

**THE APPLICATION OF REVELLE RESOURCES (TEXAS), INC. TO ADOPT  
TEMPORARY FIELD RULES FOR THE DASKAM, S. (FRIO SAM FORDYCE) FIELD,  
HIDALGO COUNTY, TEXAS**

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**Heard by:** Donna K. Chandler on February 17, 2011

**Appearances:**

Greg Cloud

**Representing:**

Reveille Resources (Texas), Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Reveille Resources (Texas), Inc. requests that temporary field rules be adopted for the Daskam, S. (Frio Sam Fordyce) Field. The proposed rules are summarized as follows:

1. Designation of the field as the correlative interval from 3,847 feet to 4,010 feet as shown on the log of the LaJoya No. 2;
2. 467'- 1,200' well spacing;
3. 160 acre gas units with 10% tolerance and a maximum diagonal of 4,500 feet;
4. Allocation based on 100% acreage.

This application was unopposed and the examiner recommends adoption of the temporary field rules proposed by Reveille, subject to review in 18 months.

**DISCUSSION OF EVIDENCE**

The Daskam, S. (Frio Sam Fordyce) Field was discovered in August 2010 upon completion of the La Joya Well No. 2 by Reveille Resources (Texas), Inc. No other wells have been completed in the field.

On initial test, the well produced at a maximum rate of 2,387 MCFD. Perforations are in the Sam Fordyce between 3,851 feet and 3,884 feet. Cumulative production through January 2011 is 193 MMCF of gas. January production was approximately 1,000 MCFD.

Average porosity of the reservoir is 30% and average water saturation is 34%. Net pay thickness is 30 feet in the La Joya No. 2. Assuming an ultimate recovery of 3,500 MMCF for the La Joya No. 2, the calculated drainage area is 133 acres.

Reveille requests that the field be designated as the correlative interval between 3,847 feet to 4,010 feet as shown on the log of the La Joya No. 2. This interval includes the entire sand, with a gas-water contact at 3,910 feet.

Reveille requested 467'-1,200' well spacing in conjunction with the 160 acre density. This area of Hidalgo County has many long, narrow tracts. The proposed spacing will provide flexibility in locating additional wells. The requested allocation formula based on 100% acres will protect correlative rights.

#### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice at least ten days prior to the date of hearing.
2. The Daskam, S. (Frio Sam Fordyce) Field was discovered in August 2010 upon completion of the La Joya Well No. 2 by Reveille Resources (Texas), Inc. The well is perforated from 3,851 feet and 3,884 feet
3. The La Joya No. 2 is the only well currently producing from the field.
4. Field rules providing for 160 acre density are appropriate for this field on a temporary basis.
  - a. Estimated ultimate recovery of the La Joya Well No. 2 is 3,500 MMCF of gas.
  - b. Current production from the La Joya No. 2 is about 1,000 MCFD.
  - c. The calculated drainage area for the La Joya No. 2 is 133 acres.
5. Well spacing a minimum of 467 feet from lease lines and 1,200 feet between wells will provide flexibility in further developing the reservoir in this area which has many long, narrow tracts of land.
6. The Daskam, S. (Frio Sam Fordyce) Field should be designated as the correlative interval from 3,851 feet to 3,884 feet as shown on the log of the La Joya Well No. 2.

7. Allocation based on 100% acreage is a reasonable method of allocation which will protect the correlative rights of mineral owners in the field.

**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. Adoption of the proposed field rules for the Daskam, S. (Frio Sam Fordyce) Field on a temporary basis 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 adopt the field rules proposed by Reveille Resources (Texas), Inc. for the Daskam, S. (Frio Sam Fordyce) Field on a temporary basis, subject to review in 18 months.

Respectfully submitted,

Donna K. Chandler  
Technical Examiner