



# RAILROAD COMMISSION OF TEXAS

## OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 06-0273136

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THE APPLICATION OF VALENCE OPERATING TO AMEND FIELD RULES FOR THE YANTIS (RODESSA) FIELD, WOOD COUNTY, TEXAS

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**Heard by:** Andres J. Trevino, P.E., Technical Examiner  
Michael Crnich, Legal Examiner

**Hearing Date:** November 29, 2011

**Appearances:**

Rick Johnston

**Representing:**

Valence Operating

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

The field rules (Statewide Rules) for the Yantis (Rodessa) Field are summarized as follows:

1. 467'-1,200' well spacing;
2. 40 acre oil units with 20 acre tolerance;
3. Allocation based on 100% per well AOF.

Valence Operating requests that field rules be amended as follows :

1. Designation of the field as the correlative interval from 8,013 feet to 8,190 feet as shown on the log of the David Schlachter's Mary Lou Foster No. 1;
2. 330'-660' well spacing;

3. 40 acre units for oil and gas wells (No change);
4. Allocation based on 100% acreage (No change), AOF.

Special field rules for gas wells were adopted and later rescinded by the Commission. Commission records still show the Special field rules as being in place and in error. This application was unopposed and the examiner recommends that the field rules for the Yantis (Rodessa) Field be amended as requested.

### **DISCUSSION OF EVIDENCE**

The Yantis (Rodessa) Field was discovered in 1949 at a depth of approximately 8,100 feet. There are no producing wells in the field. Currently there is one oil well listed on the proration schedule. Valence is only operator in the field.

The Yantis (Rodessa) Field is an associated field and a nearly depleted, marginally productive formation that may contain remaining oil and gas resources. Other productive formations found in the area include the Smackover, the Hill Zone and the Heard Zone. The Rodessa is not a primary target for drilling and completing a new well. The Rodessa is considered a secondary "behind pipe" reserves as economics do not justify drilling a new well. Valence will recomplete and/or reenter existing wells it operates into the Rodessa. Valence requests 330'-660' well spacing for the Yantis (Rodessa) Field, similar to other Yantis fields, so that it can recomplete and/or reenter and commingle existing wells into the Rodessa without the need for Rule 37 exceptions to recover any existing oil and gas reserves.

Valence submitted a log to establish a designated interval for the field. The interval from 8,013 feet to 8,190 feet as shown on the log of the David Schlachter's Mary Lou Foster No. 1 should be designated as the Yantis (Rodessa) Field. This interval includes the entire Rodessa formation. The interval lies below the Heard Zone.

Valence requests no change in field density as remaining reserves are limited as the Rodessa is partially depleted. Valence request gas well production remain AOF status.

### **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. Field rules for the Yantis (Rodessa) Field provide for 467'-1,200' well spacing, 40 acre oil and gas units and allocation based on 100% per well.
3. The Yantis (Rodessa) Field is an associated field that was discovered in

1949 at a depth of approximately 8,100 feet.

4. There are no producing wells in the field. Currently there is one oil well listed on the proration schedule. Valence is only operator in the field.
5. The Yantis (Rodessa) Field is a depleted, marginally productive formation that is currently not the primary target for new drilling but may contain remaining oil and gas resources.
6. The interval from 8,013 feet to 8,190 feet as shown on the log of the David Schlachter's Mary Lou Foster No. 1 should be designated as the Yantis (Rodessa) Field. This interval includes the entire Rodessa formation.
7. Development of the field on 40 acre units is appropriate as remaining reserves are limited and the Rodessa is partially depleted.
8. The proposed 330'-660' well spacing is similar to other Yantis fields in the area and will allow flexibility in recompleting and/or reentering existing wells and commingling into the Rodessa to recover any remaining oil and gas reserves.

#### **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 field rules for the Yantis (Rodessa) Field is necessary to prevent waste and protect correlative rights.

#### **RECOMMENDATION**

Based on the above findings and conclusions of law, the examiners recommend that field rules for the Yantis (Rodessa) Field be amended to provide for a designated interval, 40 acre units and 330'-660' well spacing.



Andres J. Trevino, P.E.  
Technical Examiner

Respectfully submitted,



Michael Crnich  
Legal Examiner