

THE APPLICATION OF JLA RESOURCES COMPANY TO CANCEL OVERPRODUCTION FOR THE TEMPLE INLAND UNIT IN THE ANWAC (1400 WILCOX) FIELD, ANDERSON COUNTY, TEXAS

Heard by: Andres J. Trevino, P.E. on September 17, 2007

Appearances:

Glenn George

Representing:

JLA Resources Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

JLA Resources Company requests that all overproduction on its Temple Inland Unit in the Anwac (1400 Wilcox) Field be cancelled. The application is unopposed and the examiner recommends approval of cancellation of overproduction for the lease.

DISCUSSION OF EVIDENCE

The top allowable in the Anwac (1400 Wilcox) Field is 74 BOPD for 40 acre units and 9 BOPD for 5 acre units. Recent field development has occurred since field rules were amended in April 2005 to allow optional 5 acre units. In April 2005 there were 13 wells completed in the field, currently there are 27 wells completed in the field. JLA Resources completed its Temple Inland No. 31R in August 2006 with an initial potential of 15 BOPD. These wells initially produce 15 to 20 BOPD then decline rapidly below the 9 BOPD allowable. JLA Resources is only operator in the field.

Cumulative overproduction for the lease is about 2,408 BO as of July 31, 2007. JLA Resources requests that this 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 top allowable in the Anwac (1400 Wilcox) Field is 74 BOPD for 40 acre units and 9 BOPD for 5 acre units.

3. In April 2005 there were 13 wells completed in the field, currently there are 27 wells completed in the field.
4. JLA Resources completed its Temple Inland No. 31R in August 2006 with an initial potential of 15 BOPD. These wells initially produce 15 to 20 BOPD then decline rapidly below the 9 BOPD allowable.
5. JLA Resources is only operator in the field.
6. The subject lease is overproduced approximately 2,408 BO as of July 31, 2007.

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 Temple Inland Unit in the Anwac (1400 Wilcox) Field will not cause waste and will not harm correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends cancellation of overproduction for the Temple Inland Unit in the Anwac (1400 Wilcox) Field.

Respectfully submitted,

Andres J. Trevino, P.E.
Technical Examiner