THE APPLICATION OF AVRA OIL COMPANY TO CONSOLIDATE THE LEHN-APCO (QUEEN SD.), LEHN-APCO (SEVEN RIVERS) AND LEHN-APCO (YATES) FIELDS INTO THE FROMME FIELD, PECOS COUNTY, TEXAS

Heard by: Donna K. Chandler on September 11, 2008

Appearances: Representing:

Jim Clark Avra Oil Company

EXAMINER'S REPORT AND RECOMMENDATION STATEMENT OF THE CASE

Avra Oil Company requests that the Lehn-Apco (Queen Sd.), Lehn-Apco (Seven Rivers) and Lehn-Apco (Yates) Fields be consolidated into the Fromme Field and that the field rules for the Fromme Field be amended to provide for a correlative interval for the field. Avra requests no other changes to the field rules for the Fromme Field.

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

DISCUSSION OF THE EVIDENCE

The Fromme Field was discovered in 1939 and operates under field rules which provide for 330'-660' well spacing, 10 acre density and 100% acreage allocation. There are 21 producing oil wells on the current proration schedule, all operated by Avra.

Production in the Fromme Field is from the Seven Rivers and Yates formations between approximately 800 feet and 1,300 feet. Current production from the entire field is less than 400 BOPM, with a per well average of less than 1 BOPD. Water cut is about 99%.

The Lehn-Apco (Queen Sd.) Field was discovered in 1956 and there are approximately 21 producing wells in the field. This field operates under rules identical to the Fromme Field. The productive Queen interval is below the Seven Rivers and found at an average depth of 1,300 feet. Wells in this field average less than 1 BOPD, with approximately 97% water cut.

The Lehn-Apco (Seven Rivers) Field was discovered in 1980 and there are three producing wells in this field. The Lehn-Apco (Yates) Field was discovered in 1982 and has one producing well. These two fields operate under Statewide Rules. Wells in these fields produce less than 1 BOPD.

Consolidation of the fields will allow operators to complete the Seven Rivers, Yates and Queen sands within a single wellbore, improving the economics for producing the various sands. The fields have "grown together" over the years and designations for the fields are overlapping.

Avra requests that the Fromme Field be designated as the correlative interval from 782 feet to 1,354 feet as shown on the log of the Fromme "E" No. 33. This interval includes the Yates, Seven Rivers and Queen intervals.

FINDINGS OF FACT

- 1. Notice of this hearing was given to all persons entitled to notice and there were no protests.
- 2. The Fromme Field was discovered in 1939 and operates under field rules which provide for 330'-660' well spacing, 10 acre density and 100% acreage allocation.
- 3. The Fromme Field produces from the Seven Rivers and Yates formations between 800 feet and 1,300 feet.
- 4. There are 21 wells producing from the Fromme Field, with average production of less than 1 BOPD.
- 5. The Lehn-Apco (Queen Sd.) Field was discovered in 1956 operates under rules identical to the Fromme Field.
- 6. There are 21 producing wells in the Lehn-Apco (Queen Sd.) Field, all of which produces less than 1 BOPD.
- 7. The Lehn-Apco (Seven Rivers) Field was discovered in 1980 and the Lehn-Apco (Yates) Field was discovered in 1982. Both fields operate under Statewide Rules. Wells in these fields produce less than 1 BOPD.
- 8. Consolidation of the fields will allow operators to complete the Seven Rivers, Yates and Queen sands within a single wellbore, improving the economics for producing the various sands.

9. The Fromme Field should be designated as the correlative interval from 782 feet to 1,354 feet as shown on the log of the Fromme "E" No. 33. This interval includes the Yates, Seven Rivers and Queen intervals.

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 Avra Oil Company is necessary to prevent waste and protect correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that the Lehn-Apco (Queen Sd.), Lehn-Apco (Seven Rivers) and Lehn-Apco (Yates) Fields be consolidated into the Fromme Field and that the field rules for the Fromme Field be amended to provide for a correlative interval for the field.

Respectfully submitted,

Donna K. Chandler Technical Examiner