



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 09-0289811

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THE APPLICATION OF W. T. WAGGONER ESTATE TO CONSIDER A MER ALLOWABLE FOR THE WAGGONER MINNAS CREEK A LEASE, WILBARGER COUNTY (SPECIAL) FIELD, WILBARGER COUNTY, TEXAS

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HEARD BY: Paul Dubois – Technical Examiner  
Terry Johnson – Hearings Examiner

DATE OF HEARING: July 23, 2014

APPEARANCES:

REPRESENTING:

APPLICANT:

Steve Towns  
Nguyen Bao Ngoc

W. T. Waggoner Estate

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

This is the application of W. T. Waggoner Estate ("Waggoner") to consider a most efficient rate (MER) allowable for its Waggoner Minnas Creek A Lease (No. 32777), in the Wilbarger County (Special) Field, Wilbarger County, Texas. Waggoner requests authority to produce 85 BOPD. The request was not protested. The examiners recommend approval of the 85 BOPD MER allowable and the cancellation of any overproduction.

#### DISCUSSION OF EVIDENCE

Waggoner completed its Waggoner Minnas Creek A Lease Well No. A 1 (API No. 42-487-32952) on January 9, 2014. The vertical well was drilled to a total depth of 2,610 feet and produces from a depth interval from 1,884 feet to 1,893 feet. The well produces from a Dyson Sand stratum that was not previously produced. On initial potential testing the well produced 120 bbl oil, no gas and no water. The oil has a gravity of 36° API.

The closest Dyson production to the Waggoner Minnas Creek A Lease is more than two miles to the west, in the Bojo (Dyson) Field. Other wells closer to the Waggoner Minnas Creek A Lease produce from deeper Caddo or Ellenburger fields. The well is assigned to the Wilbarger County (Special) Field (No. 97331 050). The Wilbarger County (Special) Field currently carries about 266 wells. The top allowable in the field is 16 BOPD. Apart from the subject well, the highest oil potential indicated on the proration schedule is 13 bbl oil per day.

Waggoner seeks an MER allowable for the subject lease. It currently holds three drilling permits to drill additional wells. Waggoner believes that the Dyson Sand being exploited by the A 1 well has not been previously produced and will support a higher efficient production rate. The sand interval is about 30 feet thick, and the well is perforated in the top 9 feet. The Dyson exhibits a strong bottom water drive. The well produces no gas. Waggoner conducted a 30-day well test at varying pumping rates of 4 hours per day, 2.75 hours per day, and 16 hours per day. The well produced up to 85 bbl oil and 70 bbl water per day when being pumped for 16 hours per day. No gas was produced during the test. Water production rates and a PVT black oil analysis confirm a strong water drive mechanism. Waggoner is requesting an MER allowable of 85 bbl oil for all wells drilled on the 180 acre lease.

#### **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. No protests were received.
2. Waggoner completed its Waggoner Minnas Creek A Lease Well No. A 1 (API No. 42-487-32952) on January 9, 2014.
  - a. The vertical well was drilled to a total depth of 2,610 feet and produces from a depth interval from 1,884 feet to 1,893 feet.
  - b. The well produces from a Dyson Sand stratum that was not previously produced.
  - c. On initial potential testing the well produced 120 bbl oil, no gas and no water
3. The nearest Dyson Sand production is more than two miles to the west. Other nearby wells produce from deeper Cisco and Ellenburger Fields.
4. The Dyson exhibits a strong bottom water drive. The well produces no gas.
5. Waggoner conducted a 30-day well test at varying pumping rates of 4 hours per day, 2.75 hours per day, and 16 hours per day. The well produced up

to 85 bbl oil per day and no gas when being pumped for 16 hours per day.

**CONCLUSIONS OF LAW**

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051.
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.45.
3. An MER allowable of 85 BOPD for the Minnas Creek A Lease (No. 32777) in the Wilbarger County (Special) Field will not cause waste.
4. Cancelling overproduction for the Minnas Creek A Lease will not cause waste.

**RECOMMENDATION**

Based on the above findings and conclusions of law, the examiners recommend approval of the maximum efficient rate allowable of 85 BOPD for the Waggoner Minnas Creek A Lease (No. 32777), in the Wilbarger County (Special) Field, Wilbarger County, Texas. Further, the examiners recommend that all overproduction in the field be cancelled.

Respectfully submitted,



Paul Dubois  
Technical Examiner



Terry Johnson  
Hearings Examiner