

**OIL AND GAS DOCKET NO. 01-0271875**

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**THE APPLICATION OF VIRTEX OPERATING CO., INC. TO AMEND FIELD RULE NO. 2 FOR THE DOERING RANCH (GEORGETOWN) FIELD, FRIO COUNTY, TEXAS**

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**HEARD BY:** Brian K. Fancher - Technical Examiner

**DATE OF HEARING:** September 01, 2011

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Dale Miller

Virtex Operating Co., Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field Rules for the Doering Ranch (Georgetown) Field were originally adopted in Final Order No. 01-0260612, effective February 26, 2009. The Field Rules in effect for the field are summarized as follows:

1. Designated interval from 6,190 feet to 6,530 feet as shown on the log of the R. K. Harlan No. 8;
2. 467'-1,200' well spacing;
3. 320 acre units with 10% tolerance and optional 40 acre units for gas wells; 80 acre units with 40 acre tolerance and optional 40 acre units for oil wells.
4. Allocation based on 5% per well and 95% acreage, with AOF status.

Virtex Operating Company, Inc. ("Virtex") requests that Field Rule No. 2 be amended to provide for no minimum distance requirement between vertical and horizontal wells in the subject field.

The application was unopposed and the examiner recommends that Field Rule No. 2 be amended for the Doering Ranch (Georgetown) Field, as proposed by Virtex.

### **DISCUSSION OF EVIDENCE**

The Doering Ranch (Georgetown) Field was originally discovered in 2006 and is an associated-prorated field with twenty-seven producing gas wells and four producing oil wells listed on the July 2011 proration schedules, all operated by Virtex. The Doering Ranch (Georgetown) Field is a consolidated field that is stratigraphically situated between the top of the Buda formation and the base of the Georgetown formation. The constituents comprising the subject field include the Doering Ranch (Buda), Calvert (Buda), and Doering Ranch (Georgetown) Fields. Cumulative production from the subject field is reported at approximately 9.1 BCF of gas and 54,000 BO.

Virtex is proposing to drill additional horizontal wells and requests the implementation of horizontal rules in order to promote the efficient and effective development of the remaining hydrocarbons. Virtex requests a spacing rule to provide for no minimum distance requirement between vertical and horizontal wells in the subject field. Virtex opined such spacing requirements will allow an operator in the subject field a greater flexibility in the placement and drilling of horizontal wells.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Doering Ranch (Georgetown) Field was originally discovered in 2006 and is an associated-prorated field with twenty-seven producing gas wells and four producing oil wells listed on the July 2011 proration schedules, all operated by Virtex. .
3. The Doering Ranch (Georgetown) Field is a consolidated field that is stratigraphically situated between the top of the Buda formation and the base of the Georgetown formation.
4. The Doering Ranch (Georgetown) Field is comprised of the Doering Ranch (Buda), Calvert (Buda), and Doering Ranch (Georgetown) Fields.
5. Field rules for the Doering Ranch (Georgetown) Field provide for a designated interval, 467'-1,200' well spacing, 320 acre units with 10% tolerance and optional 40 acre units for gas wells, and 80 acre units with 40 acre tolerance and optional 40 acre units for oil wells. The allocation formula is currently suspended.

6. Field Rules that provide for no spacing requirement between vertical and horizontal wells will allow greater flexibility in selecting future drilling locations in the subject field.

**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 Field Rule No. 2 for the Doering Ranch (Georgetown) 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 Field Rule No. 2 for the Doering Ranch (Georgetown) Field as proposed by Virtex Operating Co., Inc.

Respectfully submitted,

Brian K. Fancher  
Technical Examiner