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**THE APPLICATION OF JAMEX II LTD, LLP TO CONSIDER NEW FIELD DESIGNATION AND FIELD RULES FOR THE (PROPOSED) REXVILLE (WILCOX) FIELD, AUSTIN COUNTY, TEXAS**

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**Heard by:** Donna K. Chandler, Technical Examiner

**Hearing Date:** April 16, 2001

<b>Appearances:</b>	<b>Representing:</b>
Jerry Watkins	Jamex II Ltd. LLP
James Bostic	Etoco Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

James II Ltd, LLP requests that a new field designation called the Rexville (Wilcox) Field be approved for its Cacalia "170" Well No. 1. Jamex also requests that the following field rules be adopted for the field:

1. Designation of the field as the correlative interval from 10,950 feet to 11,800 feet as shown on the log of the Kaechele "170" No. 1;
2. Allocation based on 95% deliverability and 5% per well.

This application was unopposed and the examiner recommends approval of the new field designation and proposed rules for the Rexville (Wilcox) Field. Etoco Inc. supported the application.

Jamex had requested a field name of Knucklehead (Wilcox) Field but this name was not available for assignment of a field number on the Commission's data base.

**DISCUSSION OF THE EVIDENCE**

Jamex completed its Kaechele "170" No. 1 in February 2001 with perforations in the Wilcox between 11,206 feet and 11,526 feet. On initial test, the well produced 3,702 MCFD. The shut-in bottomhole pressure was 5,115 psia, equating to a gradient of 0.46 psi/foot. The well has produced 273 MMCF through mid-April 2001.

The nearest comparable production is the Orange Hill, S. (Wilcox 11000) Field approximately ½ mile to the southeast. The nearest well in the Orange Hill, S. (Wilcox 11000) Field is the Etoco - Kaechele Unit No. 1, which is perforated at 11,270 - 11,330 feet. The Kaechele Unit No. 1 and the Kaechele "170" No. 1 are fault separated based on a 285 foot fault cut seen in the Kaechele "170" No. 1 at 10,950 feet.

A two factor allocation formula is necessary for the proposed interval to be considered a single field because the interval consists of multiple, stratigraphic pay zones. James requests that allocation be based on 95% deliverability and 5% per well.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice at least ten days prior to the date of hearing. No protests were received.
2. The Kaechele "170" No. 1 was completed in February 2001 with perforations in the Wilcox between 11,206 feet and 11,526 feet.
3. The Kaechele "170" No. 1 is entitled to a new field designation.
  - a. The well encountered virgin pressure of 5,115 psia.
  - b. The nearest comparable production is the Orange Hill, S. (Wilcox 11000) Field approximately ½ mile to the southeast.
  - c. The Orange Hill, S. (Wilcox 11000) Field is fault separated from the Kaechele "170" No. 1
4. Allocation based on 95% deliverability and 5% per well will protect correlative rights and meets statutory requirements for combining multiple productive zones into a single field.

### **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. Approval of the new field designation and field rules for the Rexville (Wilcox) Field will protect correlative rights, prevent waste and promote and orderly development of the field.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that a new field designation be approved called the Rexville (Wilcox) Field and that field rules be adopted for the field as proposed by Jamex.

Respectfully submitted,

Donna Chandler  
Technical Examiner