

**THE APPLICATION OF DEVON ENERGY PRODUCTION CO., L.P. TO ESTABLISH AN MER FOR THE C.M. SMITH, ET AL. WELL NO. 3 IN THE ALVORD, SOUTH (ATOKA) FIELD, WISE COUNTY, TEXAS**

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**Heard by:** Andres J. Trevino P.E., on December 12, 2006

**Appearances:**

Brian Sullivan  
Richard J. Morrow  
Gayle Riggs

**Representing:**

Devon Energy Production Co., L.P.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Devon Energy Production Co., L.P. requests an MER of 489 BOPD for its C.M. Smith, ET AL Well No. 3 in the Alvord, South (Atoka) Field. Devon also requests that all accumulated overproduction be cancelled for this lease.

The application is unopposed and the examiner recommends approval of the requested MER and cancellation of overproduction.

**DISCUSSION OF EVIDENCE**

The Smith, C.M. ET AL Well No. 3 was initially completed in the Alvord, South (Atoka) Field in September 2006. The well is perforated in two zones between 5,632 feet and 6,055 feet. The lower zone between 5,887 feet and 6,055 feet was produced at a rate of 50 BOPD. A retrievable bridge plug was set at 5,800 feet to isolate the lower zone. The upper zone between 5,717 feet and 5,632 feet flowed upon initial completion at a rate of 472 BOPD, 23 BWPD and 216 MCFPD. Devon decided to produce the upper zone first then produce to lower zone at a future date. The top allowable in the Alvord, South (Atoka) Field is 111 BOPD and 1,000 MCFD (Fieldwide Net GOR Authority O&G Docket # 9-54,117).

In November 2006, a MER production test was performed for the well. The well was flowed with four different choke sizes. The flow rates varied from 489 BOPD to 60 BOPD. When the well was choked back to produce at the allowable rate of 111 BOPD, the well loaded up with fluids and died. Devon requests an MER of 489 BOPD and 2,000 MCFPD for the well. The well produces no water. The proposed rate will not adversely affect the ultimate recovery of reserves from the well.

The subject lease is overproduced approximately 31,160 BO as of December 7, 2006. 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 C.M. Smith, ET AL Well No. 3 was completed in September 2006 and has isolated two productive zones. The upper zone flowed 472 BOPD on the initial potential test.
3. The top allowable in the Alvord, South (Atoka) Field is 111 BOPD and 1,000 MCFPD.
4. In November 2006, a MER production test was performed on the well at rates from 60 BOPD to 489 BOPD.
5. The well loaded up with fluids and died when the well was choked back to produce at an allowable rate of 111 BOPD.
6. The subject lease is overproduced approximately 31,160 BO as of December 7, 2006 and cancellation of the over production will not harm correlative rights.

**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 489 BOPD and 2,000 MCFPD and cancellation of overproduction for the C.M. Smith, ET AL Well No. 3 in the Alvord, South (Atoka) 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 489 BOPD and 2,000 MCFPD and cancellation of overproduction for the C.M. Smith, ET AL Well No. 3 in the Alvord, South (Atoka) Field.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner