

April 17, 2001

**OIL AND GAS DOCKET NO. 03-0227918**

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**THE APPLICATION OF LINDENMUTH & ASSOCIATES, INC., FOR FIELD RULES IN THE LUCKY, WEST (GOLA) FIELD, MATAGORDA COUNTY, TEXAS**

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

**Procedural history**

Application received: March 27, 2001

Hearing held: April 17, 2001

**Appearances**

Dale Miller	Representing Lindenmuth & Associates
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**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Lindenmuth & Associates is seeking the following field rules for the Lucky, West (Gola) Field:

1. Designated interval from 9280 to 9372 feet as shown on the log of the J.M. Huber Corp. B.W. O'Connor Well No. 3; and
2. Allocation based 95% on deliverability and 5% per well.

**DISCUSSION OF THE EVIDENCE**

The Lucky, West (Gola) Field was approved as a new field on July 20, 1984. The discovery well was the B.W. O'Connor Well No. 3-UT, operated by J.M. Huber Corporation. This well was perforated between 9295 and 9310 feet and had an AOF potential of 1217 MCF/D, with a bottom-hole pressure of 4375 psi. Only 33 MMCF were produced from this well before it was abandoned due to mechanical problems.

Lindenmuth completed its Wolf Unit 1 Well No. 1 in December of 2000, with perforations between 9252 and 9274 feet. This well has produced one BCF in less than four months. Lindenmuth completed its Wolf Unit Well No. 2 during March, 2001, and this well produced 227 MMCF during its first month on production. Both wells are completed in a sand about 25 feet deeper than the productive sand in the B.W. O'Connor well. Lindenmuth believes these two sands may be in

communication somewhere in the area around the Wolf wells, and that the two sands can be considered a single field in the Frio formation. The nearest fields are the Lucky, West (F-12), stratigraphically shallower than the sands in the proposed designated interval, and the Lucky, West (F-13) Field which is fault separated from any well in the subject field.

The top of the designated interval in the Lucky, West (Gola) Field is at 9280 feet in the O'Connor well, which is the top of the upper sand lobe. The base of the proposed interval is at 9372 feet, the base of the lower sand lobe, in this same well. The lower lobe is water-bearing in the O'Connor well but the other two wells in the field are updip and contain gas in both Frio sandstone lobes. Because of the multiple sandstones in the field, a two-factor allocation formula is required for statutory reasons. The formula proposed is close to the Statewide allocation formula, and the applicant is not requesting any changes to the Statewide rules for spacing and density.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all operators in the Lucky, West (Gola) Field and to all offset operators to the discovery tract on March 30, 2001.
2. The Lucky, West (Gola) Field was discovered in 1984, with the completion of the J.M. Huber B.W. O'Connor Well No. 3-UT.
3. The discovery well produced only 33 MMCF before being abandoned for mechanical problems, but the two subsequent wells are producing about 1/4 BCF per month.
4. The discovery well was perforated from 9295 to 9310 feet while the second well in the field, Lindenmuth's Wolf Unit No. 1, is perforated between 9252 and 9274 feet, in a correlatively somewhat lower sandstone.
5. Both productive sandstones in the proposed designated interval are part of the Frio formation and are separated by 25 feet of shale or less.
6. The proposed designated interval extends from 9280 to 9372 feet as shown on the log of the discovery well.
7. A field whose designated interval includes multiple reservoirs, such as this one, is required by statute to have a two-factor allocation formula.
8. The proposed allocation formula, based 95% on deliverability and 5% per well, is close to the Statewide allocation formula.

**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 requested field rules will prevent waste, protect correlative rights within the field, and promote orderly development of the reservoirs.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the requested field rules for the Lucky, West (Gola) Field be approved, as per the attached order.

Respectfully submitted,

Margaret Allen  
Technical Hearings Examiner

Date of Commission Action: May 8, 2001