THE APPLICATION OF COBRA OIL AND GAS CORPORATION TO CONSIDER A NET GAS-OIL RATIO AUTHORITY FOR THE GEER LEASE, WELL NO. 1 IN THE KRS (MARBLE FALLS) FIELD, JACK COUNTY, TEXAS

Heard by:  Paul Dubois - Technical Examiner
Laura Miles-Valdez - Legal Examiner

Hearing Date:  August 21, 2013

Appearances:  Representing:
John Fontenot  Cobra Oil & Gas Corporation

EXAMINER’S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Cobra Oil and Gas Corporation (Cobra) requests authority to produce its Geer Well No. 1 under increased net gas-to-oil ratio (GOR) authority with a daily gas limit of 500 MCFD. Cobra also requests that all overproduction for the well be canceled. This application was unprotested and the examiners recommend approval of increased net gas-oil ratio authority with a daily gas limit of 500 MCFD and cancellation of overproduction.

DISCUSSION OF EVIDENCE

The Geer No. 1 well was completed on October 2, 2011, and was placed in the KRS (Marble Falls) Field. The field has a correlative interval of 5,070 to 5,365 feet, and there are currently 125 wells carried on the oil proration schedule. The initial test was conducted on October 25, 2011. The well flowed 27 BO, 659 MCFG, and 750BW; the GOR was 24,407 SCF/B. In June 2012, a gas lift system was installed in the well and a second test produced 45 BO, 1,291 MCFG, and 255 BW; the GOR was 28,688. The well will have an estimated cumulative gas overproduction of 65,653 MCF as of September 1, and no oil overproduction.

From June 28, 2012, to July 29, 2013 Cobra tested the well production under
different choke sizes. As the choke sizes were reduced and oil production decreased, the
gas production was stable, indicating the gas production rate was independent of the oil
production rate. Gas production during the test remained stable with an average of about
416 MCFD, and an average GOR of about 45 MSCF/B. Therefore Cobra requests a daily
gas limit of 500 MCFD, which is supported by the test data.

**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 Geer No. 1 well was completed on October 2, 2011, and was placed in
the KRS (Marble Falls) Field.

3. On initial test the well flowed 27 BO, 659 MCFG, and 750BW; the GOR was
24,407 SCF/B.

4. After installation of a gas lift system in June 2012, the well tested at 45 BO,
1,291 MCFG, and 255 BW; the GOR was 28,688 SCF/B.

5. A well test conducted in June and July 2013, indicated gas production
remained stable as oil production was restricted with smaller chokes, with an
average gas rate of about 416 MCFD, and an average GOR of about 45
MSCF/B.

6. The well will have an estimated cumulative gas overproduction of 65,653
MCF as of September 1, and no oil overproduction.

7. Shutting in the well or otherwise restricting production might damage the well
or reservoir, causing waste.

**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. Approval of increased net gas-oil ratio authority with a casinghead gas limit
of 500 MCFD for the Geer Well No. 1 in the KRS (Marble Falls) Field and
cancellation of overproduction will prevent waste and will not harm correlative
rights.
RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the Geer Well No. 1 in the KRS (Marble Falls) Field be authorized to produce under net gas-oil ratio authority with a daily gas limit of 500 MCFD and that all accumulated overproduction for this lease be canceled.

Respectfully submitted,

Paul Dubois
Technical Examiner

Laura Miles-Valdez
Legal Examiner