



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 09-0286621

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**THE APPLICATION OF MCCUTCHIN PETROLEUM CORPORATION TO CONSIDER AN EXCEPTION TO STATEWIDE RULE 11 REQUIRING THE FILING OF A DIRECTIONAL SURVEY ON ITS CHAMPION UNIT, WELL NO. 1H (268554) IN THE NEWARK, EAST (BARNETT SHALE) FIELD, WISE COUNTY, TEXAS**

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**HEARD BY:** Paul Dubois – Technical Examiner  
Laura Miles-Valdez – Hearings Examiner

**DATE OF HEARING:** January 30, 2014

**APPEARANCES:** **REPRESENTING:**

**APPLICANT:**

Jerry A. McCutchin, Jr.                      McCutchin Petroleum Corporation

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

McCutchin Petroleum Corporation (McCutchin) is requesting an exception to Statewide Rule 11 regarding the filing of a directional gyro survey for the vertical portion of its Champion Unit, Well No. 1H. The service company that completed the survey failed to properly file and certify it under Statewide Rules 11 and 12 and has since gone out of business. The survey exists, and McCutchin has provided a copy for the record along with a statement from the individual who conducted the survey. The directional survey for the horizontal lateral portion of the wellbore was properly submitted. The examiners recommend that the exception be granted.

#### DISCUSSION OF THE EVIDENCE

McCutchin began drilling its Champion Unit Well 1H on October 4, 2010. On October 10, 2010 a directional gyro survey was performed on the vertical section of the wellbore from the ground surface to a total vertical depth of 6,180 feet. The gyro survey was conducted by Reliable Survey Corporation (Reliable) (P-5 No. 700957). Drilling continued from October 10, 2014 to October 14, 2014. The well was drilled to a total

vertical depth (at bottom hole) of 6,808 feet. The measured depth of the wellbore was 10,379 feet. For the horizontal portion, The Directional Drilling Company (DDC) (P-5 No. 851499) conducted a measurement while drilling (MWD) survey of the wellbore. The well was completed on December 16, 2010. The MWD survey was submitted to the Commission with the acceptable certification on December 17, 2010.

Reliable Survey Corporation held a valid P-5 Organization Report with a directional surveyor's activity code at the time the survey was conducted. Reliable's P-5 expired on August 1, 2011 and has not been renewed. There is no record that Reliable filed the survey or a certification statement with the Commission in accordance with Statewide Rules 11 and 12. Commission staff notified McCutchin of the omission, and the well has not been assigned an allowable.

The tie-in data for the two surveys match. That is, the last and deepest reading on the gyro survey is reported as the initial (and shallowest) measurement for the MWD survey. The survey annotations on the MWD report reference a tie-in gyro survey that matches the description of the Reliable survey. In addition, McCutchin contacted the individual person who conducted the gyro survey for Reliable, Mr. Jason Harbour. Mr. Harbour provided a statement certifying that he conducted the gyro survey for the subject well on October 10, 2010 while employed by Reliable. Mr. Harbour also provided a copy of his field notes, which agree with the survey tie-in data on the MWD survey.

The examiners conclude that McCutchin has established that the wellbore was surveyed in accordance with Statewide Rule 11, and that the evidence presented at hearing is acceptable for certification under Statewide Rule 12 in this instance. The examiners recommend an exception to Statewide Rule 11 be approved for this well.

#### **FINDINGS OF FACT**

1. Proper notice of this hearing was given at least ten days prior to the date of hearing. There were no protests to the application.
2. Reliable Survey Corporation conducted a gyro survey of the vertical portion of McCutchin's Champion Well No. 1H on October 10, 2010.
3. At the time of the survey, Reliable Survey Corporation had an active P-5 with a directional surveying specialty code; the P-5 has since expired.
4. Mr. Jake Harbour conducted the gyro survey for Reliable Survey Corporation.
5. A MWD survey was conducted for the horizontal wellbore; this survey was properly submitted and certified by the directional driller.

6. The MWD and gyro surveys tie-in exactly.
7. Mr. Jake Harbor provided a certification statement that he conducted the gyro survey while employed by Reliable, and his field notes match the tie-in coordinates of the MWD survey.
8. McCutchin has demonstrated that the well was surveyed in accordance with Statewide Rule 11, and that acceptable evidence exists to support this conclusion in lieu of certification by Reliable Survey Corporation.

**CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the requested exception to Statewide Rule 11 will prevent waste of oil resources and will not harm correlative rights.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission grant an exception to Statewide Rule as requested by McCutchin Petroleum Corporation.

Respectfully submitted,



Paul Dubois  
Technical Examiner



Laura Miles-Valdez  
Hearings Examiner