



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 06-0297414**

---

**THE APPLICATION OF EAST TEXAS EXPLORATION, LLC TO CONSIDER INCREASED NET GAS OIL RATIO AUTHORITY AND CANCELLATION OF OVERPRODUCTION FOR THE COHIBA TP LEASE, WELL NO. 1H, BETHANY (TRAVIS PEAK CONS.) FIELD, HARRISON COUNTY, TEXAS**

---

**HEARD BY:** Karl Caldwell – Technical Examiner  
Randall Collins – Administrative Law Judge

**HEARING DATE:** September 25, 2015  
**CONFERENCE DATE:** November 17, 2015

**APPEARANCES:** Bill Spencer  
James Clark

**REPRESENTING:** East Texas Exploration, LLC

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

East Texas Exploration, LLC (East Texas Exp.) requests cancellation of all overproduction of gas for the Cohiba TP Lease, Well No. 1H, completed in the Bethany (Travis Peak Cons.) Field. East Texas Exp. had also requested authority to produce the subject well at an increased net gas:oil ratio (GOR), however production has since decreased below the daily allowable and the Applicant is no longer requesting a net GOR. The application is unopposed and the Examiners recommend approval of the application.

#### DISCUSSION OF THE EVIDENCE

The Cohiba TP Lease, Well No. 1H (API No. 42-203-35188), is completed in the Bethany (Travis Peak Cons.) Field, Harrison County, Texas. Form W-2 shows that the subject well was hydraulically fracture-stimulated in six stages with an energized fluid system (N<sub>2</sub>). The subject well accumulated the majority of overproduction during the first six months after stimulation. The well is current decreasing accumulated

overproduction at a rate of approximately 1,500 Mcf per month. East Texas Exp. is no longer requesting a net-GOR, as production has dropped below the maximum daily field allowable. East Texas Exp. is only requesting that the "flush production" that came in after hydraulic fracture stimulation with an energized fluid system be balanced. The Applicant estimates that it would take approximately 2.5 years to balance the overproduction at current production rates.

In Final Order No. 06-0254848, effective February 12, 2008, oil wells in the field were granted an increased net gas-oil ratio authority with a casinghead gas limit of 1,500 Mcf per day. The final order stated that no oil well shall have its oil allowable penalized unless the 1,500 Mcf per day casinghead gas limit is exceeded. The oil proration schedule for the Bethany (Travis Peak Cons.) Field shows that wells in the field have a net GOR authority of 1,500 Mcf per day. The subject well was assigned a 242 Mcf per day allowable based on the oil allowable of 121 BOPD and a 2,000:1 GOR. According to James Clark, the Applicant's engineering witness, the subject well should have been assigned a 1,500 Mcf per day casinghead gas limit. If the well had been assigned a 1,500 Mcf per day limit, the well would not have accumulated any overproduction.

#### FINDINGS OF FACT

1. Notice of this hearing was provided to all operators in the field at least ten (10) days' prior to the date of the hearing and no protests were received.
2. The Cohiba TP Lease, Well No. 1H (API No. 42-203-35188), is completed in the Bethany (Travis Peak Cons.) Field, Harrison County, Texas.
3. The Form W-2 shows that the subject well was hydraulically fracture-stimulated in six stages with an energized fluid system
4. The subject well accumulated the majority of overproduction during the first six months after stimulation.
5. The well is current decreasing accumulated overproduction at a rate of approximately 1,500 Mcf per month.
6. The Applicant is no longer requesting a net-GOR, as production has dropped below the maximum daily field allowable.
7. The Applicant is requesting that the "flush production" that came in after hydraulic fracture stimulation with an energized fluid system be balanced.

8. At current production rates it would take approximately 2.5 years to balance the overproduction.
9. Final Order No. 06-0254848, granted oil wells in the Bethany (Travis Peak Cons.) Field an increased net gas-oil ratio authority with a casinghead gas limit of 1,500 Mcfd.
10. The subject well was assigned a 242 Mcf per day allowable based on the oil allowable of 121 BOPD and a 2,000:1 GOR.
11. If the subject well had been assigned a 1,500 Mcf per day limit, the well would not have accumulated any overproduction.

**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. Cancellation of overproduction will prevent waste and protect correlative rights.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend that all overproduction for the Cohiba TP Lease, Well No. 1H (API No. 42-203-35188 Bethany (Travis Peak Cons.) Field, Harrison County, Texas be cancelled.

Respectfully submitted,



Karl Caldwell  
Technical Examiner



Randall Collins  
Administrative Law Judge