

**THE APPLICATION OF ALTA MESA SERVICES, LP. TO CONSOLIDATE VARIOUS INDIAN POINT FIELDS INTO THE (PROPOSED) INDIAN POINT (LOWER FRIO CONS.) FIELD, NUECES COUNTY, TEXAS**

---

**Heard by:** Donna K. Chandler on November 17, 2006

**Appearances:**

Wayman Gore

James Bostic  
Rodney Bond

**Representing:**

Alta Mesa Services, LP.

The Meridian Resource & Expl LLC

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Alta Mesa Services, LP requests that the following eight fields be consolidated into a new field to be known as the Indian Point (Lower Frio Cons.) Field:

Indian Point (F-17) Field	444 41735
Indian Point (F-18) Field	444 41737
Indian Point (Moore) Field	444 41785
Indian Point (F-20) Field	444 41741
Indian Point (G-2) Field	444 41750
Indian Point (G-3) Field	444 41770
Indian Point (Watson) Field	444 41805
Indian Point (Commonwealth) Field	444 41035

Alta Mesa requests that the following rules be adopted for the consolidated field:

1. Designated interval from 10,190 feet to 12,210 feet as shown on the log of the State Tract 786 Well No. 8;
2. Well spacing a minimum of 467 feet from lease lines with no between-well spacing limitation;
3. 40 acre drilling units;

4. Allocation based 5% per well and 95% deliverability.

This application was unprotested and the examiner recommends approval of Alta Mesa's request for field consolidation and field rules.

### **DISCUSSION OF THE EVIDENCE**

The Indian Point fields which are the subject of this hearing were discovered beginning in the 1960's. The fields are in the late stage of depletion, with bottomhole pressures down to about 2,000 psi. All of the fields are non-associated gas fields and all operate under Statewide Rules. There are no active gas wells in any of the fields, but Alta Mesa has one inactive well in the Indian Point (F-17) Field.

A total of 11 wells have been completed in the fields. Cumulative production from the fields is about 6.9 BCF of gas and 146,000 BC. More than one-half of the production is from the Indian Point (F-18) Field, with 3.9 BCF of gas.

All of the wells which have produced from the various fields are located in Nueces Bay. Almost all of the wellbores are closer than 1,200 feet from each other. Recompletions to the various zones proposed for consolidation would require Rule 37 exceptions under Statewide Rules.

The eight 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.

The proposed consolidated field will consist of numerous lenticular sands. A two factor allocation formula based on 5% 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 eight fields proposed for consolidation were discovered beginning in the 1960's. All of the fields are non-associated gas fields and there are no producing wells in any of the fields at this time.
3. The eight fields produce from Frio Sandstones which are in the late stage of depletion.
4. All 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.
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 Indian Point (Lower Frio Cons.) Field should be designated as the correlative interval from 10,190 feet to 12,210 feet as shown on the log of the State Tract 786 Well No. 8.
8. Elimination of a between well spacing rule for the consolidated field will provide flexibility in using existing wellbores for completion in the various fields.
9. Allocation based 5% per well and 95% on deliverability 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 Alta Mesa Services, LP 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 eight subject fields be consolidated into a new field to be known as the Indian Point (Lower Frio Cons.) Field and that the requested field rules be adopted for the consolidated field.

Respectfully submitted,

Donna K. Chandler  
Technical Hearings Examiner