

OIL AND GAS DOCKET NO. 05-0258432

THE APPLICATION OF JAMEX, INC. TO CONSOLIDATE THE FRUITVALE, SW (TRAVIS PEAK) FIELD INTO THE FRUITVALE FIELD AND TO AMEND FIELD RULES FOR THE FRUITVALE FIELD, VAN ZANDT COUNTY, TEXAS

Heard by: Donna K. Chandler on August 29, 2008

Appearances:

Rick Johnston

Representing:

Jamex, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Jamex, Inc. requests that the Fruitvale, SW (Travis Peak) Field be consolidated into the Fruitvale Field and that the field rules for the Fruitvale Field be amended as follows:

1. Designation of the field as the correlative interval from 8,532 feet to 8,700 feet as shown on the log of the J. H. Phillips No. 1;
2. 467'-600' well spacing, with elimination of between-well spacing requirement between vertical and horizontal wells;
3. 160 acre oil units with optional 40 acre units;
4. 100% acreage allocation (no change).

This application was unopposed and the examiner recommends approval of the requested field consolidation and amended field rules.

DISCUSSION OF THE EVIDENCE

The Fruitvale Field was discovered in 1943 and operates under field rules which provide for 467'-1,200' well spacing, 40 acre density and 100% acreage allocation. There are two producing oil wells on the current proration schedule.

The Fruitvale, SW (Travis Peak) Field was discovered in 1990 and there are no wells listed on the proration schedule. However, Jamex has recently completed a horizontal well in the field which is not yet on the proration schedule. The field operates under Statewide Rules.

The discovery wells for the two fields are only about 1½ miles apart. Five wells have been completed in the Fruitvale Field and only two wells have been completed in the Fruitvale, SW (Travis Peak) Field. The fields have “grown together” and field designations overlap. Wells in the two fields produce from the same Travis Peak correlative interval.

The Groves No. 1 was completed in the Fruitvale Field in 1944 and has produced approximately 304,000 BO. Estimated ultimate recovery for the well is 347,000 BO. This well has 20 feet of pay with 9% average porosity and 30% average water saturation. The calculated drainage area for the well is 208 acres.

The J. H. Phillips No. 1 was completed in the Fruitvale Field in 1944 and has produced 234,000 BO. Estimated ultimate recovery for the well is 319,000 BO. The calculated drainage area for this well is 191 acres.

The West No. 1-B was completed in the Fruitvale Field in 1966 and produced only 24,000 BO and was plugged and abandoned. The calculated drainage area for this well is only 28 acres.

The West No. 1 was completed in the Fruitvale Field in 1969 and produced only 27,000 BO before being plugged and abandoned. The calculated drainage area for this well is 31 acres.

Prior to the completion of the recent Jamex well, the Kirby No. 1, the only well which produced from the Fruitvale, SW (Travis Peak) Field was the Platter No. 1, which produced less than two years.

Jamex requests that the Fruitvale Field be designated as the correlative interval from 8,532 feet to 8,700 feet as shown on the log of the Phillips No. 1. This interval includes the entire productive Travis Peak in the area.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and there were no protests.

2. The Fruitvale Field was discovered in 1943 and operates under field rules which provide for 467'-1,200' well spacing, 40 acre density and 100% acreage allocation. There are two producing oil wells on the current proration schedule.
3. The Fruitvale, SW (Travis Peak) Field was discovered in 1990 and there are no wells listed on the proration schedule. The field operates under Statewide Rules.
4. The fields "grown together" and field designations overlap. Wells in the two fields produce from the same Travis Peak correlative interval.
5. A density rule providing for 160/optional 40 acres is appropriate for the consolidated Fruitvale Field.
 - a. The calculated drainage area for the Groves No. 1 is 208 acres.
 - b. The calculated drainage area for the Phillips No. 1 is 191 acres.
 - c. The calculated drainage area for the West No. 1B is 28 acres.
 - d. The calculated drainage area for the West No. 1 is 31 acres.
6. The consolidated Fruitvale Field should be designated as the correlative interval from 8,532 feet to 8,700 feet as shown on the log of the Phillips No. 1. This interval includes the entire productive Travis Peak in the area.
7. Jamex is currently developing the field with horizontal wellbores. Elimination of the between-well spacing requirement between horizontal wells and vertical wells will provide flexibility in locating new horizontal wells in the field.

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 and amendment of field rules as proposed by Jamex, Inc. is necessary to prevent waste and protect correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that the Fruitvale, SW (Travis Peak) Field be consolidated into the Fruitvale Field and that the field rules for the Fruitvale Field be amended as proposed by Jamex.

Respectfully submitted,

Donna K. Chandler
Technical Examiner