



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0282701

THE APPLICATION OF PPC OPERATING COMPANY, L.L.C. TO ESTABLISH AN MER ALLOWABLE FOR THE COWDEN 58 LEASE, WELL NO. 3 IN THE ROEPKE (WOLFCAMP) FIELD, CRANE COUNTY, TEXAS

HEARD BY: Andres J. Trevino, P.E. - Technical Examiner  
Michael Crnich- Legal Examiner

HEARING DATE: August 16, 2013

APPEARANCES:

REPRESENTING:

APPLICANT:

Thomas H. (Buddy) Richter, P.E.

PPC Operating Company, LLC

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

PPC Operating Company, LLC requests an MER of 130 BOPD for its Cowden 58, Well No. 3 in the Roepke (Wolfcamp) Field. PPC Operating also requests that all accumulated overproduction be cancelled for this lease.

The application is unopposed and the examiners recommend approval of the requested MER and cancellation of overproduction.

#### DISCUSSION OF EVIDENCE

The Cowden 58 No. 3 was recompleted in December 2012 in the Wolfcamp formation by PPC Operating. The well is completed at a depth of 6,076 to 6,416 feet. The well had an initial potential of 177 BOPD and 220 BWPD as a pumping well. The top allowable in the field was incorrectly reported at 78 BOPD. The top allowable was adjusted by the Commission's Proration Section at a rate of 111 BOPD.

The Cowden 58 No. 3 is currently producing with a rod pumping unit. The pumping

rate was decreased to produce within the allowable of 111 BOPD. The clock timers were reduced from 24 hrs (100%), 80% to 60% hrs per day operating time. The average oil rate for the well decreased to 105 to 75 BOPD. The producing gas-oil ratio is low between 103 to 252 scf/bbl during the tests. The GORs declined as the well was produced at higher rates. The WOR decreased from 5:1 to 3:1 as oil rates were increased during the test. At the higher rates, the standing fluid level in the wellbore was lowered by 700 feet, allowing more hydrocarbons to enter the wellbore. PPC Operating believes that producing the well at capacity (up to 130 BOPD) will not harm the reservoir. Cumulative overproduction is estimated to be 6,960 BO for the well. It is requested that all overage be canceled.

### 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 Cowden 58 No. 3 was recompleted into the Wolfcamp in December 2012 as a pumping oil well with an initial potential of 177 BOPD and 220 BWPD.
3. The top allowable for the Roepke (Wolfcamp) Field was incorrectly listed as 78 BOPD. The top allowable was correctly adjusted by the Commission's Proration Section at a rate of 111 BOPD.
4. The Cowden 58 No. 3 currently produces with a rod pumping unit.
  - a. The maximum oil rate of 155 BOPD was produced in June 2013.
  - b. The well was tested by decreasing the pumping unit's operating time from 100% of the time to 80% and then 60% of the time.
  - c. The producing gas-oil ratio is low, 103-252 cubic feet per barrel and declines at higher producing rates. The WOR remain the lowest (3:1) at the higher production rates.
  - d. At the higher rates, the standing fluid level in the wellbore was lowered by 700 feet, allowing more hydrocarbons to enter the wellbore.
5. Producing the Cowden 58 No. 3 at rates up to 130 BOPD will not cause waste.
6. The subject lease is overproduced approximately 6,960 BO.

**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 130 BOPD and cancellation of overproduction for the Cowden 58 No. 3 for the Roepke (Wolfcamp) Field will not cause waste and will not harm correlative rights.

**RECOMMENDATION**

Based on the above findings and conclusions of law, the examiners recommend approval of an MER of 130 BOPD and cancellation of overproduction for the Cowden 58 No. 3 for the Roepke (Wolfcamp) Field.

Respectfully submitted,



Andres J. Trevino, P.E.  
Technical Examiner



Michael Crnich  
Legal Examiner