

APPLICATION OF ENHANCED ENERGY PARTNERS CORP. TO AMEND THE FIELD RULES FOR THE RACCOON BEND (GUTOWSKY) FIELD, AUSTIN AND WALLER COUNTIES, TEXAS

HEARD BY: Andres J. Trevino, P.E.

DATE OF HEARING: May 3, 2011

APPEARANCES:

Dale E. Miller

REPRESENTING:

Enhanced Energy Partners Corp.

EXAMINER'S REPORT AND RECOMMENDATION
STATEMENT OF THE CASE

This is the unopposed application of Enhanced Energy Partners Corp. to amend the field rules as adopted in Special Order No. 3-60,055, issued effective August 4, 1970, as amended, for the Raccoon Bend (Gutowsky) Field that currently provide for the following:

1. Minimum well spacing of 330'/933' (lease line/between well);
2. 20 acre proration units and a maximum diagonal of 0'; and
3. An allocation formula based on 100% acreage.

Enhanced Energy Partners Corp. proposes the following:

1. Designation The entire correlative interval between 3,200 feet and 3,470 feet, as shown on the Schlumberger - Platform express, Gamma Ray, SP Log of the TNT Engineering Inc., J. C. Walton A Lease Well No. 16, William C. White Survey, A-101, API No. 015-30886, Austin County;
2. Minimum well spacing of 330'/0' (lease line/between well);
3. 20 acre proration units with 10 acre tolerance and a maximum diagonal of 1500'; and
4. An allocation formula based on 100% acreage, 1965 yardstick allowable.

Enhanced Energy requested the allocation formula remain suspended. The

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examiner recommends approval of the application.

DISCUSSION OF THE EVIDENCE

The Raccoon Bend (Gutowsky) Field was discovered in 1928 at a depth of 3,345' subsurface depth. The field is governed by special field rules as adopted by Special Order No. 3-60,055, issued effective August 4, 1970, as amended. The field is mature with many of the wells operating at their economic limit. The field has produced 1.55 MMBO and 363 MMCF of gas.

Enhanced Energy will be recompleting existing wells within the Raccoon Bend (Gutowsky) Field at the same time placing wells in an attempt to recover small blocks of undrained oil from the Raccoon Bend (Gutowsky) Field new wells. The Raccoon Bend (Gutowsky) Field's interval is composed of five Gutowsky sandstones which are found through out the area. The Raccoon Bend Field area is highly faulted and many reservoirs contain water drives. Using existing well logs, Enhanced Energy will re-enter and recomplete existing wells in an attempt to find undrained reserves. The variability in faulting and water drives may leave one sand saturated with oil, on with gas or one with water. The existence of reserves will vary from well to well. The untapped reserves exist in small, fault blocked zones that typically are 20 acres in size or smaller. Enhanced Energy requests no change in well density of 20 acres per well.

Enhanced Energy is asking for 0' between well spacing to allow flexibility in re-entering existing wells and drilling new wells at optimum locations around existing wells without the need for Rule 37 exceptions to target the undrained hydrocarbons.

FINDINGS OF FACT

1. Notice of this hearing was sent to all operators in the subject field at least ten (10) days prior to the subject hearing.
2. There was no protest at the call of the hearing.
3. The Raccoon Bend (Gutowsky) Field was discovered in 1928 at a depth of 3,345' subsurface depth.
4. The field is governed by special field rules first adopted by Special Order No. No. 3-60,055, issued effective August 4, 1970, as amended which provides for minimum well spacing of 330'/933' (lease line/between well); 20 acre proration units with 0 acre tolerance and a maximum diagonal of 0' and; and an allocation formula based on 100% acreage.
5. The Raccoon Bend (Gutowsky) Field should be designated as: the entire correlative interval between 3,200 feet and 3,470 feet, as shown on the Schlumberger -

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Platform Express, Log of the TNT Engineering Inc., J. C. Walton A Lease Well No. 16.

6. The Raccoon Bend (Gutowsky) Field's interval is composed of five Gutowsky sandstones which are found through out the area. The Raccoon Bend Field area is highly faulted and many reservoirs contain water drives.
7. The 0' between well spacing rule is needed for the efficient and effective depletion of the reservoir.
 - a. The 0' between well spacing will allow flexible placement of wells to produce the faulted sand blocks.
 - b. The 0' between well spacing will allow the recompletion of wells around the numerous existing wells for optimum location between minor faults without the need for Rule 37 exceptions.
 - c. The 0' between well spacing will allow placing the wells near the top of small structural highs that exist between existing wells to produce isolated hydrocarbon accumulations.
8. The 20 acre density will remain unchanged as it is needed for the efficient and effective depletion of the reservoir as the small hydrocarbon accumulations are less than 20 acres in size.

CONCLUSIONS OF LAW

1. Proper notice was given to all parties as set out in the provisions of all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Consideration of field rules, a determination of their effectiveness and appropriate actions are a matter within the Commission jurisdiction.
4. Adoption of the proposed amended field rules will prevent waste, foster conservation and protect correlative rights.

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EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends approval of the proposed amended field rules for the Raccoon Bend (Gutowsky) Field.

Respectfully submitted,

Andres J. Trevino, P.E.
Technical Examiner
Office of General Counsel