

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 09-0284139

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

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

Hearing Date: September 25, 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 Triangle J Lease Well No. 1 under increased net gas-to-oil ratio (GOR) authority with a daily gas limit of 900 MCFD. Cobra also requests that all overproduction for the well be canceled. This application was unopposed and the examiners recommend approval of increased net gas-oil ratio authority with a daily gas limit of 900 MCFD and cancellation of overproduction.

DISCUSSION OF EVIDENCE

The Triangle J No. 1 well was completed on March 19, 2013, 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 131 wells carried on the oil proration schedule. The initial test was conducted on March 25, 2013. The well flowed 63 BO, 331 MCFG, and 840 BW; the GOR was 5,253 SCF/B. The top oil allowable in the field is 310 BOPD and the GOR per field rules is 5,000 SCF/B. The well had accumulated overproduction of oil and gas, but this situation is resolving. As of September 1, 2013, the well had an over production of 571 BO and was not overproduced for gas.

From August 23, 2013, to September 21, 2013, Cobra tested the well production under different choke sizes. In the weeks prior to the test, the well was producing about 85 BOPD and about 775 MCFGD (for a GOR of about 9100 SCF/B). As the choke sizes were reduced during the test, the oil and gas production declined slightly, but the GOR remained stable. The test averaged about 70 BOPD, about 725 MCFD, and an average GOR of about 10,500 SCF/B. Therefore Cobra requests a daily gas limit of 900 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 Triangle J No. 1 well was completed on March 19, 2013, and was placed in the KRS (Marble Falls) Field.
3. On initial test the well flowed 63 BO, 331 MCFG, and 840 BW; the GOR was 5,253 SCF/B.
4. 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 725 MCFD, and an average GOR of about 10,500 SCF/B.
6. The well will have an estimated cumulative oil overproduction of 571 bbl as of September 1, and no gas 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 900 MCFD for the Triangle J Lease Well No. 1 in the KRS (Marble Falls) Field and cancellation of overproduction will prevent waste and will not harm correlative rights.

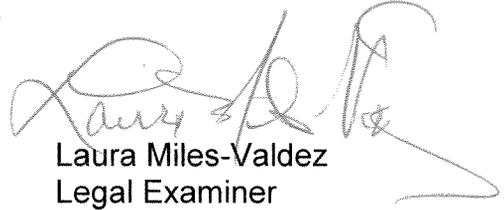
RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the Triangle J Lease 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 900 MCFD and that all accumulated overproduction for this lease be canceled.

Respectfully submitted,



Paul Dubois
Technical Examiner



Laura Miles-Valdez
Legal Examiner