

THE APPLICATION OF HUNTINGTON ENERGY, LLC TO AMEND THE FIELD RULES FOR THE EL CINCO (MCKEE) FIELD, PECOS COUNTY, TEXAS

Heard by: Donna K. Chandler on November 28, 2000

Appearances:

Greg Cloud

Representing:

Huntington Energy, LLC

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field rules currently in effect for the El Cinco (McKee) Field were adopted by Final Order No. 7C-59,689, effective November 17, 1969, as amended. The rules are as follows:

1. 660'-1,320' well spacing;
2. 80 acre oil units with 40 acre tolerance and a maximum diagonal of 3,200 feet;
3. Allocation based on 100% acreage.

Huntington Energy requests that the rules be amended as follows:

1. Designation of the field as the correlative interval from 5,246 feet to 5,365 feet as shown on the log of the Price 8 No. 2;
2. 467'-933' well spacing;
3. 80 acre units with 40 acre tolerance and a maximum diagonal of 3,200 feet; optional 40 acre units with a maximum diagonal of 2,100 feet;
4. 100% acreage allocation.

Huntington had originally requested 467'-1,200' well spacing for the field but changed its request to 467'-933' well spacing at the hearing. Additional notice was not necessary because Huntington is the only operator in the field.

This application was unopposed and the examiner recommends that the field rules for the El Cinco (McKee) Field be amended as requested by Huntington.

DISCUSSION OF EVIDENCE

The El Cinco (McKee) Field was discovered in 1963 at a depth of approximately 5,260 feet. Five wells were drilled in the field between 1963 and 1970. All were plugged and abandoned by 1989. Huntington drilled its Mary Price No. 805 in 1997 and is currently completing its Mary Price No. 806 in the field.

The field is bounded downdip by an oil-water contact at 3,119 feet subsea. The productive sand pinches out to the west. Huntington plans to drill at least one additional well in the field.

Cumulative production from the field is approximately 358,000 BO. Two of the older wells in the field produced over 90,000 BO. The Mary Price No. 805 has produced approximately 40,000 BO and is expected to ultimately recover 47,000 BO, based on production decline analysis. Current production from the No. 805 is 18 BOPD.

The reservoir has 12% average porosity and 33% average water saturation. Recoverable reserves beneath 40 acres are estimated to be 45,000 BO, assuming 15% recovery for a solution gas drive reservoir. The calculated drainage area for the Mary Price No. 805 is 41 acres. The production data for the older wells in the field indicate drainage areas of at least 80 acres for two of the wells.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice.
2. The El Cinco (McKee) Field was discovered in 1963 at a depth of approximately 5,260 feet. Five wells were drilled in the field between 1963 and 1970 and all were plugged and abandoned by 1989.
3. Field rules providing for 80 acre density and 660'-1,320' well spacing were adopted for the field in 1969.
4. A density rule providing for 40 acre optional units is appropriate for the field.
 - a. Huntington's Mary Price No. 805 was drilled in 1997.
 - b. Ultimate recovery for the Mary Price No. 805 is 47,000 BO.
 - c. The calculated drainage area for the Mary Price No. 805 is 41 acres.
 - d. Two of the older wells in the field produced over 90,000 BO and drained at least 80 acres.
5. Well spacing a minimum of 467 feet from lease lines and 933 feet between wells will accommodate additional development in the field on 40 acre density.

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. Amending the field rules for the El Cinco (McKee) Field will prevent waste and protect correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the field rules for the El Cinco (McKee) Field be amended as requested by Huntington Energy.

Respectfully submitted,

Donna K. Chandler
Technical Examiner