

**THE APPLICATION OF PLANTATION OPERATING, LLC TO AMEND AND RENUMBER THE FIELD RULES FOR THE LAKE TRAMMEL, S. (CANYON) FIELD, NOLAN COUNTY, TEXAS**

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**HEARD BY:** Richard D. Atkins, P.E. - Technical Examiner

**DATE OF HEARING:** April 13, 2011

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Dale E. Miller

Plantation Operating, LLC

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field Rules for the Lake Trammel, S. (Canyon) Field were adopted in Final Order No. 7-24,400, effective August 27, 1952. The Field Rules are summarized as follows:

1. 330'-933' well spacing;
2. 40 acre oil units;
3. Allocation based on 50% acres and 50% per well;
4. Casing program specifications.

Plantation Operating, LLC ("Plantation") requests that the Field Rules be amended and renumbered as follows:

1. Designation of the field as the correlative interval from 5,033 feet to 5,432 feet as shown on the log of the L.C.S. Production Company - South Lake Trammel Unit, Well No. 65 (API No. 42-353-32976);
2. 330'-0' well spacing;
3. 40 acre oil units with optional 10 acre density;
4. Allocation based on 75% acres and 25% per well with a top allowable based on the 1965 Yardstick Allowable of 102 BOPD.

The application was unopposed and the examiner recommends that the Field Rules

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for the Lake Trammel, S. (Canyon) Field be amended and renumbered, as requested by Plantation.

### **DISCUSSION OF EVIDENCE**

The Lake Trammel, S. (Canyon) Field was discovered in November 1951 at an average depth of 5,100 feet. There are 9 producing oil wells and 3 operators carried on the proration schedule. Plantation is the operator of the South Lake Trammel Unit which contains 86% of the field area. Cumulative production from the field through February 2011 is 3.9 MMBO and 4.9 BCFG.

There is currently no defined field interval for the field. Plantation requests that the field be defined as the correlative interval from 5,033 feet to 5,432 feet as shown on the log of the L.C.S. Production Company - South Lake Trammel Unit, Well No. 65 (API No. 42-353-32976), Section 34, Block X, T&P RR Co Survey, A-1443, Nolan County, Texas. This interval includes the Canyon "A" through the Canyon "G" Sand formations.

Plantation is planning on drilling infill wells and requests 330'-0' well spacing and 40 acre units with optional 10 acre density. Plantation submitted a tabulation of 8 Canyon and Strawn sand fields in RRC District 7B that already had similar Field Rules and opined that the proposed rules would allow greater flexibility in selecting future drilling locations.

From the available reservoir data, Plantation estimated an average porosity of 12%, an average water saturation of 30% and an average net pay thickness of 19 feet. The primary drive mechanism is a solution gas drive and the recovery to date has been 17% of the original oil in place. Plantation is proposing a waterflood revitalization project on a 40 acre 5-spot pattern coupled with infill drilling on 20 acre and 10 acre density. Plantation calculated that its project would increase the recovery factor by 17%, resulting in a total recovery for the field of 34% of the original oil in place.

Plantation also requests that the allocation formula be based on 75% acres and 25% per well with a top allowable based on the 1965 Yardstick Allowable of 102 BOPD.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Lake Trammel, S. (Canyon) Field was discovered in November 1951 at an average depth of 5,100 feet.
3. There are 9 producing oil wells and 3 operators carried on the proration schedule. Plantation is the operator of the South Lake Trammel Unit which contains 86% of the field area.

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4. Well Spacing of 330'-0' and 40 acre units with optional 10 acre density is appropriate for the field.
  - a. A tabulation of 8 Canyon and Strawn sand fields in RRC District 7B shows that the 8 fields already have similar Field Rules.
  - b. The proposed rules would allow greater flexibility in implementing a waterflood revitalization project on a 40 acre 5-spot pattern.
  - c. The proposed rules would allow greater flexibility in selecting future infill drilling locations on 20 acre and 10 acre density.
  - d. The proposed redevelopment project is estimated to increase the recovery factor by 17%, resulting in a total recovery for the field of 34% of the original oil in place.
5. Allocation based on 75% acres and 25% per well with a top allowable based on the 1965 Yardstick Allowable of 102 BOPD is a reasonable formula which will protect correlative rights and meet statutory requirements.

### **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 and renumbering the Field Rules for the Lake Trammel, S. (Canyon) Field is necessary to prevent waste, protect correlative rights and promote development of the field.

### **RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiner recommends that the Commission amend and renumber the Field Rules for the Lake Trammel, S. (Canyon) Field, as proposed by Plantation Operating, LLC.

Respectfully submitted,

Richard D. Atkins, P.E.  
Technical Examiner