

**THE APPLICATION OF J. CLEO THOMPSON TO CONSIDER THE CANCELLATION OF OVERPRODUCTION IN THE WOLFBONE (TREND AREA) FIELD, PECOS, REEVES AND WARD COUNTIES, TEXAS**

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**Heard by:** Donna K. Chandler on February 14, 2011

**Appearances:**

Glenn George  
Greg Bilbro

**Representing:**

J. Cleo Thompson

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

J. Cleo Thompson requests that all overproduction in the Wolfbone (Trend Area) Field be canceled.

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

**DISCUSSION OF EVIDENCE**

On November 30, 2010, the Commission signed a Final Order in Docket No. 08-0265981 consolidating 12 fields into the Wolfbone (Trend Area) Field and adopting temporary field rules for the consolidated field. In the Commission's process of consolidating the fields, procedures do not allow transfer of leases which have accumulated overproduction. Many of the leases in the separate fields have oil overproduction and can therefore not be transferred until the overage has been made up or canceled.

The top allowable in the Wolfbone (Trend Area) Field is 843 BOPD. This allowable is much higher than any of the top allowables in the fields which were consolidated. There is no reason to require wells to make up overproduction, as the wells produce within the allowable assigned in the consolidated field.

Thompson has several leases which have overproduction totaling about 15,000 BO. Other operators also have overage in the individual fields.

**OIL AND GAS DOCKET NO. 08-0269099**

**FINDINGS OF FACT**

1. Notice of this hearing was given to operators in the 12 fields which were consolidated into the Wolfbone (Trend Area) Field and to operators in the Wolfbone (Trend Area) Field at least ten days prior to the date of hearing.
2. On November 30, 2010, the Commission signed a Final Order in Docket No. 08-0265981 consolidating 12 fields into the Wolfbone (Trend Area) Field and adopting temporary field rules for the consolidated field.
3. The top allowable in the Wolfbone (Trend Area) Field is 843 BOPD, which is higher than any top allowable in the individual fields which were consolidated into the Wolfbone (Trend Area) Field.
4. Leases cannot be transferred into the Wolfbone (Trend Area) Field if they have accumulated overproduction.
5. Many of the leases in the separate fields have oil overproduction and can therefore not be transferred until the overage has been made up or canceled.

**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 all overproduction in the Wolfbone (Trend Area) 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 all overproduction in the fields which were consolidated into the Wolfbone (Trend Area) Field, as well as any overage in the Wolfbone (Trend Area) Field.

Respectfully submitted,

Donna K. Chandler  
Technical Examiner