

**THE APPLICATION OF EXPRO ENGINEERING, INC. TO CONSIDER STANDING, AND IF STANDING IS GRANTED, TO CONSOLIDATE VARIOUS DUNCAN SLOUGH FIELDS, INTO THE (PROPOSED) DUNCAN SLOUGH (FRIO CONS.) FIELD, BRAZORIA AND MATAGORDA COUNTIES, TEXAS**

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**Heard by:** Donna K. Chandler on November 7, 2006

**Appearances:**

Wayman Gore

**Representing:**

Expro Engineering, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Expro Engineering, Inc. requests that the following nine fields be consolidated into a new field to be known as the Duncan Slough (Frio Cons.) Field:

Duncan Slough (Frio-2) Field	265 06111
Duncan Slough (Frio-3) Field	265 06222
Duncan Slough (Frio-4) Field	265 06333
Duncan Slough (Frio-5) Field	265 06444
Duncan Slough (Frio-6) Field	265 06555
Duncan Slough (Frio-7) Field	265 06666
Duncan Slough (Frio-7B) Field	265 06777
Duncan Slough (Frio-8) Field	265 06888
Duncan Slough (Frio-9) Field	265 06900

Expro requests that the following rules be adopted for the consolidated field:

1. Designated interval from 9,970 feet to 11,470 feet as shown on the log of the J. C. Lewis Well No. 1;
2. Allocation based 5% per well and 95% potential/deliverability.

This application was unopposed and the examiner recommends approval of Expro's request for field consolidation and field rules.

**DISCUSSION OF THE EVIDENCE**

The Duncan Slough fields which are the subject of this hearing were discovered in the 1960's. The fields are in the late stage of depletion, with bottomhole pressures down to about 1,000 psi, or less. Four of the fields are non-associated gas fields, three are oil fields, and two are associated. Most of the fields operate under Statewide Rules. There are 5 active gas wells and one active oil well in the fields. Several of the fields have no active wells.

Cumulative production from the fields is about 41 BCF of gas and 3.3 million BC. Average daily production is 1,381 MCFD and 12 BOPD.

The nine fields produce from Frio sands between about 9,900 feet and 12,000 feet. The reservoir and fluid properties in all the sands are similar. Consolidation of the various sands into a single field will result in the recovery of additional reserves which would otherwise be uneconomic. Several Rule 10 exceptions have been approved for various combinations of the fields.

A two factor allocation formula based on 5% potential/deliverability and 95% per well is requested for the consolidated field to meet statutory requirements.

**FINDINGS OF FACT**

1. Notice of this hearing was sent to all persons legally entitled to notice at least ten days prior to the date of hearing.
2. The subject 9 fields proposed for consolidation were discovered beginning in the 1960's. Of the 9 fields, 4 are non-associated gas fields, three are oil fields and two are associated fields. There are only six active producing wells in the fields at the current time.
3. The 9 fields produce from Frio Sandstones which are in the late stage of depletion.
4. Most of the fields operate under Statewide Rules.
5. Consolidation of the fields will not harm any of the reservoirs because of the similar reservoir and fluid properties. Rule 10 exceptions have been granted for several wells.
6. Consolidation of the fields will result in the recovery of additional reserves from the various fields as a result of a lower combined economic limit.
7. The Duncan Slough (Frio Cons.) Field should be designated as the correlative interval from 9,970 feet to 11,470 feet as shown on the log of the J. C. Lewis Well No. 1

8. Allocation based 5% per well and 95% on deliverability/potential will protect correlative rights and satisfy statutory requirements.

**CONCLUSIONS OF LAW**

1. Proper notice of this hearing was given to all persons legally entitled to notice.
2. All things have occurred or been accomplished to give the Railroad Commission jurisdiction in this matter.
3. Consolidation of the fields as proposed by Expro Engineering, Inc. is necessary to prevent waste and protect correlative rights.
4. The proposed field rules will prevent waste, protect correlative rights, and satisfy statutory requirements.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the nine subject fields be consolidated into a new field to be known as the Duncan Slough (Frio Cons.) Field and that the requested field rules be adopted for the consolidated field.

Respectfully submitted,

Donna K. Chandler  
Technical Hearings Examiner