

**THE APPLICATION OF MANTI OPERATING COMPANY TO CONSIDER NEW FIELD DESIGNATION AND FIELD RULES FOR THE (PROPOSED) JESUIT (LOYOLA BEACH) FIELD, KLEBERG COUNTY, TEXAS**

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**Heard by:** Andres J. Trevino, P.E. on February 7, 2007

**Appearances:**

Tim George  
Wayman Gore

**Representing:**

Manti Operating Company

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Manti Operating Company requests that a new field designation called the Jesuit (Loyola Beach) Field be approved for its State Tract 78 Well No. 1. Manti also requests that the following rules be adopted for the Jesuit (Loyola Beach) Field:

1. Designation of the field as the correlative interval from 11,470 feet to 11,870 feet TVD as shown on the log of the Baffin Bay State Tract 78 No. 1;
2. Allocation based on 95% deliverability and 5% per well.

There were no protests to this application and the examiner recommends approval of the new field designation and field rules.

**DISCUSSION OF EVIDENCE**

Manti Operating Company completed its State Tract 78 No. 1 in July 2006. The well has four sets of perforations in the Lower Frio between 11,515 feet and 11,713 feet (TVD) same as 12,567 feet to 12,794 feet (MD). On initial test, the well produced at a rate of 8,966 MCFD, 785 BCPD and 506 BWPD. Flowing casing pressure is 6,082 psi with no indications of decline at this point in time.

The new field designation should be approved for the State Tract 78 No. 1. The nearest production is approximately .8 miles to the northwest in the Del Grullo (9,100' Sand) Field. There is no comparable production within a 2 ½ mile radius of the No. 1 well. Additionally, the State Tract 78 No. 1 encountered virgin pressure of 8,780 psig.

Manti requests that the entire correlative interval between 11,470 feet to 11,870 feet

TVD in the State Tract 78 No. 1 be considered a single field. This interval includes several sands within the Lower Frio. Separate completions in the intervals would not be commercial.

State statutes require that a two factor allocation formula be adopted for the proposed field designation to be considered a single field. Manti requests that allocation be based on 95% deliverability and 5% per well for the field.

**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.
2. Manti Operating Company completed its State Tract 78 Well No. 1 in July 2006 with four sets of perforations in the Lower Frio 11,515 feet and 11,713 feet (TVD) same as 12,567 feet to 12,794 feet (MD). On initial test, the well produced at a rate of 8,966 MCFD and 785 BCPD.
3. The State Tract 78 No.1 is entitled to a new field designation because there is no comparable production within a 2½ mile radius of the subject well.
4. The entire correlative interval from 11,470 feet to 11,870 feet as shown on the Baker Hughes High Definition Induction Log of the Baffin Bay State Tract 78 Well No. 1 should be designated as the Jesuit (Loyola Beach) Field.
5. 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 of this hearing was issued.
2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.
3. Approval of the requested new field designation and adoption of field rules will prevent waste, protect correlative rights and promote the orderly development of the field.

**RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends approval of the new field designation and adoption of field rules for the Jesuit (Loyola Beach) Field.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner