

**THE APPLICATION OF NATIONAL ONSHORE LP FOR NEW FIELD DESIGNATION AND TEMPORARY FIELD RULES FOR THE (PROPOSED) SOUTH PORTERS CREEK (WILCOX) FIELD, WHARTON COUNTY, TEXAS**

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**Heard by:** Margaret Allen, Technical Hearings Examiner

**Procedural history**

Application received: April 25, 2006

Hearing held: May 26, 2006

**Appearances**

Terry Payne

Representing

National Onshore LP

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

National Onshore LP is requesting a new field designation to be known as the South Porters Creek (Wilcox) Field. The applicant requested the following rules for the new field:

1. Designated interval between 11,816' MD and 14,270' MD as shown on the log of the Weinheimer Lease Well No. 1;
2. 467'-1200' well spacing;
3. 40 acre drilling units; and
4. Allocation based 95% on deliverability and 5% per well.

National Onshore amended its request at the hearing and seeks only designated interval and allocation rules. The examiner recommends that the field name be Porter's Creek, South (Wilcox) Field.

**DISCUSSION OF THE EVIDENCE**

The Weinheimer No. 1 was drilled in late 2005 and tested on January 5, 2006, at a maximum rate of 1556 MCFD. The well is selectively perforated between 12,550' and 14,038', which is within the requested designated interval for the field of 11,816'-14,270'. The discovery well is now producing about 1 MMCF per day.

There are 180 wells within 2-1/2 miles of the Weinheimer No. 1, but only two other wells were drilled below 10,000'. One was an unsuccessful test at this depth. The other well is about a mile to the southwest, and is now plugged and abandoned. This well produced 30 BCF from perforations between 10,793 and 10,890'. This producing interval is stratigraphically shallower than the proposed interval in the Weinheimer No. 1.

The proposed designated interval includes multiple sandstones that are not in natural communication. State statutes require two factor allocation in such cases, and the proposed allocation formula, based 5% per well and 95% on deliverability, will satisfy this requirement.

**FINDINGS OF FACT**

1. Notice of this hearing was mailed to all operators within 2-1/2 miles of the discovery tract on May 2, 2006.
2. The Weinheimer No. 1 was drilled in late 2005 and tested on January 5, 2006, at a maximum rate of 1556 MCFD.
3. The designated interval, between 11,816' MD and 14,270' MD as shown on the log of the Weinheimer Lease Well No. 1, includes all of the productive Wilcox Formation in this new field.
4. The only other well within 2-1/2 miles that produced from below 10,000' was completed in a stratigraphically shallower sandstone.
5. Because the discovery well produces from multiple, lenticular stratigraphic accumulations, a two-factor allocation formula is required by statute.
6. An allocation formula based 5% per well and 95% on deliverability will satisfy state statutes.

**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 requested new field designation and designated interval will prevent waste, protect correlative rights and promote orderly development of the field.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends approval of the request for a new field designation and field rules for the Porter's Creek, South (Wilcox) Field.

Respectfully submitted,

Margaret Allen  
Technical Hearings Examiner