



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 09-0282673

THE APPLICATION OF BEST PETROLEUM EXPLORATIONS, INC. TO CONSIDER INCREASED NET GOR AUTHORITY FOR THE HARTER LEASE, WELL NO. 1 IN THE JMG MAG (MISS) FIELD, JACK COUNTY, TEXAS

Heard by: Paul Dubois - Technical Examiner
Andres J. Trevino, P.E. - Technical Examiner
Michael Crnich - Legal Examiner

Hearing Date: June 28, 2013

Appearances:

Dale Miller

Representing:

Best Petroleum Explorations, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Best Petroleum Explorations, Inc. (Best) requests authority to produce its Harter Well No. 1 under increased net gas-oil ratio authority with a daily gas limit of 400 MCFD. Best also requests that all overproduction for the well be canceled. This application was unopposed and the examiners recommend approval of increased net gas-oil ratio authority with a daily gas limit of 400 MCFD and cancellation of overproduction.

DISCUSSION OF EVIDENCE

The Harter No. 1 oil well was completed in May 2012 and was placed in the JMG MAG (Miss) Field. The subject well is perforated between 5,138 feet and 5,172 feet. On initial test, the flowing well produced at a rate of 20 BOPD, 1 MCFD and 650 BWPD with a GOR of 50 CF/Bbl. The well was placed on a pump and production increased. The top allowable in the field is 111 BO and the casinghead gas limit is 222 MCFD.

Oil production has generally declined since June 2012, with production of 1,154 Bbl in June 2012 to 342 Bbl in April 2013. The decline has not been uniform, but the production rates have been below the field maximum allowable. Gas production has been somewhat erratic, with gas production increasing significantly after initial production. The variation in production rates appears to be related to the back pressure applied to the tubing to prevent gas lift, and thus the recovery is sensitive to line pressure changes. Monthly gas production totals range from 23,442 MCF to 4,406 MCF. GOR values ranged from about 13 to 52 MCF/Bbl.

During May 2013 the well has produced at an average rate of 298 MCFD, with a maximum rate of 409 MCFD. Daily average oil production was 11 BOPD, with a maximum of 20 BOPD, which is the oil allowable. The well has accumulated overproduction of approximately 87,874 MCF of casinghead gas through April 2013. Shutting the well in or otherwise restricting production to balance the casinghead gas production overage may result in irreparable damage to the reservoir given the volume of produced water. Best Petroleum requests the well be given a 400 MCFD casinghead gas limit and that the overproduction 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 Harter No. 1 was completed in May 2012 and was placed in the JMG MAG (Miss) Field.
3. The well on initial test produced at a rate of 20 BOPD, 1 MCFD and 650 BWPD with a GOR of 50 CF/Bbl.
4. The well has accumulated approximately 87,874 MCF of casinghead gas overproduction.
5. Shutting in the well or otherwise restricting production might damage the well or reservoir, causing waste.

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 increased net gas-oil ratio authority with a casinghead gas limit of 400 MCFD for the Harter Well No. 1 in the JMG MAG (Miss) Field and cancellation of overproduction will prevent waste and will not harm correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the Harter Well No. 1 in the JMG MAG (Miss) Field be authorized to produce under net gas-oil ratio authority with a daily gas limit of 400 MCFD and that all accumulated overproduction for this lease be canceled.

Respectfully submitted,



Paul Dubois
Technical Examiner



Michael Crnich
Legal Examiner