

April 28, 2000

OIL AND GAS DOCKET NO. 02-0224333 and 02-0224334

THE APPLICATION OF UNION GAS OPERATING COMPANY FOR NEW FIELD DESIGNATIONS FOR THE (PROPOSED) ORTIZ FRIO (3035) AND (PROPOSED) ORTIZ FRIO (3211) FIELDS, DE WITT COUNTY, TEXAS

Heard by: Margaret Allen, Technical Hearings Examiner

Procedural history

Application received: March 13, 2000

Hearing held: April 20, 2000

Appearances

Glen F. Johnson

Jeri Wechsler

John P. (Jay) Moffitt

Representing

Union Gas Operating Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Union Gas Operating is seeking to have its Doehрман Lease Well No. 1 designated as the discovery well for a field to be known as the Ortiz Frio (3035) Field, and to have its Doehрман Lease Well No. 2 designated as the discovery well for a field to be known as the Ortiz Frio (3211) Field. The application was originally protested by Pitchfork Oil & Gas, Inc., but this protest has been withdrawn.

DISCUSSION OF THE EVIDENCE

The Doehрман Lease Well No. 1 was completed February 26, 2000, and perforated from 3035 to 3036 feet and from 3040 to 3044 feet. The Doehрман Lease Well No. 2 was completed February 19, 2000, and this well was perforated from 3211 to 3216 feet. The tested maximum deliverability rate of the Doehрман Well No. 1, according to Form G-1, was 3081 MCF of dry gas per day, at a bottom-hole pressure of 1562 psi. The tested maximum deliverability rate of the Doehрман Well No. 2, according to Form G-1, was 648 MCF of dry gas per day, at a bottom-hole pressure of 1482 psi.

There is no comparable production within a 2-1/2 mile radius of the Doehrman No. 1 or the Doehrman No. 2. Each well is therefor a discovery well for a new field. The Doehrman No. 1 is about 1500 feet north-northwest of the Doehrman No. 2, and both wells produce from a small closure on the northwest side of a down-to-the coast fault. The Doehrman Well No. 1 produces from a small Frio sand between 3035 to 3054 feet, that is not productive in the Doehrman No. 2. The Doehrman No. 2 produces from a Frio sand between 3211 to 3218 feet, that is wet in the downdip Doehrman No. 1. The other wells on the northwest side of the fault are downdip and wet in both named Frio sands.

FINDINGS OF FACT

1. Notice of this hearing was given to all operators in the proposed Ortiz Frio (3035) and (3211) Fields and to all offset operators to the discovery tracts on March 20, 2000.
2. The discovery well for the Ortiz Frio (3035) field, the Doehrman Well No. 1, was completed February 26, 2000, in a previously unproduced reservoir.
3. The productive Frio section in the Doehrman No. 1 extends from 3035 to 3054 feet; there are no wells that have produced from a comparable interval within 2 1/2 miles.
4. The discovery well for the Ortiz Frio (3211) field, the Doehrman Well No. 2, was completed February 19, 2000, in a previously unproduced reservoir.
5. The productive Frio section in the Doehrman No. 2 extends from 3211 to 3218 feet, there are no wells that have produced from a comparable interval within 2 1/2 miles.
6. Both wells produce from a small closure on the northwest side of a down-to-the coast fault.
7. The initial deliverability in the Doehrman No. 1 was 3081 MCF per day, at a bottom-hole pressure of 1455 psi.
8. The initial deliverability in the Doehrman No. 2 was 648 MCF per day, at a bottom-hole pressure of 1385 psi.

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. The Union Gas Operating Company Doehrman Lease Well No. 1 is entitled to be considered a new field discovery as it produces from a reservoir that has not been produced before.

4. The Union Gas Operating Company Doehrman Lease Well No. 2 is entitled to be considered a new field discovery as it produces from a reservoir that has not been produced before.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that the Union Gas Operating Doehrman Well No. 1 be considered as the discovery well for the Ortiz Frio (3035) Field and that the Doehrman Well No. 2 be considered as the discovery well for the Ortiz Frio (3211) Field.

Respectfully submitted,

Margaret Allen
Technical Hearings Examiner

Date of Commission Action: May 2, 2000

Exhibits

- 1 and 2. Maps of 2-1/2 mile radius
- 3. Cross section
- 4. List of surrounding wells
- 5 and 6. Structure maps of the pay sands
- 7 and 8. Forms G-1
- 9. and 10. Forms G-10
- 11. Form G-10 for Moose Operating Phillips Well No. 1
- 12. Form G-10 for Pitchfork Thieme Well No. 1
- 13 and 14. Forms P-7