

**OIL AND GAS DOCKET NO. 04-0255142**

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**THE APPLICATION OF EL PASO E&P ZAPATA, LP TO AMEND RULE NO. 2 FOR THE HAYNES (MIDDLE WILCOX CONS.) FIELD) FIELD, ZAPATA COUNTY, TEXAS**

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**Heard by:** Andres J. Trevino, P.E. on February 15, 2008

**Appearances:**

Jim Cowden  
John F. Miller

**Representing:**

El Paso E&P Zapata, LP

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

El Paso E&P Zapata, LP requests that Field Rule No. 2 for the Haynes (Middle Wilcox Cons.) Field be amended. The rule currently in effect for the field provide for a 467'-1,200' well spacing. This rule was adopted effective June 29, 1999 in Final Order No. 04-0221752. El Paso proposes the following Rule No.2 for the field:

2. 467'-933' well spacing;

The allocation formula is suspended and El Paso request the allocation formula remain suspended. El Paso requests the drilling unit remain at 40 acre units. This application was unopposed and the examiner recommends that the field rules for the Haynes (Middle Wilcox Cons.) Field be amended as proposed by El Paso E&P Zapata, LP.

**DISCUSSION OF EVIDENCE**

The Haynes (Middle Wilcox Cons.) Field was formed in 1999 with the consolidation of the El Huerfano (10800) Field, the Bustamante, South (Wilcox) Field and the Bustamante, South (Wilcox) Field as a non-associated gas field. A total of 275 wells have been completed in the field. El Paso E&P Zapata LP currently operates 6 of the wells and there are an additional 17 operators in the field.

The Haynes (Middle Wilcox Cons.) Field is undergoing active development with infill drilling and has produced over 534 BCF of gas. The Haynes (Middle Wilcox Cons.) Field is commonly commingled with the Munoz (Lobo) Field found below the field. The two fields have had 88 exception to SWR 10 permits approved. There have been 90 Rule 37 exceptions approved due to there being less than 1,200 feet between well spacing. The new wells drilled are targeting both the Munoz (Lobo) and Haynes (Middle Wilcox Cons.) Fields.

The reservoirs for both the Haynes (Middle Wilcox Cons.) Field and the Munoz (Lobo) Field are highly faulted and are designated as tight. Reducing the between well spacing from 1,200 feet to 933 feet will allow operators in the fields to place wells at additional locations without the need for numerous Rule 37 exceptions. Retaining the 40 acre drilling units will allow infill drilling to recover additional reserves that would otherwise go unrecovered. The allocation formula has been suspended since 1999.

#### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. Field rules for the Haynes (Middle Wilcox Cons.) Field provide for a correlative interval of 10,600' to 11,660', 467'-1,200' well spacing, 40 acre gas units and allocation based 90% deliverability and 10% per well. The allocation formula is suspended.
3. There are currently 275 wells producing from the field. A total of 534 BCF of gas has been produced from the field.
4. The Haynes (Middle Wilcox Cons.) Field is undergoing active development with infill drilling and is commonly commingled with the Munoz (Lobo) Field
5. The reservoirs for both the Haynes (Middle Wilcox Cons.) Field and the Munoz (Lobo) Field are highly faulted and are designated as tight.
6. The two fields have had 88 exception to SWR 10 permits approved. There have been 90 Rule 37 exceptions approved due to there being less than 1,200 feet between well spacing.
7. Reducing the between well spacing from 1,200 feet to 933 feet will allow operators in the fields to place wells at additional locations without the need for numerous Rule 37 exceptions.
8. Retaining the 40 acre units will allow infill drilling to recover additional reserves that would otherwise go unrecovered.

9. The allocation formula has been suspended since 1999.

**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 field rules for the Haynes (Middle Wilcox Cons.) Field is necessary to prevent waste, protect correlative rights and promote development of the field.

**RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends that the Commission amend the Field Rule No. 2 for the Haynes (Middle Wilcox Cons.) Field as proposed by El Paso E&P Zapata LP.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner