

November 10, 2000

OIL AND GAS DOCKET NO. 01-0226198

**APPLICATION OF MAVERICK ENERGY & DEVELOPMENT CORP. TO CONSIDER
TEMPORARY FIELD RULES FOR THE WRK (JACKSON 2250) FIELD, MCMULLEN
COUNTY, TEXAS**

HEARD BY: Thomas H. Richter, P.E.

DATE OF HEARING: November 10, 2000

APPEARANCES:

Bill Kaiser
Oladipo Aluko

REPRESENTING:

Maverick Energy & Development Corp.

PROTESTANT: none

EXAMINER'S REPORT AND RECOMMENDATION
STATEMENT OF THE CASE

This is the unprotested application of Maverick Energy & Production Corp. for the Commission to consider temporary field rules for the WRK (Jackson 2250) Field that provide for:

1. The entire correlative interval from 2,245' to 2,253' subsurface depth as shown on the Type log of the Maverick Energy & Development, Storm Lease Well No. 1, in the G.W. Tindol Survey, A-1186, McMullen County, Texas be recognized and designated as the WRK (Jackson 2250) Field.
2. Minimum well spacing of 330'/660' (lease line/between well),
3. 20 acre proration units with 10 acre tolerance and maximum diagonal of 1,500';
4. An allocation formula based on 100% acreage.

DISCUSSION OF THE EVIDENCE

The WRK (Jackson 2250) Field was discovered February 23, 2000 by completion of the Maverick Energy & Development Corp., Storm Lease Well No. 1 through perforations from 2,245' - 2,253' subsurface depth. The field is governed by Statewide Rules. Maverick Energy & Development is the only operator in the field with one well. Basic reservoir parameters are: average porosity 31%; average water saturation 39%; average net pay thickness 6 feet. It is proposed the

entire correlative interval from 2,245' to 2,253' subsurface depth as shown on the Type log of the Maverick Energy & Development, Storm Lease Well No. 1, in the G.W. Tindol Survey, A-1186, McMullen County, Texas be recognized and designated as the WRK (Jackson 2250) Field.

Proration unit density of twenty (20) acres will provide for the efficient and effective depletion of the reservoir. The subject well potentialized at 24 BOPD, 431 MCF of casinghead gas per day and no water. Cumulative production through October 31, 2000 is 4,012 BO and 12,868 MCF of gas and 724 BW. The well currently produces 14.5 BOPD, no gas and 5 BWPD. Volumetric analysis, based on 20 acre drainage and 15% recovery factor (depletion drive) estimates recoverable oil-in-place to be 24,316 BO. Production decline analysis confirms this estimated with a calculated value of remaining recoverable oil-in-place of 21,640 (plus the cumulative to date which is 4,012 BO) is 25,652 BO.

The proposed minimum well spacing, 330'/660' (leaseline/between well), is necessary to provide for flexibility in locating wells in this area. The Jackson Sand feature is a channel sand deposition that is well defined by the location of wells surrounding the discovery well that were either wet or no Jackson Sand present. The channel, as currently depicted, is approximately 1,600 feet wide. Therefore the 1200 feet between well spacing would hinder the location of future wells. The 100% acreage allocation formula will provide for the protection of correlative rights.

Notice of this hearing was published once a week for four consecutive weeks in *The Progress*, a paper of general circulation in McMullen County, Texas on October 11, 18, 28 and November 1, 2000.

FINDINGS OF FACT

Based on the evidence presented, the examiner proposes the following findings:

1. Notice of this hearing was sent to all operators in the subject field at least ten (10) days prior to the subject hearing. Notice of this hearing was published once a week for four consecutive weeks in *The Progress*, a paper of general circulation in McMullen County, Texas on October 11, 18, 28 and November 1, 2000.
2. There was no protest at the call of the hearing.
3. The WRK (Jackson 2250) Field was discovered February 23, 2000 by completion of the Maverick Energy & Development Corp., Storm Lease Well No. 1 through perforations from 2,245' - 2,253' subsurface depth.
 - a. The field is governed by Statewide Rules.
 - b. Maverick Energy & Development is the only operator in the field with one

well.

4. The entire correlative interval from 2,245' to 2,253' subsurface depth as shown on the Type log of the Maverick Energy & Development, Storm Lease Well No. 1, in the G.W. Tindol Survey, A-1186, McMullen County, Texas be recognized and designated as the WRK (Jackson 2250) Field.
5. Proration unit density of twenty (20) acres will provide for the efficient and effective depletion of the reservoir.
 - a. Cumulative production through October 31, 2000 is 4,012 BO and 12,868 MCF of gas and 724 BW. The well currently produces 14.5 BOPD, no gas and 5 BWPD.
 - b. Volumetric analysis, based on 20 acre drainage and 15% recovery factor (depletion drive) estimates recoverable oil-in-place to be 24,316 BO.
 - c. Production decline analysis confirms this estimated with a calculated value of remaining recoverable oil-in-place of 21,640 (plus the cumulative to date which is 4,012 BO) is 25,652 BO.
6. The proposed minimum well spacing, 330'/660' (leaseline/between well) is necessary to provide for flexibility in locating wells in this area.
 - a. The Jackson Sand feature is a channel sand deposition that is well defined by the location of wells surrounding the discovery well that were either wet or no Jackson Sand present.
 - b. The channel, as currently depicted, is approximately 1,600 feet wide.
7. The 100% acreage allocation formula will provide for the protection of correlative rights.

CONCLUSIONS OF LAW

1. Proper notice was given to all parties as set out in the provisions of all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.

3. Consideration of field rules, a determination of their effectiveness and appropriate actions is a matter within the Commission jurisdiction.
4. Adoption of the proposed fields rule will prevent waste, foster conservation and protect correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends approval of the proposed field rules as temporary for 18 months for the WRK (Jackson 2250) Field.

Respectfully submitted,

Thomas H. Richter, P.E.
Technical Examiner
Office of General Counsel