

**THE APPLICATION OF PATTERSON PETROLEUM, L.P. FOR PERMANENT FIELD RULES FOR THE PINK DRAW (FUSSELMAN) FIELD, REAGAN COUNTY, TEXAS**

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**Heard by:** Margaret Allen, Technical Hearings Examiner

**Procedural history**

Application received: April 14, 2006

Hearing held: May 25, 2006

**Appearances**

Dale Miller	Representing Patterson Petroleum L.P.
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**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Patterson Petroleum L.P. ("Patterson") is seeking the following permanent field rules for the Pink Draw (Fusselman) Field:

1. Designated interval from 9842' to 9894' as shown on the log of the TMBR/Sharp Drilling Co. Scottish Rite "31" Lease, Well No. 30-3;
2. 467'-1200' well spacing;
3. 80 acre oil proration units with a maximum diagonal of 3250' and 40 acre optional units with a maximum diagonal of 2100'; and
4. allocation based on acreage.

**DISCUSSION OF THE EVIDENCE**

The Pink Draw (Fusselman) Field was discovered in 1989, with the completion of the Patterson Scottish Rite Well No. 1. The discovery well was perforated from 9918' to 9922', and had an initial potential of 130 BO and 20 MCFD. There are now three producing wells and one injection well operated by Patterson. The Fusselman occurs between 9842' and 9894' as shown on the log of the Scottish Rite "31" Lease Well No. 30-3.

Cumulative production from Patterson's wells is 568,000 BO and 400 MMCF. These wells produce large amounts of water and Patterson recently installed submersible pumps. Reservoir porosity is 12%, water saturation is 36% and net pay is 22'. The recovery factor is assumed to be 42% based on a strong water drive. The number of barrels of recoverable oil underneath 80 acres is calculated to be 297,000. The discovery well has already produced 249,000 barrels and its ultimate recovery is expected

to be 264,000 barrels for a drainage area of 71 acres. The estimated drainage areas of the other two wells are 86 and 41 acres.

The applicant requested 467'-1200' well spacing as it plans to do additional drilling. Most Fusselman fields in Reagan County produce from reefs and additional wells will be located by seismic. Allocation based on acreage will protect correlative rights.

**FINDINGS OF FACT**

1. On May 2, 2006, notice of this hearing was given to all operators in the Pink Draw (Fusselman) Field.
2. The Pink Draw (Fusselman) Field was discovered in 1989, with the completion of the Patterson Petroleum Scottish Rite Well No. 1.
3. The cumulative production from the three Patterson Petroleum wells in the field is 568,000 BO and 400 MMCF.
4. Eighty acre proration units with 40 acre optional units are appropriate for permanent field rules.
  - a. Volumetric analysis indicates 297,000 barrels of recoverable oil underneath 80 acres.
  - b. The discovery well has already produced 249,000 barrels and its ultimate recovery is expected to be 264,000 barrels for a drainage area of 71 acres.
  - c. The estimated drainage areas of the other two wells are 86 and 41 acres.
5. The Fusselman Formation occurs between 9842' and 9894' as shown on the log of the Scottish Rite "31" Lease Well No. 30-3.
6. Well spacing of 467'-1200' will allow extra flexibility in locating additional wells inside this Fusselman reef.
7. Allocation based on acreage will protect correlative rights.

**CONCLUSIONS OF LAW**

1. Proper notice was given as required by statute.
2. All things have been done or occurred to give the Railroad Commission jurisdiction to resolve this matter.
3. The proposed field rules will prevent waste, protect correlative rights and promote orderly development of the field.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the application of Patterson Petroleum, L.P. for permanent field rules in the Pink Draw (Fusselman) Field be approved, as per the attached order.

Respectfully submitted,

Margaret Allen  
Technical Hearings Examiner