

THE APPLICATION OF FORCE 5 ENERGY, LLC TO CONSOLIDATE VARIOUS DAY AND DAY, SOUTH FIELDS INTO THE DAY FIELD AND ADOPT FIELD RULE NO. 1 FOR THE DAY FIELD, MADISON COUNTY, TEXAS

Heard by: Richard D. Atkins, P.E. - Technical Examiner

Date of Hearing: December 5, 2008

Appearances:

George Neale
Rick Johnston
Jim Travillo

Representing:

Force 5 Energy, LLC

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Force 5 Energy, LLC requests to consolidate ten Day and Day, South Fields into the Day Field, Field ID No. 23562 001. The fields proposed for consolidation are as follows:

<u>FIELD NAME</u>	<u>FIELD NUMBER</u>
Day (Buda)	23562 050
Day (Caprock)	23562 100
Day (Pecan Gap)	23562 200
Day (Sub-Clarksville A)	23562 450
Day (Sub-Clarksville B)	23562 500
Day (Sub-Clarksville C)	23562 550
Day (Woodbine)	23562 900
Day, South (Sub-Clarksville)	23569 400
Day, South (Woodbine)	23569 500

Force 5 Energy requests that the following Field Rule No. 1 be adopted for the new field:

1. Designation of the field as the correlative interval from the top of the Carrizo-Wilcox formation at 1,775 feet as shown on the log of the Sun Oil Company - J. A. Fannin Lease, Well No. 1 (API No. 42 313 00139), to the base of the Buda-Georgetown formation at 11,560 feet as shown on the log of the J. A. Parten - C. A. Bedinger Lease, Well No. 1 (API No. 42 313 30223), Madison County, Texas.

This application was unopposed and the examiner recommends approval of Force 5 Energy's request for field consolidation and adoption of Field Rule No. 1.

DISCUSSION OF THE EVIDENCE

The Day Field was discovered in July 1948 and is located on top of the Day Salt Dome. The Day Salt Dome is a piercement type salt dome and is typical of other strong and competent Gulf Coast domal salts. Geological maps and cross sections depict the Day Salt Dome as a large salt dome approximately one mile in diameter with a broad flat top and steeply dipping flanks. The caprock overlying the salt is composed of anhydrite, gypsum, and limestone. The shallowest occurrence of the caprock is at a depth of approximately 2,500 feet.

Nine other Day and Day, South Fields produce along the rim and the flanks of the salt dome. There are four fields classified as oil, three fields classified as associated and two fields classified as non-associated. To date, approximately 50 wells have produced from the proposed consolidated fields. However, there are only four active oil wells carried on the proration schedules and Force 5 Energy is the only operator. The fields operate under various spacing and density rules. The fields are geographically intermingled and there are no other fields contained within the proposed correlative interval. Several of the wells have produced from multiple fields and the total cumulative production from the ten fields proposed for consolidation through September 2008 is approximately 3.4 MMBO and 5.7 BCFG.

Force 5 Energy is proposing to consolidate the ten fields into the Day Field. Since the Day Field is already classified as a salt dome, there are no well spacing or density requirements. The proposed designated interval for the consolidated field is the top of the Carrizo-Wilcox formation at 1,775 feet as shown on the log of the Sun Oil Company - J. A. Fannin Lease, Well No. 1 (API No. 42 313 00139), to the base of the Buda-Georgetown formation at 11,560 feet as shown on the log of the J. A. Parten - C. A. Bedinger Lease, Well No. 1 (API No. 42 313 30223), Madison County, Texas.

Most of the reservoirs in the designated interval may prove to be productive in future wells, but separate completions in each zone would not be commercial. In addition,

completing in all of the productive intervals at the same time will reduce the economic limit for each interval and provide for the additional recovery of hydrocarbons. Force 5 Energy will be actively developing the flanks of the salt dome by drilling infill wells and completing existing wells into additional zones and needs the flexibility to downhole commingle production to increase the economic viability of the wells.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and there were no protests.
2. The Day Field was discovered in July 1948 and is located on top of the Day Salt Dome. The Day Salt Dome is a piercement type salt dome and is typical of other strong and competent Gulf Coast domal salts.
3. Nine other Day and Day, South Fields produce along the rim and the flanks of the salt dome. There are four fields classified as oil, three fields classified as associated and two fields classified as non-associated.
4. The fields operate under various spacing and density rules. The fields are geographically intermingled and there are no other fields contained within the proposed correlative interval.
5. There are only four active oil wells carried on the proration schedules and Force 5 Energy is the only operator.
6. Force 5 Energy is proposing to consolidate the ten fields into the Day Field. Since the Day Field is already classified as a salt dome, there are no well spacing or density requirements.
7. The designated interval for the consolidated field is the top of the Carrizo-Wilcox formation at 1,775 feet as shown on the log of the Sun Oil Company - J. A. Fannin Lease, Well No. 1 (API No. 42 313 00139), to the base of the Buda-Georgetown formation at 11,560 feet as shown on the log of the J. A. Parten - C. A. Bedinger Lease, Well No. 1 (API No. 42 313 30223), Madison County, Texas.
8. Most of the reservoirs in the designated interval may prove to be productive in future wells, but separate completions in each zone would not be commercial.
9. Force 5 Energy will be actively developing the flanks of the salt dome by drilling infill wells and completing existing wells into additional zones and needs the flexibility to downhole commingle production to increase the economic viability of the wells.

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 Force 5 Energy, LLC is necessary to prevent waste, protect correlative rights and promote development of the field.

EXAMINER'S RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiner recommends that the Commission consolidate the ten Day and Day, South Fields into the Day Field, Field ID No. 23562 001, Madison County, Texas, and adopt Field Rule No. 1 for the Day Field.

Respectfully submitted,

Richard D. Atkins, P.E.
Technical Hearings Examiner