

OIL AND GAS DOCKET NO. 09-0267015

THE APPLICATION OF BEST PETROLEUM EXPLORATIONS, INC. TO CONSIDER AN MER ALLOWABLE FOR THE COZART NO. 1 IN THE LOST VALLEY (CADDO) FIELD, JACK COUNTY, TEXAS

Heard by: Donna K. Chandler on September 28, 2010

Appearances:

Dale Miller

Representing:

Best Petroleum Explorations, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Best Petroleum Explorations, Inc. requests that an MER allowable of 100 BOPD be established for its Cozart No. 1 in the Lost Valley (Caddo) Field. Best 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 Lost Valley (Caddo) Field was discovered in 1971. The top allowable in the field is 48 BOPD. There are currently 28 oil wells in the field.

Best completed the Cozart No. 1 in July 2008 with perforations in the Caddo between 4,597 feet and 4,603 feet. On initial test, the well flowed at a rate of 42 BOPD, 118 MCFD and 400 BWPD with 30 psi flowing tubing pressure. Cumulative production from the well is 22,000 BO and 55 MMCF of gas.

The top allowable for the Cozart No. 1 is 48 BOPD and 175 MCFD, pursuant to a Final Order approving increased net gas-oil ratio authority in December 2009. The well continues to flow, but will immediately die if the choke is reduced from ½ inch. The well has recently been capable of producing 73 BOPD, 85 MCFD and 100 BWPD. For the first several months of its producing life, the well was producing only 10-15 BOPD with a gas-oil ratio of almost 10,000 cubic feet per barrel. Best has not performed a workover on the well, but the oil production has steadily increased, while the gas production has remained

constant and water production has decreased.

Estimated overproduction is 1,147 BO as of September 1, 2010. Best requests that this 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 Lost Valley (Caddo) Field was discovered in 1971. The top allowable in the field is 48 BOPD.
3. There are 28 producing oil wells in the subject field.
4. The Cozart No. 1 was completed in July 2008 with perforations in the Caddo between 4,597 feet and 4,603 feet.
5. On initial test, the well flowed at a rate of 42 BOPD, 118 MCFD and 400 BWPD with 30 psi flowing tubing pressure.
6. Over time, the oil production from the well has steadily increased, while the gas production has remained constant and water production has decreased. The well immediately dies if the choke is reduced.
7. The well is estimated to be overproduced approximately 1,147 BO as of September 1, 2010.
8. Cancellation of overproduction 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 100 BOPD for the Cozart Well No. 1 and cancellation of overproduction for the well in the Lost Valley (Caddo) 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 100 BOPD and cancellation of overproduction for the Cozart No. 1 in the Lost Valley (Caddo) Field in Jack County, Texas.

Respectfully submitted,

Donna K. Chandler
Technical Examiner