

THE APPLICATION OF WM. R. GUFFEY TO CONSIDER TEMPORARY FIELD RULES FOR THE RONNY (GOEN) FIELD, CONCHO COUNTY, TEXAS

Heard by: Andres J. Trevino, P.E. on December 12, 2006

Appearances:

Keith B. Masters

Representing:

WM. R. Guffey

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

WM. R. Guffey requests that temporary field rules be adopted for the Ronny (Goen) Field. The proposed rules are summarized as follows:

1. Designation of the field as the correlative interval from 3,044 feet to 3,059 feet as shown on the log of the Alexander No. 1;
2. 933' - 1,867' 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 Guffey.

DISCUSSION OF EVIDENCE

The Ronny (Goen) Field was discovered in March 2006 upon completion of the Alexander No. 1 by WM. R. Guffey. No other wells have been completed in the field and Guffey does not plan to drill an additional well.

The Alexander No. 1 is perforated in the Goen limestone between 3,047 and 3,053 feet. On initial test, the well produced at a rate of 652 MCFD, with no condensate or water.

The average porosity of the Goen in this field is 18% and average water saturation

is 20%. With 8 feet of net pay, the recoverable gas beneath 145 acres is estimated to be 676 MMCF of gas, assuming 90% recovery. Guffey believes that the Alexander No. 1 will ultimately recover this volume of gas, based on the small size of the limestone reef structure.

There are numerous Goen fields in the area. The non-associated gas fields operating under rules providing for unit sizes between 320 and 640 acres. Guffey has requested 160 acres because it is believes the Ronny (Goen) reservoir is less permeable than other Goen reservoirs in the area with less dense spacing.

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 Ronny (Goen) Field was discovered in March 2006 upon completion of the Alexander No. 1 by WM. R. Guffey. This well remains the only well in the field.
3. The Alexander No. 1 can reasonably be expected to drain 160 acres.
 - a. Recoverable gas beneath 145 acres is estimated to be 676 MMCF of gas, assuming 90% recovery.
 - b. The Alexander No. 1 should ultimately recover the reserves beneath 145 acres. No additional wells are planned to be drilled into the field.
 - c. The non-associated gas fields in the area operate under rules providing for unit sizes between 320 and 640 acres.
4. Spacing a minimum of 933 feet from lease lines and 1,867 feet between wells is standard spacing for 160 acre density.
5. 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 Ronny (Goen) 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 adoption of temporary field rules for the Ronny (Goen) Field as set out in the attached Final Order, subject to review in 18 months.

Respectfully submitted,

Andres J. Trevino, P.E.
Technical Examiner