

OIL AND GAS DOCKET NO. 03-0257708

THE APPLICATION OF WCS OIL & GAS CORPORATION TO CLASSIFY THE SEALY NO. 1RE AS A GAS WELL EFFECTIVE THE DATE OF HORIZONTAL RECOMPLETION IN THE GIDDINGS (AUSTIN CHALK, GAS) FIELD, BURLESON COUNTY, TEXAS

Heard by: Donna K. Chandler, Technical Examiner

Hearing Date: July 28, 2008

Appearances:

James Clark

Representing:

WCS Oil & Gas Corporation

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

WCS Oil & Gas Corporation requests that its Sealy No. 1RE be classified as a gas well in the Giddings (Austin Chalk, Gas) Field, effective May 10, 2007. The well is currently classified as a gas well, with such classification effective September 4, 2007.

The application is unopposed and the examiner recommends approval of the date of gas well classification as requested by WCS.

DISCUSSION OF EVIDENCE

The Sealy No. 1 was drilled in 1989 and completed as a vertical well in the Jerry's Quarters (AC 11900) Field. The well produced as a vertical well until 2004 when WCS took over the well with plans to drill two stacked laterals in the well. In July 2006, WCS completed two short laterals in the well and filed completion papers to classify the well as a gas well in the Giddings (Austin Chalk, Gas) Field. The Form G-5 indicated the well to have a GOR of 357,000 cubic feet of gas per barrel of liquid and the well was classified as a gas well on this basis.

In early 2007, WCS decided to recomplete the well with larger production casing which would accommodate two longer laterals, as had been originally planned. This recompletion was successful and WCS filed a Form W-2 with a test date of May 30, 2007, to classify the well as an oil well in the Giddings (Austin Chalk-3) Field. The test indicated a gas-oil ratio of over 31,000 cubic feet per barrel and an oil gravity of 57 degrees API.

Soon after the W-2 was filed, WCS realized that Form G-1 should have been filed for the well, reflecting gas well classification. A Form G-1 was filed with a test date of September 4, 2007. The Form G-5 filed with the test passed all criteria for the well to be re-classified to a gas well and the well was assigned a gas ID number effective September 4, 2007, the date of the test. The completion intervals on Form W-2 and Form G-1 are identical.

WCS is now requesting that the gas well classification be backdated to May 10, 2007, the date that the two longer laterals were completed in the well. There have been no mechanical changes in the well and production since that time has always resulted in gas-oil ratios of 60,000-70,000 cubic feet per barrel. Additionally, all wells in the area, regardless of field designation, are classified as gas wells.

FINDINGS OF FACT

1. Notice of this hearing was given to all affected persons at least ten days prior to the date of hearing. No protests were received.
2. The Sealy No. 1 was drilled in 1989 and completed as a vertical well in the Jerry's Quarters (AC 11900) Field. The well produced as a vertical well until 2004 when WCS took over the well with plans to drill two stacked laterals in the well.
3. In July 2006, WCS completed two short laterals in the well the well was classified as a gas well in the Giddings (Austin Chalk, Gas) Field.
4. In early 2007, WCS recompleted the well with two longer laterals and filed Form W-2 with a test date of May 30, 2007. The well was classified as an oil well in Giddings (Austin Chalk-3) Field. The test indicated a gas-oil ratio of over 31,000 cubic feet per barrel and an oil gravity of 57 degrees API.
5. After acceptance of the Form W-2, WCS filed Form G-1 to properly classify the well as a gas well. The test date on the Form G-1 was September 4, 2007. The Form G-5 filed with the test passed all criteria for the well to be re-classified to a gas well and the well was assigned a gas ID number effective September 4, 2007, the date of the test.
6. The well should have been classified as a gas well effective May 10, 2007, the date that the two longer laterals were completed in the well. There have been no mechanical changes in the well and production since that time has always resulted in gas-oil ratios of 60,000-70,000 cubic feet per barrel.

CONCLUSIONS OF LAW

1. Proper notice of this hearing was issued.
2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.
3. The Sealy No. 1RE should be classified as a gas well in the Giddings (Austin Chalk, Gas) Field, effective May 10, 2007, pursuant to Statewide Rule 79 (a) (11) (C).

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the Sealy No. 1RE be classified as a gas well in the Giddings (Austin Chalk, Gas) Field, effective May 10, 2007.

Respectfully submitted,

Donna K. Chandler
Technical Examiner