

**OIL AND GAS DOCKET NO. 08-0273208**

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**THE APPLICATION OF THREE RIVERS OPERATING CO LLC TO CONSOLIDATE THE SLATOR (SAN ANDRES) AND TXL (SAN ANDRES) FIELD INTO THE GOLDSMITH, W. (SAN ANDRES) FIELD, ANDREWS AND ECTOR COUNTIES, TEXAS**

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**HEARD BY:** Andres J. Trevino, P.E. - Technical Examiner  
Gene Montes - Legal Examiner

**HEARING DATE:** December 15, 2011

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Greg Cloud  
Steve Weiner

Three Rivers Operating Co. LLC

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Three Rivers Operating Co. LLC (Three Rivers) requests that the Slator (San Andres) and the TXL (San Andres) Fields be consolidated into the Goldsmith, W. (San Andres) Field. Three Rivers requests no changes to the field rules for the Goldsmith, W. (San Andres) Field.

This application was unopposed and the examiners recommend approval of the requested field consolidation.

**DISCUSSION OF THE EVIDENCE**

The Slator (San Andres) Field was discovered in 1957 at a depth of 4,172 feet. There are 12 oil wells and no gas wells carried in the field, seven are operated by Three Rivers. There are two other operators in the field. The wells produce from the San Andres formation. The field rules provide for 40 acre/optional 20 acre density and 330'-660' well spacing. Cumulative production from the field is 2.46 MMBO.

The TXL (San Andres) Field was discovered in 1952 at a depth of 4,380 feet. The field produces from the San Andres formation. There are 101 producing oil wells and 2 gas wells carried in the field. The field has cumulative production of 13.3 MMBO. The field operates with 550'/1200' spacing and a well density of 40 acre oil and gas units.

The Goldsmith, W. (San Andres) Field was discovered in 1956 at a depth of 4,280 feet. The field produces from the San Andres formation. There are 28 producing oil wells and one gas well carried in the field. The field has cumulative production of 7.2 MMBO. The field operates with 330'/0' spacing and a well density of 40 acre oil and gas units with optional 10 acre units.

Over the years, the fields have "grown together" and field designations overlap. Wells in the three fields produce from the same correlative interval, the San Andres formation. There are no faults or structural features separating the fields. Consolidating the fields will promote the orderly development of the reservoirs by having uniform field rules. Field rules for the Goldsmith, W. (San Andres) Field are more flexible allowing new wells to be drilled at flexible locations adjacent to the existing wells and allow drilling densities down to 10 acres.

#### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and there were no protests.
2. The Slator (San Andres) Field was discovered in 1957 at a depth of 4,172 feet. The field rules provide for 40 acre/optional 20 acre density and 330'-660' well spacing.
3. The TXL (San Andres) Field was discovered in 1952 at a depth of 4,380 feet. The field operates with 550'/1200' spacing and a well density of 40 acre oil and gas units.
4. The Goldsmith, W. (San Andres) Field was discovered in 1956 at a depth of 4,280 feet. The field operates with 330'/0' spacing and a well density of 40 acre oil and gas units with optional 10 acre units.
5. The Slator (San Andres), TXL (San Andres) and the Goldsmith, W. (San Andres) Fields all produce from the San Andres formation.
6. Over the years, the fields have "grown together". There are no faults or structural features separating the fields.
7. Field rules for the Goldsmith, W. (San Andres) Field allow greater flexibility in spacing future wells and allow greater drilling density down to 10 acre units.

8. Consolidating the fields will promote the orderly development of the reservoirs by having uniform field rules.

**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 Three Rivers Operating Co. LLC is necessary to prevent waste and protect correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiners recommend that the Slator (San Andres) and the TXL (San Andres) Fields be consolidated into the Goldsmith, W. (San Andres) Field and that no changes be made to the field rules for the Goldsmith, W. (San Andres) Field.

Respectfully submitted,

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Technical Examiner

Gene Montes  
Legal Examiner