

THE APPLICATION OF CIMAREX ENERGY TO ESTABLISH AN MER ALLOWABLE FOR THE ARBOL DE NADA (DEVONIAN) FIELD, WINKLER COUNTY, TEXAS

Heard by: Margaret Allen, Technical Hearings Examiner

Procedural history

Application received: January 12, 2006

Hearing held: March 7, 2006

Appearances

Rick Johnston
Matthew Baab

Representing:
Cimarex Energy

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Cimarex Energy ("Cimarex") wants increased oil and gas allowable for all wells in the Arbol de Nada (Devonian) Field, to allow each of these wells to produce 450-500 barrels of oil per day. Cimarex also wants all overproduction for the Gruy Petroleum Samurai Lease cancelled.

DISCUSSION OF THE EVIDENCE

The Arbol de Nada (Devonian) Oil Field was discovered in 1986, at a depth of 8190', on the western edge of several West Goldsmith Fields. The top allowable of 133 BOPD for wells in the Arbol de Nada (Devonian) Field, is based on Statewide Rules. Oxy USA WTP LP operates the 29 wells on the proration schedule of the Arbol de Nada (Devonian) Field, all but one of which were drilled after 2003. None of these wells has a potential over 60 BOPD, though several have potentials over 40 BOPD. Current monthly production averages 22,000 BO and 80 MMCF, and cumulative field production is 694,000 BO and 2.1 BCF of gas. The gas/oil ratio has remained 2000-3000 cubic feet per barrel.

Cimarex, under its subsidiary Gruy Petroleum, has recently drilled two horizontal wells on its Samurai Lease on the northwestern edge of the field that are not yet on the proration schedule. Each of these horizontal wells can assign 80 acres based on Statewide Rule 86, which entitles them to allowables of 266 BOPD. Cimarex plans other horizontal wells for the Samurai Lease.

The Form W-2 of the Samurai Lease Well No. 3H shows the initial daily potential on November 23, 2005 was 659 BO, 700 MCF and 86 BW at a flowing tubing pressure of 400 psi. The well was completed open hole from 8240' to 9845'.

Cimarex reported the daily production between November 17, 2005 and February 21, 2006.

5. 4.
- 3.
- 2.
- 1.

266 BCCRB@kdmn.nyu.edu

EXAMINER'S OPINION
FINDINGS OF FACT

Based on the above findings, the undersigned hereby certifies that the information furnished by the applicant is true and correct to the best of his knowledge and belief.

Witness my hand and seal this 15th day of August, 2015.

EXAMINER'S RECOMMENDATION

CONCLUSIONS OF LAW

TedMingal.dellAlling&Espantimby submitted,