



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 7B-0280425

**THE APPLICATION OF L.C.S. PRODUCTION COMPANY TO RENUMBER AND AMEND
FIELD RULES FOR THE WHITE FLAT (STRAWN) FIELD, NOLAN COUNTY, TEXAS**

HEARD BY: Brian Fancher - Technical Examiner
Marshall F. Enquist - Legal Examiner

EXAMINERS' REPORT PREPARED BY: Richard D. Atkins, P.E. - Technical Examiner

HEARING DATE: February 27, 2013

APPEARANCES: **REPRESENTING:**

APPLICANT:

Dale E. Miller

L.C.S. Production Company

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field Rules for the White Flat (Strawn) Field were adopted in Final Order No. 7-26,327, effective June 1, 1953. The Field Rules are summarized as follows:

1. 467'-1,100' well spacing;
2. 40 acre oil units;
3. Allocation based on 50% acres and 50% per well;
4. Casing provisions;
5. Permitted gas-oil ratio of 2,000 cubic feet per barrel;
6. Semi-annual bottomhole pressure provisions.

L.C.S. Production Company ("L.C.S.") requests that the Field Rules be renumbered and amended, as shown below:

1. Designated correlative interval from 5,100 feet to 5,167 feet as shown on the log of the L.C.S. Production Company - E. G. Whitaker Lease, Well No. 12 (API No. 42-353-33241);
2. 330'-660' well spacing;
3. 40 acre oil units with optional 20 acre density;
4. Salvage classification with no allowable restrictions.

L.C.S. also requests that proration unit plats not be required for individual wells, but that Form P-15 be filed to designate the number of acres to be assigned to each well with no maximum diagonal limitation.

The application is unopposed and the examiners recommend that the Field Rules for the White Flat (Strawn) Field be renumbered and amended, as proposed by L.C.S.

DISCUSSION OF EVIDENCE

The White Flat (Strawn) Field was discovered in February 1953 at an average depth of 5,100 feet. There are two producing oil wells and four operators carried on the proration schedule. Field Rules currently provide for 467'-1,100' well spacing and 40 acre oil units. Cumulative production from the field through November 2012 is 3.5 MMBO and 1.7 BCFG.

There is currently no defined correlative interval for the field. L.C.S. requests that the field be defined as the correlative interval from 5,100 feet to 5,167 feet as shown on the log of the L.C.S. Production Company - E. G. Whitaker Lease, Well No. 12 (API No. 42-353-33241), Section 35, Block 20, T&P RR Co. Survey, A-322, Nolan County, Texas. The correlative interval includes the entire Strawn Sand formation. From log analysis, L.C.S. estimated an average porosity of 12%, an average saltwater saturation of 33%, an average net pay thickness of 20 feet and a recovery factor of 22%. The primary drive mechanism is a solution gas drive.

L.C.S. is re-developing the White Flat (Strawn) Field by drilling infill wells and requests Field Rules that will promote the efficient and effective development of the remaining hydrocarbons. L.C.S. provided drainage area calculations for all of the 40 wells that produced from the field. The drainage areas range from less than one acre up to a maximum of 332 acres. The average drainage area was calculated to be approximately 53 acres and 9 of the wells had drainage areas of less than 20 acres. Based on the drainage area calculations, L.C.S. proposes 330'-660' well spacing and 40 acre oil units with optional 20 acre density. L.C.S. submitted a tabulation of ten fields in RRC District 7B that have already adopted similar spacing and density Field Rules.

Given the depleted status of the reservoir, there is no reason to limit production from the field. L.C.S. requests a salvage classification with no allowable restrictions and that proration unit plats not be required for individual wells, but that Form P-15 be filed to designate the number of acres to be assigned to each well with no maximum diagonal limitation.

FINDINGS OF FACT

1. Notice of this application and hearing was provided to all persons entitled to notice at least ten (10) days prior to the date of the hearing.
2. The White Flat (Strawn) Field was discovered in February 1953 at an average depth of 5,100 feet.
 - a. There are two producing oil wells and four operators carried on the proration schedule.
 - b. Field Rules currently provide for 467'-1,100' well spacing and 40 acre oil units.
3. The White Flat (Strawn) Field should be defined as the correlative interval from 5,100 feet to 5,167 feet as shown on the log of the L.C.S. Production Company - E. G. Whitaker Lease, Well No. 12 (API No. 42-353-33241), Section 35, Block 20, T&P RR Co. Survey, A-322, Nolan County, Texas. The correlative interval includes the entire Strawn Sand formation.
4. Field Rules for the White Flat (Strawn) Field that provide for 330'-660' well spacing and 40 acre oil units with optional 20 acre density are appropriate for the field.
 - a. L.C.S. Production Company ("L.C.S.") is re-developing the White Flat (Strawn) Field by drilling infill wells and requests Field Rules that will promote the efficient and effective development of the remaining hydrocarbons.
 - b. Drainage areas for all of the 40 wells that produced from the field range from less than one acre up to a maximum of 332 acres.
 - c. The average drainage area was calculated to be approximately 53 acres and 9 of the wells had drainage areas of less than 20 acres.
 - d. Ten other fields in RRC District 7B have already adopted similar spacing and density Field Rules.

5. Given the depleted status of the reservoir, there is no reason to limit production from this field. A salvage classification with no allowable restrictions is appropriate for the White Flat (Strawn) Field.
6. The filing of Form P-15 to designate the number of acres to be assigned to each well for proration purposes with no proration unit plats will eliminate unnecessary paperwork.

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. Renumbering and amending the Field Rules for the White Flat (Strawn) 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 examiners recommend that the Commission renumber and amend the Field Rules for the White Flat (Strawn) Field, as requested by L.C.S. Production Company.

Respectfully submitted,



Richard D. Atkins, P.E.
Technical Examiner



Marshall F. Enquist
Legal Examiner