

OIL AND GAS DOCKET NO. 10-0252083

THE APPLICATION OF CHESAPEAKE OPERATING, INC. TO BALANCE THE OVERPRODUCTION IN THE LEDRICK RANCH, E. (GRANITE WASH) FIELD, ROBERTS COUNTY, TEXAS

Heard by: Donna K. Chandler on July 10, 2007

Appearances:

Bill Spencer

Representing:

Chesapeake Operating, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Chesapeake Operating, Inc. requests that all overproduction for its Wilde 8 lease in the Ledrick Ranch, E. (Granite Wash) Field be cancelled.

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

DISCUSSION OF EVIDENCE

The Wilde 8 No. 1 is the only producing well in the Ledrick Ranch, E. (Granite Wash) Field. The well was completed in July 2006 and produced at a rate of 58 BOPD, 1,133 MCFD and 13 BWPD. The top allowable in the field is 142 BOPD and 284 MCFD under Statewide Rules.

The well has produced with a high gas-oil ratio since completion and overproduced its casinghead allowable significantly in the first five months of production. The average gas-oil ratio over the life of the well is over 70,000 cubic feet per barrel.

Chesapeake was going to request increased net gas-oil ratio authority for the well, but the production has significantly decreased such that the well now produces within its assigned allowable. May 2007 production averaged 3-4 BOPD and 246 MCFD.

As of June 1, 2007, the well has accumulated casinghead gas overproduction of approximately 68 MMCF. Chesapeake 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 Wilde 8 No. 1 is the only producing well in the Ledrick Ranch, E. (Granite Wash) Field.
3. The current top allowable in the field is 142 BOPD and 284 MCFD.
4. The Wilde 8 No. 1 was completed in July 2006 and produced at a rate of 58 BOPD, 1,133 MCFD and 13 BWPD. Since completion, the gas-oil ratio for the well has averaged about 73,000 cubic feet per barrel.
5. Gas production from the well has declined and the well now produces within its assigned casinghead gas limit.
6. As of June 1, the cumulative overage for the lease is approximately 68 MMCF.

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. Cancellation of overproduction for the Wilde 8 lease in the Ledrick Ranch, E. (Granite Wash) Field will not harm correlative rights and will not cause waste.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends cancellation of overproduction for the Wilde 8 lease in the Ledrick Ranch, E. (Granite Wash) Field.

Respectfully submitted,

Donna K. Chandler
Technical Examiner