

October 31, 1995

OIL AND GAS DOCKET NO. 04-0210067

**THE APPLICATION OF EL DORADO RESOURCES, INC., TO CONSIDER TEMPORARY
FIELD RULES FOR THE EDR (COLE), DUVAL COUNTY, TEXAS**

Heard by: Margaret Allen, Technical Hearings Examiner

Procedural History

Application received: September 22, 1995

Hearing held: October 19, 1995

Appearances

| | |
|------------------------|---------------------|
| | Representing |
| Robert H. Hucklebridge | El Dorado Resources |

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

El Dorado Resources is seeking the following temporary rules for the EDR (Cole) Field:

1. Designated interval from 4254 to 4259' as shown on the El Dorado Resources Mann Well No. 1;
2. 330-660' well spacing; and
3. 20 acre density.
4. 100% acreage allocation.

DISCUSSION OF THE EVIDENCE

The EDR (Cole) Field was discovered in August of 1995, with the completion of the El Dorado Mann No. 1. The initial potential was 75 BOPD and 140 MCF/D from perforations between 4254 feet and 4259 feet. There is a second well in the field, the Mann No. 2 which is being tested, and the applicant has requested that the discovery allowable remain in effect in accordance with Statewide Rule.

The producing interval is a sandstone which is truncated by a fault to the west. To the east is a strong water drive and there are several fields along the western fault where small structures have preserved the oil. Because of the short history of the EDR (Cole) Field, the applicant has used the recoveries of wells in the Orgullo (Cole Sand) Field to the north which produces along the same fault. At least some wells in this field have produced over 110,000 barrels of oil per well.

A volumetric calculation of the Pride Mann Well No. 1 in the Orgullo (Cole Sand) Field indicates that there were 500 barrels of recoverable oil per acre foot. The Pride Mann No. 1 had a twelve foot sand thickness and recovered 67,000 BO for a drainage area of 10.4 acres. The El Dorado Mann Well No. 1 encountered a thinner sand and may therefor drain more than 10.4 acres.

FINDINGS OF FACT

1. Notice of this hearing was mailed on September 28, 1995, to all operators in the field and to all offset operators and unleased mineral interest owners to the discovery tract.
2. The discovery well for the EDR (Cole) Field is the El Dorado Resources Mann No. 1 which was completed in August of 1995 with an initial potential of 75 BOPD and 140 MCF/D.
3. A second well is being completed in the subject field and additional wells are planned by the applicant.
4. Twenty acre proration units are appropriate for temporary field rules.
 - a. The existing wells have little production history to establish ultimate recoveries.
 - b. The recovery from a well in a nearby Cole sand field along the same fault trend was 500 barrels per acre-foot.
 - c. Volumetric calculations indicate that this model well had 12' of net pay and an ultimate recovery of 67,000 barrels of oil from underneath 10.4 acres.
 - d. The discovery well for the EDR (Cole) Field has a thinner net pay section and

may be able to drain more acres if it produces between 60,000 and 70,000 BO.

5. The productive interval in the discovery well extends from 4254 to 4259'.
6. Well spacing of 330-660' is common for wells on 20 acre density.
7. Allocation based on acreage will protect correlative rights

CONCLUSIONS OF LAW

1. Proper notice was issued by the Commission to appropriate parties legally entitled to notice.
2. All things have been done or have occurred to give the Railroad Commission jurisdiction to decide this matter.
3. Adoption of the proposed field rules will promote the orderly and efficient development of the field in question and will prevent the waste of hydrocarbons and will protect correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that the field rules requested at the hearing be adopted on a temporary basis for a period of 18 months.

Respectfully submitted,

Margaret Allen
Technical Hearings Examiner

Date of Commission Action _____