

**OIL AND GAS DOCKET NO. 7C-0253895**

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**THE APPLICATION OF HENRY PETROLEUM LP TO EXPAND THE CORRELATIVE INTERVAL FOR THE SPRABERRY (TREND AREA) FIELD, ANDREWS, CRANE, CROCKETT, DAWSON, GLASSCOCK, HOWARD, IRION, MARTIN, MIDLAND, PECOS, REAGAN, RUNNELS AND UPTON COUNTIES, TEXAS**

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**Heard by:** Andres J. Trevino, P.E. on November 16, 2007

**Appearances:**

Greg Cloud  
David Grace

George C. Neale

**Representing:**

Henry Petroleum, L.P.

Pioneer Natural Resources USA, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

The Spraberry (Trend Area) Field was discovered in 1935 as an oil field. Henry Petroleum, L.P. requests that the correlative interval for the field be expanded to include the Clear Fork productive sands. Henry Petroleum proposes that the field be defined as the correlative interval between 6,307 feet and 10,159 feet as shown on the log of the Henry Petroleum, L.P.'s, Amacker 67 Well No. 1.

This application was unopposed and the examiner recommends approval of Henry Petroleum's request to amend the correlative interval for the field.

**DISCUSSION OF THE EVIDENCE**

The Spraberry (Trend Area) Field is an oil field in which Henry Petroleum is one of 127 operators in the field. There are approximately 10,529 oil wells on the proration schedules. The average production from each oil well is 3.7 BOPD and 11 MCFD. Production for September 2007 was 1.208 million BO and 3.56 BCF of gas. Cumulative production from the field is nearly one billion BO and 3.45 TCF of gas.

Over the history of the field, the field has been expanded in size aerially and the productive interval increased as productive formations have been added. The Spraberry (Trend Area) Field has been consolidated with numerous smaller fields and field rules have been amended to increase drilling density. The Spraberry (Trend Area) Field is located in the Midland Basin and is composed of submarine deposits of sandstones, siltstones, limestones and shales. The sandstones are characterized as generally have low porosity and low permeability. The Spraberry, Dean and Wolfcamp Formations can be correlated through out the basin and exists in all wells. The Clear Fork is basin-wide deposit that sits above the Spraberry. The Clear Fork in its self is not a primary target for completion as it is not productive in many areas. Adding any productive Clear Fork perforations will recover reserves that may never be recovered later.

Henry Petroleum requests that the field interval be expanded to include the Clear Fork sands. The top of the Clear Fork is found at 6,307 feet and the bottom of the Wolfcamp is found at 10,159 feet in Henry Petroleum, L.P.'s, Amacker 67 Well No. 1.

Henry Petroleum estimates that an additional 20,000 to 40,000 BO will be recovered per well as a result of adding the additional Clear Fork sand members. The combined economic limit of each wellbore can be lowered by eliminating the cost of separate completions in each zone. Additionally, most zones would not be economic to produce as separate completions. Henry Petroleum is drilling additional infill wells in the Spraberry, Dean and Wolfcamp zones. The wells require multi-stage fracture stimulation to produce. Adding an additional stage and fracture stimulating the Clear Fork during the initial completion of the wells will increase operational efficiency and prevent waste. The field is experiencing increase in completions due to favorable oil prices and satisfactory results from infill drilling and fracture stimulation techniques.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all operators of wells in the Spraberry (Trend Area) Field at least ten days prior to the date of hearing.
2. The Spraberry (Trend Area) Field is an oil field which was originally discovered in 1935. Henry Petroleum is drilling additional wells in the field.
3. There are over 10,500 oil wells in the field and cumulative production from field is nearly one billion barrels of oil.
4. The proposed correlative interval for the field is from 6,307 feet and 10,159 feet as shown on the log of the Henry Petroleum, L.P.'s, Amacker 67 Well No. 1. This interval includes the Clear Fork, Spraberry, Dean and Wolfcamp.

5. Expansion of the correlative interval for the field to include the Clear Fork sands will maximize ultimate recovery by lowering the economic limit of the combined zones. The Clear Fork would not be economic to produce as separate completion.
6. Expansion of the correlative interval for the field will prevent waste because completing the Clear Fork interval during the initial completion of a new well will recover additional reserves the would otherwise go unrecovered later.
7. Operational efficiency is gained by adding a one stage fracture stimulation to complete the Clear Fork during the initial completion of the well.
8. A well with a successful Clear Fork completion is expected to recover an additional 20,000 to 40,000 BO over the well's lifetime.

#### **CONCLUSIONS OF LAW**

1. Proper notice of this hearing was given to all persons legally entitled to notice.
2. All things have occurred or been accomplished to give the Railroad Commission jurisdiction in this matter.
3. Expanding the designated interval for the Spraberry (Trend Area) Field as proposed by Henry Petroleum, LP is necessary to prevent waste and protect correlative rights.

#### **EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the correlative interval for the Spraberry (Trend Area) Field be established to include the Clear Fork, Spraberry, Dean and Wolfcamp.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Hearings Examiner