RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION

OIL AND GAS DOCKET NO. 06-0297353

THE APPLICATION OF J-O'B OPERATING COMPANY TO CONSIDER INCREASED NET GAS OIL RATIO AUTHORITY AND CANCELLATION OF OVERPRODUCTION FOR THE WOMACK-HERRING LEASE, WELL NO. 1, PERCY WHEELER (PETIT) FIELD, CHEROKEE COUNTY, TEXAS

HEARD BY: Karl Caldwell – Technical Examiner
           Marshall Enquist – Administrative Law Judge

HEARING DATE: October 2, 2015
CONFERENCE DATE: November 17, 2015

APPEARANCES: George Neale
              J-O'B Operating Company

REPRESENTING:

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

J-O'B Operating Company ("J-O'B") requests cancellation of all overproduction of gas for the Womack-Herring Lease, Well No. 1, completed in the Percy Wheeler (Petit) Field. J-O'B had also requested authority to produce the subject well at an increased net gas:oil ratio (GOR), however, at the hearing the Applicant withdrew the request for an increased net GOR. Upon gathering evidence to support the application, it was determined that the well is a gas well, and paperwork to reclassify the Womack-Herring Lease, Well No. 1 as a gas well has been filed. The application is unprotested and the Examiners recommend cancelling all overproduction of gas for the subject well.

DISCUSSION OF THE EVIDENCE

The Womack-Herring Lease, Well No. 1 (API No. 42-073-30495), is completed in the Percy Wheeler (Petit) Field, Cherokee County, Texas. The October 1, 2015 oil proration schedule for the Percy Wheeler (Petit) Field shows the current oil allowable for the field is 142 BOPD, and a gas limit of 284 Mcf gas per day. The Percy Wheeler
(Petit) Field is an oil field, and there are currently two wells in the field, subject to the the Womack-Herring Lease, Well No. 1 being reclassified as a gas well. Form W-2 shows the initial potential test for the subject well was conducted on December 23, 2012. Over a 24 hour period, the well produced 5 BO and 228 MCF gas, a GOR of 45,600 with the well flowing on a 8/64” choke and a flowing tubing pressure of 1,780 psi. A high GOR has led to overproduction of the gas limit for the subject well. The Applicant received a notice violation of overage in the amount of 96,777 Mcf for the Womack-Herring Lease in a letter dated August 31, 2015, and a comment that the operator will need to reclassify the subject well from oil to gas.

The subject well was tested on various choke sizes between August and September 2015, at which time it was discovered that the well dies when trying to restrict gas production. Form G-5 (Gas Well Classification Report) shows the well was tested on September 12, 2015 on a 10/64” choke, and over a 24-hour period, the well produced 485 Mcf gas, 2 barrels of condensate, at a GOR of 242,500, with no water production. Based on the test results, paperwork has been filed to reclassify the Womack-Herring Lease, Well No. 1 as a gas well. The Applicant is requesting cancellation of overproduction and provided an email from Ellis Exploration, Inc., the only other operator in the field stating no objection to cancellation of overproduction for the subject well.

FINDINGS OF FACT

1. Notice of this hearing was provided to all operators in the field at least ten (10) days’ prior to the date of the hearing and no protests were received.

2. The Womack-Herring Lease, Well No. 1 (API No. 42-073-30495), is completed in the Percy Wheeler (Petit) Field, Cherokee County, Texas.

3. The October 1, 2015 oil proration schedule for the Percy Wheeler (Petit) Field lists the oil allowable for the field as 142 BOPD, with a daily gas allowable of 284 Mcf gas per day.

4. The initial potential test for the subject well was conducted on December 23, 2012. Over a 24 hour period, the well produced 5 BO and 228 Mcf gas, a GOR of 45,600 with the well flowing on a 8/64” choke and a flowing tubing pressure of 1,780 psi.

5. Producing the well at a high GOR has led to overproduction of the gas limit for the well.

6. The Applicant received a notice violation of overage in the amount of 96,777 for the Womack-Herring Lease.
7. The subject well was tested on various choke sizes between August and September 2015.

8. The well dies when trying to restrict gas production.

9. The well was tested on September 12, 2015 on a 10/64" choke, at which time the well produced 485 Mcf of gas, 2 barrels of condensate, at a GOR of 242,500, with no water production over a 24-hour period.

10. The Applicant provided an email from Ellis Exploration, Inc., the only other operator in the field, stating no objection to cancellation of overproduction for the subject well.

**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. Cancellation of gas overproduction for the Womack-Herring Lease, Well No. 1 in Percy Wheeler (Petit) Field, Cherokee County, Texas will protect correlative rights and will not cause waste.

**EXAMINERS’ RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend cancellation of all gas overproduction for the Womack-Herring Lease, Well No. 1, Percy Wheeler (Petit) Field, Cherokee County, Texas

Respectfully submitted,

Karl Caldwell  
Technical Examiner

Marshall Enquist  
Administrative Law Judge