

February 28, 2001

**OIL AND GAS DOCKET NO. 04-0227331**

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**THE APPLICATION OF MAGUIRE OIL COMPANY TO AMEND FIELD RULES FOR  
THE ANN MAG, EAST (L. VX BLAINEY SD) FIELD, BROOKS COUNTY, TEXAS**

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

**Procedural history**

Application received: January 29, 2001

Hearing held: February 27, 2001

**Appearances**

Richard A. Johnston

Representing

Maguire Oil Company

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field rules for the Ann Mag, East (L. Vx Blainey SD) Field were adopted July 31, 1998, under Oil and Gas Docket No. 04-0219348. The existing rules summarized as follows:

1. Designated interval from 11,400 to 11,956 feet as shown on the log of the Maguire Oil Company Sullivan Deep 'A' Lease Well No. 1;
2. 467-1200' well spacing;
3. 80 acre proration units; and
4. allocation based 95% on acreage and 5% on deliverability.

Maguire Oil is seeking to expand the designated interval by changing the top of the interval from 11,400 to 11,045 feet.

**DISCUSSION OF THE EVIDENCE**

The Ann Mag, East (L. Vx Blainey SD) Field was discovered in 1997, and has three wells, all on the same lease. The deliverabilities of these three wells are 5100 MCF, 3100 MCF and 3100

MCF per day respectively. Field rules adopted in 1998, specified 160 acre density with 80 acre optional units, and 467-1200 foot well spacing. When the temporary rules were made permanent, March 21, 2000, under Docket No. 04-0222935, the standard proration units were amended to 80 acres. The allocation formula was initially based 5% per well and 95% on deliverability but when the rules were made permanent it was changed to one based 95% on acreage and 5% on deliverability. The allocation formula has been suspended since July of 1999.

The three Sullivan Deep 'A' wells produce on the east side of a north-northeast trending fault. The current designated interval, as shown on the log of the Sullivan Deep 'A' Well No. 1, extends from 11,400 to 11,956 feet. What Maguire refers to as the Vicksburg 5 and Vicksburg 6 sandstones are commingled within this correlative interval. The top of the Vicksburg 4 is at 11,045 feet in Well No. 1. The applicant wants to add perforations in the Vicksburg 4 in the existing wells and is also intending to drill new wells for the Vicksburg 4 through 6.

The Vicksburg 4 has not yet been tested in this area. Water and gas analyses from the Vicksburg sands tested previously have shown no compatibility problems. All of the sandstones were deposited in similar environments. There will be no permanent loss of reserves if limited cross flow between the Vicksburg 4 and the previously commingled sandstones occurs when wells are shut-in.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all operators in the Ann Mag, East (L. Vx Blainey SD) Field on February 5, 2001.
2. The Ann Mag, East (L. Vx Blainey SD) Stuart City (Edwards Lime) Field was discovered in 1997, and has three wells all on the same lease.
3. Field rules were adopted July 31, 1998, and include a designated interval, shown on the log of the Maguire Oil Company Sullivan Deep 'A' Lease Well No. 1, between 11,400 and 11,956 feet.
4. The current designated interval includes the Vicksburg 5 and 6 sandstones.
5. The Vicksburg 4 sandstone has not been developed yet but has similar rock and fluid properties to the Vicksburg 5 and 6 already commingled.
6. The top of the Vicksburg 4 is at 11,045 feet in the type log.

**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 recommended amendment to the field rules will prevent waste, protect correlative rights within the field, and encourage further development.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the Rule 1 of the field rules for the Ann Mag, East (L. Vx Blainey SD) Field be amended to provide for a designated interval between 11,045 and 11,956 feet as shown on the log of the applicant's Sullivan Deep 'A' Lease Well No. 1.

Respectfully submitted,

Margaret Allen  
Technical Hearings Examiner

Date of Commission Action: March 20, 2001

**EXHIBITS**

1. Proration schedule
2. Map
3. Cross section
4. Field rule orders