

OIL AND GAS DOCKET NO. 05-0249170

THE APPLICATION OF TULETA ENERGY PARTNERS, LLC TO CANCEL OVERPRODUCTION FOR THE HUMPHRIES LEASE IN THE CORSICANA (SHALLOW) FIELD, NAVARRO COUNTY, TEXAS

Heard by: Donna K. Chandler on October 31, 2006

Appearances:

Harold Atkinson, Jr.

Representing:

Tuleta Energy Partners, LLC

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Tuleta Energy Partners, LLC requests that all overproduction on its Humphries lease in the Corsicana (Shallow) Field be cancelled. Tuleta had originally requested an MER for wells on the lease, but the wells are no longer capable of producing in excess of their current allowables.

The application is unopposed and the examiner recommends approval of cancellation of overproduction for the lease.

DISCUSSION OF EVIDENCE

The top allowable in the Corsicana (Shallow) Field is 27 BOPD. Tuleta Energy Partners, LLC completed its Humphries No. 1 in April 2006 and its Humphries No. 2 in September 2006. The No. 1 had an initial potential of 100 BOPD and the No. 2 had an initial potential of 80 BOPD. Both wells are on rod pump and are now producing within their 27 BOPD assigned allowable. The wells produced at higher rates for a couple of months as a result of fracture stimulation.

Cumulative overproduction for the lease is about 3,100 BO as of October 1, 2006. Tuleta requests that this overage be canceled.

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 top allowable in the Corsicana (Shallow) Field is 27 BOPD.
3. Tuleta Energy Partners, LLC completed its Humphries No. 1 in April 2006 and its Humphries No. 2 in September 2006. Both wells produce on rod pump.
4. Both the No. 1 and No. 2 wells experienced flush production due to fracture stimulation and the wells are now producing within their 27 BOPD assigned allowable. The wells produced at higher rates for a couple of months as a result of fracture stimulation.
5. The subject lease is overproduced approximately 3,200 BO as of October 1, 2006.

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. Cancellation of overproduction for the Humphries lease in the Corsicana (Shallow) Field will not cause waste and will not harm correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends cancellation of overproduction for the Humphries lease in the Corsicana (Shallow) Field.

Respectfully submitted,

Donna K. Chandler
Technical Examiner