

OIL AND GAS DOCKET NO. 7C-0225141

**THE APPLICATION OF HUNT OIL COMPANY FOR MER AUTHORITY FOR ITS
AMACKER-TIPPETT "A" POOL UNIT LEASE WELL NO. 10 IN THE AMACKER-
TIPPETT, SW. (WOLFCAMP A) FIELD, UPTON COUNTY, TEXAS**

Heard by: Margaret Allen, Technical Hearings Examiner

Procedural history

Application received: June 12, 2000

Hearing held: July 26, 2000

Appearances

Flip Whitworth
David Luttner

Representing
Hunt Oil Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Hunt Oil is requesting an MER determination for its Amacker-Tippett "A" Pool Unit Lease Well No. 10, Amacker-Tippett, SW. (Wolfcamp A) Field, Upton County, Texas. The maximum requested daily production is 535 barrels of oil, and Hunt is also seeking to have all overproduction for this well canceled.

DISCUSSION OF THE EVIDENCE

The Amacker-Tippett, SW (Wolfcamp A) Field was established in 1988, when Hunt instituted a gas-cycling recovery project on 960 acres. Nine wells that had been in the Amacker-Tippett, SW (Wolfcamp) Field were separated into the subject field because they were not in pressure-communication with the other wells in the older field. Hunt operated a gas cycling project between 1988 and 1995, that was not very successful because of vertical fractures and lateral heterogeneity. Since 1981, cumulative production from wells now in the subject field, has been 9,600,000 BO. Field rules provide for 160-acre proration units and a yardstick allowable of 435 BOPD.

During June of 2000, Hunt drilled its Well No. 10 on a previously-undrilled seismic anomaly in the "A" Pool Unit. The Amacker-Tippett "A" Pool Unit Well No. 10 encountered virgin pressure and had an initial potential of 618 BOPD, 6 BWPD and 504 MCF/D. The Wolfcamp pay zone

extends from 8866 to 9140 feet and is perforated from 9104 to 9125 feet at the base of the section. There are 177 feet of net pay, the porosity is 7% and the average water saturation is 32%. Hunt believes that over half of the well's ultimate recovery will be due to gravity drainage and producing the well at higher rates will not harm ultimate production.

The well was tested for seven days at a daily average oil rate of 431 barrels which resulted in a gas/oil ratio of 832 cubic feet per barrel. The well was next tested for seven days at a daily average rate of 476 barrels with a corresponding gas/oil ratio of 846. The final test period resulted in a daily average rate of 525 barrels of oil and a gas/oil ratio of 806 cubic feet per barrel. The test results indicate that this well's gas production is not sensitive to the rate of oil production.

The Amacker-Tippett "A" Pool Unit Well No. 10 accumulated overproduction while it was being tested to support this MER request. The applicant, who operates all of the wells in the Amacker-Tippett, SW. (Wolfcamp A) Field, is requesting that this overproduction be canceled.

FINDINGS OF FACT

1. Notice of these hearing was issued to all affected persons on June 29, 2000.
2. Nine older wells in the Amacker-Tippett, SW (Wolfcamp) Field were separated into the Amacker-Tippett, SW (Wolfcamp) Field in 1988, to establish a gas-cycling project for this particular reservoir.
3. The newly drilled Amacker-Tippett "A" Pool Unit No. 10 encountered a separate reservoir pod in the pooled unit and has virgin pressure.
4. The current daily field allowable is 435 barrels of oil, based on the yardstick allowable for wells at this depth on 160-acre proration units.
5. The Wolfcamp pay section in Well No. 10 extends from 8866 to 9140 feet and is perforated only at the base of the section (9104 to 9125 feet).
6. Producing rate tests from the Amacker-Tippett "A" Pool Unit No. 10 indicate that increasing this well's allowable to 535 barrels per day will not cause waste.
 - a. When the well was tested at an average daily rate of 431 barrels of oil the corresponding gas/oil ratio was 832 cubic feet per barrel.
 - b. When the well was tested at an average daily rate of 476 barrels of oil the corresponding gas/oil ratio was 846 cubic feet per barrel.
 - c. When the well was tested at an average daily rate of 525 barrels of oil the corresponding gas/oil ratio was 806 cubic feet per barrel.

6. Hunt Oil operates all of the wells in the Amacker-Tippett, SW. (Wolfcamp A) Field and all of the wells in the field are on the "A" Pooled Unit.
7. Requiring the subject well to be shut-in to make up overproduction that occurred while being tested to determine the most efficient rate will not protect correlative rights nor prevent waste.

CONCLUSIONS OF LAW

1. Proper notice was given as required by statute.
2. All things have been done or occurred to give the Railroad Commission jurisdiction to resolve this matter.
3. Granting an MER of 180 barrels of oil per day, as requested, will not cause waste and will protect correlative rights within the field.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that the Amacker-Tippett "A" Pooled Unit Lease Well No. 10 be allowed to produce up to 535 barrels of oil per day in the Amacker-Tippett, SW. (Wolfcamp A) Field and that all overproduction for this well be canceled.

Respectfully submitted,

Margaret Allen
Technical Hearings Examiner

Date of Commission Action: August 8, 2000

EXHIBITS

1. Map
2. Log
3. Proration schedule
4. Graph of field production
5. Table of field production
6. Step rate test data
7. Graph of test data