker "E" 82 Well No. 5 was granted an MER authority of 520 BOPD by Order No. 7C-0222750 effective December 7, 1999. The reservoir drive mechanism of the field is one of a combination of solution gas, secondary gas cap expansion and gravity drainage. There is no apparent water drive component.

The subject field is a carbonate reef reservoir. Because a large component in the drive mechanism is gravity drainage, wells are necessarily completed close to the base of the Wolfcamp pay. This allows oil to migrate down from the gas zone area as well as the gas cap expansion. The V.T. Amacker Wells No. 77-2 and 77-7 were tested over a thirty day period. The test results show that Well No. 77-2 is not GOR rate sensitive. The well was tested at rates ranging from an average of 434 BOPD to 625 BOPD. The GOR range averaged from 284:1 to 360:1. The rate results were as follows:

WELL NO. 77-2

OIL BPD	WATER BPD	GAS MCFD	TBG PSIG	GOR CF/BO	WOR BW/BO
582	0	186	170	321	-
529	0	150	280	284	-
434	0	179	440	412	-
625	0	225	360	360	-

An MER of 625 BOPD will not result in the loss of recoverable oil.

The test results show that Well No. 77-7 is not GOR rate sensitive. The well was tested at rates ranging from an average of 111 BOPD to 491 BOPD. The GOR range averaged from 798:1 to 468:1. The rate results were as follows:

WELL NO. 77-7

OIL BPD	WATER BPD	GAS MCFD	TBG PSIG	GOR CF/BO	WOR BW/BO
111	180	88	150	798	-
401	330	190	220	468	-
491	390	250	110	504	-

An MER of 520 BOPD will not result in the loss of recoverable oil. On the last producing rate which was tested over seven days, the percent oil cut was increasing from 52% to 57.5%. It is believed that the oil rate will continue to increase and the water rate will continue to decrease.

It is proposed that the oil and casinghead gas produced in excess of the assigned allowable be canceled. Cancellation of any overproduction will not harm correlative rights.

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 Amacker-Tippett, SW (9100) Field was discovered in 1980 at a depth of 9,344' subsurface depth.
 - a. Special field rules provide for minimum well spacing of 660'/1320', 160 acre proration units with optional 80 acre density and 100% acreage allocation.
 - b. The proration schedule indicates a top allowable for a well in the field is 435 BOPD.
 - c. Hunt Oil is the only operator in the field with five wells.
4. An MER of 625 BOPD for Well No. 77-2 will result in the efficient use of reservoir energy and will not result in a decrease in the ultimate recovery of hydrocarbons.
 - a. The test results show that Well No. 77-2 is not GOR rate sensitive.
 - b. The well was tested at rates ranging from an average of 434 BOPD to 625 BOPD. The GOR range averaged from 284:1 to 360:1.
5. An MER of 520 BOPD for Well No. 77-7 will result in the efficient use of reservoir energy and will not result in a decrease in the ultimate recovery of hydrocarbons.
 - a. The test results show that Well No. 77-7 is not GOR rate sensitive.
 - b. The well was tested at rates ranging from an average of 111 BOPD to 491 BOPD. The GOR range averaged from 798:1 to 468:1.
 - c. On the last producing period which was tested over seven days, the percent oil cut was increasing from 52% to 57.5%. It is believed that the oil rate will continue to increase and the water rate will continue to decrease.
6. It is proposed that the oil and casinghead gas 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 will foster conservation and will 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 Hunt Oil Company for Commission consideration for MER authority for the V.T. Amacker Lease Well No. 77-2 of 625 BOPD and for Well No. 77-7 of 520 BOPD in the Amacker-Tippett, SW (9100) Field be approved. It is further recommended that the oil and casinghead gas 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