

**THE APPLICATION OF TEXAS PETROLEUM INVESTMENT CO. TO AMEND THE FIELD RULES FOR THE DARST CREEK (EDWARDS) FIELD, GUADALUPE COUNTY, TEXAS**

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**HEARD BY:** Richard D. Atkins, P.E. - Technical Examiner

**HEARING DATE:** October 6, 2009

**APPEARANCES:**

**REPRESENTING:**

James M. Clark

Texas Petroleum Investment Co.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field Rules for the Darst Creek (Edwards) Field were adopted in Final Order No. 1-43,166, effective September 1, 1960, as amended, and are summarized as follows:

1. 150'-300' well spacing;
2. 2 acre density;
3. Allocation based on 95% acres and 5% per well.

Texas Petroleum Investment Co. ("Texas Petroleum") requests that the Field Rules be amended to provide for a correlative interval from 2,488 feet to 2,700 feet and 150'-0' well spacing with no requirement to file proration unit plats.

The application was unopposed and the examiner recommends that the Field Rules for the Darst Creek (Edwards) Field be amended, as proposed by Texas Petroleum.

**DISCUSSION OF EVIDENCE**

The Darst Creek (Edwards) Field was created in September 1960 when it was subdivided out of the Darst Creek Field. The field has an average depth of 2,650 feet and there are 182 producing oil wells carried on the proration schedule. Field rules for the Darst Creek (Edwards) Field provide for 150'-300' well spacing, 2 acre density and allocation based on 95% acres and 5% per well. Cumulative production from the field through September 2009 is over 38.2 MMBO and 220.8 MMCFG.

Texas Petroleum requests that the entire correlative interval from 2,488 feet to 2,700 feet as shown on the log of the Texas Petroleum Investment Co. - C. Knobloch Lease, Well No. 54 (API No. 42-187-30375), Guadalupe County, Texas, be considered a single field known as the Darst Creek (Edwards) Field. The field produces from the Upper Edwards formation. The primary drive mechanism is a strong water drive and the field is in the late stage of depletion.

Texas Petroleum is redeveloping the Darst Creek (Edwards) Field with horizontal wells targeting several separate Upper Edwards zones. A horizontal wellbore is drilled into one Upper Edwards zone and the well is produced until it reaches the economic limit at a WOR of 800 BW/BO. The well is then plugged back and a new horizontal wellbore is drilled into a different Upper Edwards zone. The wells are produced by submersible pump and produce over 20,000 BWPD. Average oil reserves per horizontal wellbore range from 75,000 BO up to 250,000 BO. Texas Petroleum is requesting 150'-0' well spacing to provide for greater flexibility in locating infill horizontal wells.

Not requiring the filing of proration unit plats will eliminate unnecessary paperwork by not having to redraw proration units whenever a new horizontal wellbore is drilled.

#### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Darst Creek (Edwards) Field was created in September 1960 when it was subdivided out of the Darst Creek Field. The field has an average depth of 2,650 feet and there are 182 producing oil wells carried on the proration schedule.
3. Field rules for the Darst Creek (Edwards) Field provide for 150'-300' well spacing, 2 acre density and allocation based on 95% acres and 5% per well.
4. The entire correlative interval from 2,488 feet to 2,700 feet as shown on the log of the Texas Petroleum Investment Co. - C. Knobloch Lease, Well No. 54 (API No. 42-187-30375), Guadalupe County, Texas, should be designated a single field known as the Darst Creek (Edwards) Field.

5. The field produces from the Upper Edwards formation. The primary drive mechanism is a strong water drive and the field is in the late stage of depletion.
6. Texas Petroleum is redeveloping the Darst Creek (Edwards) Field with horizontal wells targeting several separate Upper Edwards zones. Well spacing of 150'-0' will provide for greater flexibility in locating infill horizontal wells.
7. Allocation based on 95% acres and 5% per well is a reasonable formula which will protect correlative rights.

**CONCLUSIONS OF LAW**

1. Proper notice of this hearing was issued.
2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.
3. Amending the Field Rules for the Darst Creek (Edwards) Field is necessary to prevent waste, protect correlative rights and promote development of the field.

**RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiner recommends that the Commission amend the Field Rules for the Darst Creek (Edwards) Field, as proposed by Texas Petroleum Investment Co.

Respectfully submitted,

Richard D. Atkins, P.E.  
Technical Examiner