

January 29, 2001

**OIL AND GAS DOCKET NO. 01-0227129**

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**THE APPLICATION OF 3TEC ENERGY CORPORATION TO AMEND FIELD RULES  
FOR THE STUART CITY (EDWARDS LIME) FIELD, LASALLE COUNTY, TEXAS**

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**Heard by:** Margaret Allen, Technical Hearings Examiner

**Procedural history**

Application received: January 9, 2001

Hearing held: January 29, 2001

**Appearances**

Glenn E. George  
Richard Stoneburner

Representing  
3TEC Energy Corporation

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field rules for the Stuart City (Edwards Lime) Field were adopted September 28, 1959, under Oil and Gas Docket No. 1-41,428. These rules have since been amended and the current rules are summarized as follows:

1. Designated interval from 10,024 to 10,270 feet as shown on the log of the Westland Oil Development Corporation Joe Hill Lease Well No. 1;
2. 660-2250' well spacing;
3. 640 acre proration units with optional 320 acre units; and
4. allocation based  $\frac{2}{3}$  on acreage and  $\frac{1}{3}$  per well.

3tec is seeking to amend the rules to change the optional units to 40 acres and change the spacing rule to 467-933'. The examiner recommends that the density rule provide for 320 acre standard proration units and the applicant has no objection.

**DISCUSSION OF THE EVIDENCE**

The Stuart City (Edward Lime) Field was discovered in 1954 and has 17 active wells. Cumulative production from the field is 37.3 BCF and daily field production is 2700 MCF. 3TEC has purchased the oldest seven wells still active in the field and Sutton Producing Corp. operates the rest of the wells. All of 3TEC's wells were drilled before 1960 and are still producing between 50 and 250 MCF/D. The other field wells were drilled between 1989 and 1995 and produce between 50 and 350 MCF/D.

The field produces from a subtle anticline extending northeast to southwest. The applicant has geophysical data showing that the crest of the anticline is just to the northwest of the best producing wells. The Stuart City reef facies is heterogeneous and laterally discontinuous. Net pay ranges from 30 to 127 feet. 3TEC intends to drill horizontal wells located along the anticlinal crest, with dual laterals extending northwest and southeast. One lateral should reach updip to the back-reef that has not been extensively developed yet.

Average porosity is 8.1% and the water saturation is reported to be 45%, based on core data. The initial reservoir pressure was 4704 psia and the recovery factor is assumed to be 80%. The expected ultimate recovery of 3TEC's seven wells ranges from 2.6 to 5.9 BCF. The ultimate drainage areas of 3TEC's wells ranges from 118 to 289 acres, while six of Sutton Producing's wells will drain less than 80 acres. None of the wells in the field has a calculated drainage area greater than 300 acres.

**FINDINGS OF FACT**

1. Notice of this hearing was given to all operators in the Stuart City (Edwards Lime) Field on January 19, 2001.
2. The Stuart City (Edwards Lime) Field was discovered in 1954, and has produced 37.3 BCF.
3. There are seventeen active wells, seven of them operated by 3TEC and the rest by Sutton Producing Corp.
4. Proration units of 320 acres with 40 acre optional units are appropriate.
  - a. The expected ultimate recovery of 3TEC's seven wells ranges from 2.6 to 5.9 BCF.
  - b. The ultimate drainage areas of 3TEC's wells ranges from 118 to 289 acres.
  - c. Six of the other wells in the field will drain less than 80 acres.
  - d. None of the wells in the field has a calculated drainage area greater than 300 acres.

5. 3TEC intends to drill horizontal wells along the crest of the structure with one lateral extending updip and another downdip.
6. Well spacing of 467-933' is standard for 40 acre optional units.

**CONCLUSIONS OF LAW**

1. Proper notice was given as required by statute.
2. All things have been done or occurred to give the Railroad Commission jurisdiction to resolve this matter.
3. The recommended amendments to the field rules will prevent waste, protect correlative rights within the field, and encourage further development.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the field rules for the Stuart City (Edwards Lime) Field be amended to provide for 467-933' well spacing and 320 acre proration units with 40 acre optional units.

Respectfully submitted,

Margaret Allen  
Technical Hearings Examiner

Date of Commission Action: February 22, 2001

**EXHIBITS**

1. Proration schedule
2. Map
3. Well tabulation
4. Field rule order
5. Amended order
6. EUR map
7. Structure map
8. Stratigraphic cross section
9. Properties
10. Drainage areas