

**THE APPLICATION OF SHELBY OPERATING COMPANY FOR INCREASED GAS OIL RATIO AUTHORITY FOR ITS VINCENT LEASE WELL NO. 9, WASKOM (GLOYD) FIELD, HARRISON COUNTY, TEXAS**

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**Heard by:** Margaret Allen, Technical Hearings Examiner

**Procedural history**

Application received: March 22, 2006

Hearing held: May 12, 2006

**Appearances**

Ed Quinlan

Representing

Shelby Operating Company

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Shelby Operating Company ("Shelby") is seeking increased gas/oil ratio authority for its Vincent Lease Well No. 9 to allow this well to produce with a daily gas limit of 300 MCF. Shelby also wants all overproduction for this lease cancelled.

**DISCUSSION OF THE EVIDENCE**

The Waskom (Gloyd) Field was discovered in 1987 at a depth of 4877'. There are two other operators in the field. The top allowable is 93 BOPD with a daily gas limit of 186 MCFD.

The Vincent No. 9 was completed November 30, 2005, with an initial potential of 28 BOPD and 359 MCFD. The well was fracture stimulated December 3, 2005, and daily production increased to 46 BO and 489 MCF. Paraffin eventually reduced the producing rates to 29 BOPD and 159 MCFD. Shelby has installed a pumping unit to reduce the paraffin problems which increased the daily rates again to 38 BO and 265 MCF.

Shelby conducted a step-rate test between April 1 and May 8, 2006, and found the gas/oil ratio changes little when the well is pumped at rates above the current gas limit. With no choke, the well averaged 34 BO, 262 MCF and 7 BW per day, for a gas/oil ratio of 7600 cubic feet per barrel. On an 18/64th inch choke, the well averaged 29 BO, 251 MCF and 5 BW per day, for a gas/oil ratio of 8660. On a 12/64th inch choke, the well averaged 28 BO, 186 MCF and 5 BW per day, for a gas/oil ratio of 6640.

Cumulative production from the Vincent Lease Well No. 9 is 5384 BO and 44.8 MMCF. The well has accumulated about 12 MMCF of overproduction. Cancellation of overage will not harm

correlative rights as the other two wells in the field have potentials less than 10 BOPD.

**FINDINGS OF FACT**

1. Notice of this hearing was given to all operators in the Waskom (Gloyd) Field, on April 25, 2006.
2. The subject well, the Vincent Lease, Well No. 9, was completed in the Waskom (Gloyd) Field in November of 2005, with an initial potential daily of 28 BO and 359 MCF.
3. The current allowable for the Waskom (Gloyd) Field is 93 BOPD with 186 MCF of gas per day.
4. The oil rate from the Vincent Lease, Well No. 9, decreased due to paraffin problems until the well was placed on a pump.
5. It will not cause waste to produce the Vincent Lease, Well No. 9, with a daily gas limit up to 300 MCF.
  - a. With no choke, the well averaged 34 BO, 262 MCF and 7 BW per day, for a gas/oil ratio of 7600 cubic feet per barrel.
  - b. On an 18/64th inch choke, the well averaged 29 BO, 251 MCF and 5 BW per day, for a gas/oil ratio of 8660 cubic feet per barrel.
  - c. On a 12/64th inch choke, the well averaged 28 BO, 186 MCF and 5 BW per day, for a gas/oil ratio of 6640 cubic feet per barrel.
6. Cancellation of overproduction for the Shelby Operating Company Vincent Lease Well No. 9 will not harm correlative rights.

**CONCLUSIONS OF LAW**

1. Proper notice was given as required by statute.
2. All things have been done or occurred to give the Railroad Commission jurisdiction to resolve this matter.
3. An increase in daily gas allowable for the Shelby Operating Company Vincent Lease, Well No. 9, to 300 MCF per day, while leaving the daily oil allowable at 93 barrels, will not cause waste and will protect correlative rights within the field.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the Vincent Lease,

Well No. 9, operated by Shelby Operating Company in the Waskom (Gloyd) Field, be allowed to produce up to 300 MCF of gas per day without restricting the daily oil allowable to less than 93 barrels, as per the attached order.

Respectfully submitted,

Margaret Allen  
Technical Hearings Examiner