

THE APPLICATION OF MEWBOURNE OIL COMPANY TO CONSIDER INCREASED NET GOR AUTHORITY FOR THE PEARL PARKER "710" WELL NO. 1 AND THE PARKER, VERNER V. WELL NO. 1, MAMMOTH CREEK, NORTH (CLEVELAND) FIELD, LIPSCOMB COUNTY, TEXAS

Heard by: Andres J. Trevino on June 20, 2008

Appearances:

James M. Clark

Representing:

Mewbourne Oil Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Mewbourne Oil Company requests that all overproduction for its Pearl Parker "710" and Parker, Verner V. leases be cancelled. Mewbourne had originally requested increased net gas-oil ratio authority for the Pearl Parker "710" No. 1 and Parker, Verner V. No. 1. However, casinghead gas and oil production have declined such that increased allowable is unnecessary.

This application was unopposed and the examiner recommends cancellation of overproduction for the lease.

DISCUSSION OF EVIDENCE

The Pearl Parker "710" No. 1 was completed in December 2007. The well is a vertical well with perforations from 7,739 feet to 7,805 feet. On initial test the well produced at a rate of 175 BOPD, 1,139 MCFD and no water. The Parker, Verner V. No. 1 was completed in January 2008. The well is a vertical well with perforations from 7,720 feet to 7,820 feet. This well produced at a rate of 245 BOPD, 746 MCFD and no water on initial test.

The top allowable in the field is 121 BOPD and 242 MCFD. There are 12 oil wells in the field and approximately 172 associated gas wells. The gas field is AOF status.

The wells were not tested due to the insufficient flowing tubing pressure at reduced rates. The wells were producing through an open choke and the pipeline pressure was increased reducing production below the oil and casinghead gas allowable.

The Pearl Parker "710" No. 1 was overproduced approximately 2,400 BO and 21,547 MCF of casinghead gas as of March 1, 2008. The Parker, Verner V. No. 1 was

overproduced approximately 2,529 BO and 19,113 MCF of casinghead gas as of April 1, 2008. Mewbourne requests that all overage be cancelled.

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 Pearl Parker "710" No. 1 was completed in December 2007.
 - a. The well is a vertical well with perforations from 7,739 feet to 7,805 feet.
 - b. On initial test the well produced at a rate of 175 BOPD, 1,139 MCFD and 0 BWPD.
3. The Parker, Verner V. No. 1 was completed in January 2008.
 - a. The well is a vertical well with perforations from 7,720 feet to 7,820 feet.
 - b. This well produced at a rate of 245 BOPD, 746 MCFD and 0 BWPD on initial test.
4. The top allowable in the field is 121 BOPD and 242 MCFD.
5. The wells currently produce within their assigned casinghead gas and oil limit.
6. The Pearl Parker "710" No. 1 was overproduced approximately 2,400 BO and 21,547 MCF of casinghead gas as of March 1, 2008.
7. The Parker, Verner V. No. 1 was overproduced approximately 2,529 BO and 19,113 MCF of casinghead gas as of April 1, 2008.

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. Cancellation of overproduction for Pearl Parker "710" No. 1 and Parker, Verner V. No. 1 in the Mammoth Creek, North (Cleveland) Field will not cause waste and will not harm correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that all accumulated overproduction for the Pearl Parker "710" No. 1 and Parker, Verner V. No. 1 in the Mammoth Creek, North (Cleveland) Field be canceled.

Respectfully submitted,

Andres J. Trevino, P.E.
Technical Examiner