

June 20, 1995

OIL AND GAS DOCKET NO. 03-0208648

**THE APPLICATION OF MOON OPERATING, INC., TO CONSIDER TEMPORARY
FIELD RULES FOR THE VOTAW, N. (WILCOX) FIELD, HARDIN COUNTY, TEXAS**

Heard by: Margaret Allen, Technical Hearings Examiner

Procedural History

Application received: April 21, 1995

Hearing held: June 15, 1995

Appearances

George C. Neale
Mike Snell
John Moon

Representing
Moon Operating, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Moon Operating, the only operator in the Votaw, N. (Wilcox) Field is seeking the following temporary field rules for the field:

1. Designated interval from 8800-9300' as shown on the log of the Moon Operating Blackstone Minerals Well No. 1;
2. 660-1320' well spacing;
3. 640 acre gas proration units with 10% tolerance and a maximum diagonal of 9000';
4. allocation based on acreage.

DISCUSSION OF THE EVIDENCE

The discovery well for the Votaw, N. (Wilcox) Field was the Moon Operating Blackstone Minerals No. 1, which was completed in September of 1994. The perforations were in a thin sand from 8962 to 8965' and the initial highest rate of production was 880 MCF/D. On February 16, 1995, a New Field Discovery was approved with an interval of 8960 to 9001'. The requested designated interval for the field rules extends from 8800 to 9300' and includes a thick sand/shale section.

The Wilcox section contains several very thin but extensive sands which are difficult to see on a log. The applicant plans to drill one to two wells to get higher on the faulted structure. There are major faults to the northwest and southeast of the discovery well. Because of the difficulty in locating wells close to the fault so as to be up-structure, the applicant requested the extra flexibility of 660-1320' well spacing. There are several other Wilcox fields in Hardin County with 640 acre density and 660-1320' field rules.

The applicant believes that the discovery well will drain as much as 640 acres. Sidewall cores indicate good porosity of 20% and good permeability in the range of 50 md. Two wells in nearby Wilcox fields drained 684 and 689 acres respectively. Using an initial pressure of 3422 psi and an abandonment pressure of 600 psi, water saturation of 45% and a height of 3', the applicant calculated that there were 1.37 BCF recoverable underneath 640 acres.

The subject well is producing at a rate of only about 200 MCF/D. The applicant testified that the well is under curtailment and they hope to be able to install a compressor.

FINDINGS OF FACT

1. Notice of this hearing was issued to all operators in the field of April 28, 1995.
2. The discovery well of the Votaw, N. (Wilcox) Field was completed in September of 1994 with as initial deliverability of 880 MCF/D.
3. The Wilcox interval between 8800 and 9300' is a sand/shale sequence with thin productive Wilcox sands embedded within it.
4. Volumetric calculations indicate that there are 1.37 BCF of recoverable gas underneath 640 acres.
5. Other Wilcox fields in Hardin County have 640 acre density with 660-1320' well spacing.
6. The porosity of the discovery well, the Blackstone Minerals No. 1 is good at 20% and the permeability of 50 md is also high.

7. The applicant needs the extra flexibility to drill additional wells near the field-limiting faults of 660-1320' well spacing.

CONCLUSIONS OF LAW

1. Proper notice was given as required by all applicable rules and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Granting the requested temporary field rules for a period of 18 months will prevent waste, protect correlative rights and promote an orderly development of the reservoir.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that the requested field rules be granted for a period of 18 months.

Respectfully submitted,

Margaret Allen
Technical Hearings Examiner

Date of Commission Action_____