

THE APPLICATION OF HUNT OIL COMPANY TO INCREASE THE MER FOR THE J.M.WHITE WELL NO. 3 IN THE BLOCK A-34 (GLORIETA) FIELD, ANDREWS COUNTY, TEXAS

Heard by: Andres J. Trevino, P.E. on January 12, 2007

Appearances:
Rick Johnston

Representing:
Hunt Oil Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Hunt Oil Company requests an MER of 240 BOPD for its J.M. Lease, Well No.3 in the Block A-34 (Glorieta) Field.

The application is unprotested and the examiner recommends approval of the requested MER.

DISCUSSION OF EVIDENCE

The Block A-34 (Glorieta) Field was discovered in 1955 at a depth of approximately 5,900 feet. The top allowable in the field is 142 BOPD and 284 MCFD.

The J.M. White No. 3 has produced since 1957 from perforations between 5,980 and 5,991 feet. In May 2001, Hunt installed a larger rod pump on the well and production increased to approximately 195 BOPD, with 500-600 BWPD. The Commission approved an MER of 200 BOPD for this well in Oil & Gas Docket No. 08-0229005 on September 6, 2001. In January 2006, the fluid level in the well was 2,000 feet from the surface. In August 2006, Hunt installed an electrical submersible pump on the well and production increased up to 243 BOPD, with 900-1000 BWPD. In December 2006 the fluid level dropped to 3,940 feet below the surface and the oil cut averaged 18.7%. Producing at rates up to 240 BOPD will not adversely affect ultimate recovery from the well.

There is no current overproduction on this lease.

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 Block A-34 (Glorieta) Field was discovered in 1955 and has a top allowable of 142 BOPD.
3. The J.M. White No. 3 was completed in the field in 1957 and has produced from the same perforations since initial completion.
4. The Commission approved an MER of 200 BOPD for this well in Oil & Gas Docket No. 08-0229005 on September 6, 2001 after the installation of a larger rod pump.
5. An MER of 240 BOPD is appropriate for the efficient and effective depletion of the reservoir.
 - a. In August 2006, Hunt installed an electrical submersible pump on the well to reduce the high fluid level in the well.
 - b. The fluid level dropped from 2,000 feet below the surface on January 2006 prior to installing the pump, to 3,940 feet below the surface on December 2006 after installing the pump.
 - c. Oil production from the well increased up to 243 BOPD. The oil cut remained unchanged after the installation of the pump at an average rate of 18.7%.
6. The subject lease is not overproduced.

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. Approval of an MER of 240 BOPD for the J.M. Lease, Well No.3 in the Block A-34 (Glorieta) Field will not cause waste and will not harm correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends approval of an MER of 240 BOPD for the J.M. Lease, Well No.3 in the Block A-34 (Glorieta) Field.

Respectfully submitted,

Andres J. Trevino, P.E.
Technical Examiner