

THE APPLICATION OF CHEVRON U.S.A. INC. TO CONSIDER TEMPORARY FIELD RULES AND AN MER IN THE WESTBROOK (CLEARFORK, UPPER) FIELD, MITCHELL COUNTY, TEXAS

Heard by: Donna K. Chandler on October 31, 2000

Appearances:

Frank Cusimano
Aimee Edwards
Dana Larson

Representing:

Chevron U.S.A. Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Chevron U.S.A., Inc. requests that temporary field rules be adopted for the Westbrook (Clearfork, Upper) Field. The proposed rules are summarized as follows:

1. Designation of the field as the correlative interval from 2,400 feet to 2,710 feet as shown on the log of the Earl E. Morrison No. 40;
2. 330' - 660' well spacing;
3. 20 acre oil units with 10 acre tolerance and a maximum diagonal of 1,500 feet; optional 10 acre units with a maximum diagonal of 1,100 feet;
4. per well MER of 85 BOPD.

This application was unopposed and the examiner recommends adoption of the temporary field rules proposed by Chevron U.S.A., subject to review in 18 months.

DISCUSSION OF EVIDENCE

The Westbrook (Clearfork, Upper) Field was discovered in 1957 at a depth of approximately 2,400 feet. In 1997, Chevron began recompleting wells from the Westbrook Field, which produces from the Middle Clearfork, into the Upper Clearfork. Chevron recompleted 11 wells, nine of which were successful. In 2000, Chevron has drilled three new wells to the Upper Clearfork. Chevron currently has 12 producing wells in the Upper Clearfork. There are six other producing wells carried in the field.

The Upper Clearfork is a dolomite with 7% average porosity 3.7 md. average permeability and 45% average water saturation. The average net pay is 76 feet. Estimated ultimate recoveries for Chevron's 12 wells range from less than 4,000 BO to over 147,000 BO. The calculated drainage radii for the 12 wells range from only 56 feet to 319 feet. None of these wells will drain over 20 acres; many are less than 5 acres. Chevron submitted a tabulation of other Upper Clearfork fields in this area, several of which are regulated on either 20 or 10 acre density.

The 1947 yardstick allowable for 20 acres is 55 BOPD. Chevron requests a per well MER for this field of 85 BOPD. The current allowable in the field is 75 BOPD. All of the wells in the field are on rod pump and most initially produce in excess of 55 BOPD. For example, the Morrison No. 40 was completed in late August 2000 and produced over 200 BOPD and 300 BWPD. Production quickly decreased to approximately 100 BOPD and 100 BWPD. In order to keep the fluid level in the wells below the perforations, the wells must be produced at rates of at least 85 BOPD. This higher rate will not cause waste as shown by testing of the Morrison No. 40. The producing gas-oil ratio is below 400 cubic feet per barrel, regardless of daily rate.

The Earl E. Morrison lease is slightly overproduced due to testing of the No. 40 well. Chevron requests that this overage be canceled.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and no protests were entered.
2. The Westbrook (Clearfork, Upper) Field was discovered in 1957 at a depth of approximately 2,400 feet.
3. Since 1997, Chevron has recompleted 11 wells from the Westbrook Field to the Westbrook (Clearfork, Upper) Field, nine of which were successful. In 2000, Chevron has drilled three new wells to the Upper Clearfork.
4. Wells in the Westbrook (Clearfork, Upper) Field will drain 20 acres or less.
 - a. Estimated ultimate recoveries for Chevron's 12 wells range from less than 4,000 BO to over 147,000 BO.
 - b. The calculated drainage radii for the 12 wells range from only 56 feet to 319 feet.
 - c. Numerous other Upper Clearfork fields in this area are regulated on either 20 or 10 acre density.
5. An MER of 85 BOPD per well in the subject field will not cause waste.
 - a. All of the wells in the field are on rod pump and most initially produce in excess of 55 BOPD.

- b. The field has had a 75 BOPD allowable for many years, based on the 1947 yardstick for 40 acres.
 - c. In order to keep the fluid level in the wells below the perforations, the wells must be produced at rates of at least 85 BOPD.
 - d. The producing gas-oil ratio is below 400 cubic feet per barrel, regardless of daily rate.
6. Chevron's Earl E. Morrison lease is slightly overproduced.

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 Westbrook (Clearfork, Upper) Field on a temporary basis is necessary to prevent waste, protect correlative rights and promote development of the field.
- 4. Cancellation of overproduction will not harm correlative rights in the Westbrook (Clearfork, Upper) Field.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the Commission adopt the field rules proposed by Chevron U.S.A. for the Westbrook (Clearfork, Upper) Field on a temporary basis, subject to review in 18 months.

Respectfully submitted,

Donna K. Chandler
Technical Examiner