



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 7B-0286848**

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**THE APPLICATION OF SUN-KEY OIL CO., INC., TO CONSIDER AUTHORITY PURSUANT TO STATEWIDE RULE 23 FOR THE ALBERT BETCHER LEASE, WELL NO. 1, TURNAROUND (GRAY SAND) FIELD, CALLAHAN COUNTY, TEXAS**

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**HEARD BY:** Paul Dubois – Technical Examiner  
Terry Johnson – Hearings Examiner

**DATE OF HEARING:** March 19, 2014

**APPEARANCES:** **REPRESENTING:**

**APPLICANT:**

L. H. Jones

Sun-Key Oil Co., Inc.

**EXAMINERS' REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Sun-Key Oil Co., Inc. (Sun-Key) requests authority pursuant to Statewide Rule 23 to pull up to 10 inches of mercury vacuum on the Albert Betcher Lease, Well No. 1, Turnaround (Gray Sand) Field, Callahan County, Texas. Notice was provided to offset operators surrounding the above referenced leases and no protests were received.

The application is unprotested and the examiners recommend approval of authority pursuant to Statewide Rule 23 to pull up to 10 inches of mercury vacuum on the subject wells, as requested by Sun-Key.

**DISCUSSION OF THE EVIDENCE**

The Turnaround (Gray Sand) Field was discovered in May 1981 at a depth of 3,852 feet. There are 2 producing oil wells in the field; the Albert Betcher No. 1 (API No. 42-059-33211) is operated by Sun-Key. The field operates under County Regular Rules that provide for 330'-933' well spacing and 20 acre density with 10-acre optional units. Cumulative production from the field reported on the March 1, 2014 proration schedule is about 385,120 BO.

The Albert Betcher No. 1 has sold a total of 91,49 BO and 162,887 MCF gas. Currently the well produces 3/4 to 1 BOPD and no gas. With a vacuum pressure of 10 inches of mercury, Sun-Key estimates that the well will produce about 6 BOPD and 8 MCF/GPD. The well currently has a shut-in pressure of 9 lbs and the line pressure is 38-50 pounds. Sun-Key requests authority to pull up to 10 inches of mercury vacuum on the two subject wells. Sun-Key estimates that a 10-inch vacuum will result production of an additional 15,000 BO and 15,000 MCF gas that would otherwise go unrecovered and thus wasted.

### FINDINGS OF FACT

1. Proper notice of this hearing was given at least ten (10) days prior to the date of the hearing and no protests to the application were received.
2. The Turnaround (Gray Sand) Field was discovered in May 1981 at an depth of 3,852 feet.
  - a. There are 2 producing oil wells and two operators carried on the proration schedules.
  - b. Sun-Key operates the Albert Betcher No. 1 well.
  - c. The field operates under County Regular Rules that provide for 330'-933' well spacing and 20 acre density.
3. The Albert Betcher No. 1 has sold a total of 91,49 BO and 162,887 MCF gas. Currently the well produces 3/4 to 1 BOPD and no gas.
4. The use of a vacuum pump to pull up to 10 inches of mercury vacuum on the subject wells is appropriate.
  - a. Sun-Key measured the shut-in pressure to be 9 lbs and the bottomhole pressure to be between 38 and 50 pounds
  - b. Sun-Key estimates remaining recoverable oil reserves on each well to be -inch 15,000 BO and 15,000 MCFG may be produced with a 10 vacuum.
  - c. Due to the low bottomhole pressures, the remaining oil reserves would not be produced without the use of vacuum pumps.

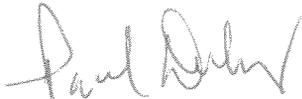
**CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the requested authority pursuant to Statewide Rule 23 to pull up to 10 inches of mercury vacuum on the subject wells will prevent waste and will not harm correlative rights.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission grant Statewide Rule 23 authority to pull up to 10 inches of mercury vacuum on the subject wells, as requested by Sun-Key Oil Co., Inc.

Respectfully submitted,



Paul Dubois  
Technical Examiner



Terry Johnson  
Hearings Examiner