

**OIL AND GAS DOCKET NO. 03-0269422**

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**THE APPLICATION OF SANDALWOOD EXPLORATION, L.P. TO CONSIDER AN MER ALLOWABLE FOR THE RACCOON BEND UWX OIL UNIT NO. 6 WELL NO. 1, RACCOON BEND (UWX CONS. FBB) FIELD, AUSTIN COUNTY, TEXAS**

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**Heard by:** Donna K. Chandler on April 6, 2011

**Appearances:**

Doug Dashiell  
Michael Francisco

**Representing:**

Sandalwood Exploration, L.P.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Sandalwood Exploration, L.P. requests that an MER allowable of 270 BOPD be established for its Raccoon Bend UWX Oil Unit No. 6 Well No. 1 in the Raccoon Bend (UWX Cons. FBB) Field. Sandalwood also requests that all accumulated overproduction be cancelled for this lease.

The application is unopposed and the examiner recommends approval of the requested MER and cancellation of overproduction.

**DISCUSSION OF EVIDENCE**

The Raccoon Bend (UWX Cons. FBB) Field was discovered in August 2009. The top allowable in the field is the discovery allowable of 200 BOPD. There are currently three producing wells in the field, all operated by Sandalwood. All of the wells in the field are directionally drilled to encounter multiple sands included within the designated interval for the field.

Sandalwood completed the Raccoon Bend UWX Oil Unit No. 6 Well No. 1 on January 12, 2011 with 3 sets of perforations in the Wilcox between 6,489 feet (TVD) and 6,547 feet (TVD). On initial test, the well flowed at a rate of 378 BOPD and 296 MCFD with 475 psi flowing tubing pressure.

During March and April 2011, Sandalwood tested the Raccoon Bend UWX Oil Unit No. 6 Well No. 1 at various rates to determine sensitivity. The results of the test are summarized as follows:

<u>choke size</u>	<u>oil rate</u>	<u>gas rate</u>	<u>gas-oil ratio</u>
13.5/64"	194 BOPD	196 MCFD	1,009 cuft/bbl
14/64"	230 BOPD	219 MCFD	968 cuft/bbl
15/64"	269 BOPD	306 MCFD	1,141 cuft/bbl
15.5/64"	269 BOPD	337 MCFD	1,253 cuft/bbl
16/64"	270 BOPD	321 MCFD	1,189 cuft/bbl

The producing gas-oil ratio shows insignificant sensitivity with rate changes. However, production through the 14/64" choke was much more erratic, with oil rates ranging from 173 BOPD to 263 BOPD. The daily production associated with each choke size indicates that the well's production is most stable at approximately 270 BOPD.

Through April 5, 2011, the well has produced approximately 24,000 BO and 24 MMCF casinghead gas. Estimated overproduction is 6,000 BO. Sandalwood requests that this overage be cancelled.

### **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 Raccoon Bend (UWX Cons. FBB) Field was discovered in August 2009. The top allowable in the field is the discovery allowable of 200 BOPD.
3. Each of the three wells in the field are directionally drilled to encounter multiple sands with the designated interval for the field. The field designation includes multiple Wilcox sands.
4. The Raccoon Bend UWX Oil Unit No. 6 Well No. 1 was completed on January 12, 2011 with 3 sets of perforations between 6,489 feet (TVD) and 6,547 feet (TVD). On initial test, the well flowed at a rate of 378 BOPD and 296 MCFD with 475 psi flowing tubing pressure.
5. Variable rate testing of the Raccoon Bend UWX Oil Unit No. 6 Well No. 1 indicates that producing at rates of up to 270 BOPD will not cause waste.
  - a. The well begins to load up and produce in slugs when the well is choked back to attempt production at the current allowable rate.

- b. The most stable production for the well is approximately 270 BOPD.
- c. The gas-oil ratio varies only slightly with changes in flow rate.
- 6. The well is estimated to be overproduced approximately 6,000 BO as of April 5, 2011.
- 7. Cancellation of overproduction will not harm correlative rights.

**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 an MER of 270 BOPD for the Raccoon Bend UWX Oil Unit No. 6 Well No. 1 and cancellation of overproduction for the well in the Raccoon Bend (UWX Cons. FBB) Field will not cause waste and will not harm correlative rights.

**RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends approval of an MER of 270 BOPD and cancellation of overproduction for the Raccoon Bend UWX Oil Unit No. 6 Well No. 1 in the Raccoon Bend (UWX Cons. FBB) Field in Austin County, Texas.

Respectfully submitted,

Donna K. Chandler  
Technical Examiner