

OIL AND GAS DOCKET NO. 04-0228000

THE APPLICATION OF UNITED OIL & MINERALS, L.P. TO AMEND THE FIELD RULES IN THE ELLEN (VICKSBURG) FIELD, BROOKS COUNTY, TEXAS

Heard by: Donna K. Chandler on April 30, 2001

Appearances:

Dale Miller

Representing:

United Oil & Minerals, L.P.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field rules for the Ellen (Vicksburg) Field were adopted on March 20, 2001 by Final Order No. 04-0227482. The rules are summarized as follows:

1. Designation of the field as the correlative interval from 10,130 feet to 10,410 feet as shown on the log of the Cage Ranch No. 3;
2. Well spacing a minimum of 933 feet from lease lines and 1,867 feet between wells;
3. 640 acre gas units plus 10% tolerance and a maximum diagonal of 8,500 feet; optional 320 acre units with a maximum diagonal of 6,000 feet.
4. Allocation based on 100% acreage and.

United Oil & Minerals requests that the field rules be amended to provide for 660' -1,200' well spacing.

This application was unopposed and the examiner recommends that the spacing rule for the field be amended.

DISCUSSION OF EVIDENCE

The Ellen (Vicksburg) Field was discovered in October 2000 upon completion of the Cage Ranch No. 1 by United Oil & Minerals. United operates all three producing wells in the field.

United requested temporary field rules for the field in February 2001 and rules were adopted in March 2001. The rules provide for 933'-1,867' well spacing with 640/optional 320 acre density. The locations for new wells are based on 3-D seismic and United failed to request a closer spacing in the original hearing. Additional flexibility is needed to avoid numerous Rule 37 exceptions. The proposed Cage Ranch No. 6 is only 1,200 feet from the No. 2 well; additional locations are also

proposed. These rules will be reviewed in September 2002.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice.
2. The Ellen (Vicksburg) Field was discovered in October 2000.
3. Field rules currently provide for 640/optional 320 acre density and 933'-1,867' well spacing.
4. Wells in this field are drilled based on 3-D seismic.
5. Additional wells will require Rule 37 exceptions under the current rules.
6. Well spacing a minimum of 660 feet from lease lines and 1,200 feet between wells will provide flexibility in locating future wells.

CONCLUSIONS OF LAW

1. Proper notice of this hearing was issued.
2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.
3. Amending the spacing rule for the Ellen (Vicksburg) Field will prevent waste and protect correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the field rules for the Ellen (Vicksburg) Field be amended as proposed by United Oil & Minerals.

Respectfully submitted,

Donna K. Chandler
Technical Examiner