

OIL AND GAS DOCKET NOS. 08-0257030, 08-0257031, 08-0257032, 08-0257306 AND 08-0257029

THE APPLICATION OF FOREST OIL CORPORATION TO AMEND THE FIELD RULES FOR THE SNYDER (SAN ANDRES), SNYDER (CLEARFORK), HOWARD GLASSCOCK, IATAN, EAST HOWARD AND SNYDER FIELDS, HOWARD AND MITCHELL COUNTIES, TEXAS

Heard by: Donna K. Chandler on June 27, 2008

Appearances:

Doug Dashiell
Mimi Winetroub

Representing:

Forest Oil Corporation

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Forest Oil Corporation requests that the field rules for the Snyder (San Andres), Snyder (Clearfork), Howard Glasscock, Iatan, East Howard and Snyder Fields be amended/adopted to provide for 200'-400' well spacing and optional 5 acre density. These applications were unopposed and the examiner recommends that the field rules for the subject fields be amended as proposed by Forest.

DISCUSSION OF EVIDENCE

The Snyder Field was discovered in 1937 and has 406 oil wells on the current proration schedule. The field operates under rules providing for 330'-660' well spacing and 10 acre density. The top allowable is 45 BOPD. The rules were adopted by Final Order 8-7994 on August 13, 1945.

The Howard Glasscock Field was discovered in 1925 and has over 1,100 wells on the current proration schedule. The field operates under rules providing for 330'-660' well spacing and 10 acre density. The top allowable is 54 BOPD. The rules were originally adopted in 1941 and have been amended several times over the years. The last amendment was in 1964.

The Iatan, East Howard Field was discovered in 1926 and there are currently more than 1,100 oil wells in the field. Field rules for this field provide for 250'-500' well spacing and 5 acre density. The top allowable is 40 BOPD for a well on five acres. These rules were most recently amended in April 2008.

The Snyder (Clearfork) Field was discovered in 1985 and there are 3 producing wells on the current proration schedule. This field operates under Statewide Rules with a top allowable of 78 BOPD.

The Snyder (San Andres) Field was discovered in 1967 and there are two producing wells on the current proration schedule. This field operates under Statewide Rules with a top allowable of 78 BOPD.

The subject five fields produce from the Clearfork, San Andres, Grayburg, Queen, Seven Rivers, Yates or Tansill formations. The Iatan, East, Howard Glasscock and Snyder Fields have numerous ongoing waterflooding operations, with many unitization/entity for density authorities. The remaining recoverable oil from the fields are expected to be found in isolated pockets which are not in communication with the main channels which have been successfully waterflooded. This has been demonstrated in several wells which were used for injection, then converted to production, with immediate production of oil. The proposed five acre optional density is necessary to develop the fields in the isolated pockets.

Forest plans to drill at least five additional wells on the denser development, with more wells depending on the success of the first five wells. Expected additional recovery from the five wells is about 175,000 BO.

Forest is requesting 200'-400' well spacing in conjunction with the optional 5 acre density in each field. This spacing will provide flexibility in locating wells around existing surface obstructions such as old pipelines, wells, waterflood lines and stations and power facilities.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Snyder Field was discovered in 1937 and has 406 oil wells on the current proration schedule. The field operates under rules providing for 330'-660' well spacing and 10 acre density.
3. The Howard Glasscock Field was discovered in 1925 and has over 1,100 wells on the current proration schedule. The field operates under rules providing for 330'-660' well spacing and 10 acre density.

4. The Iatan, East Howard Field was discovered in 1926 and there are currently more than 1,100 oil wells in the field. Field rules for this field provide for 250'-500' well spacing and 5 acre density.
5. The Snyder (Clearfork) Field was discovered in 1985 and there are 3 producing wells on the current proration schedule. This field operates under Statewide Rules.
6. The Snyder (San Andres) Field was discovered in 1967 and there are two producing wells on the current proration schedule. This field operates under Statewide Rules.
7. There have been many waterfloods in the Iatan, East, Howard Glasscock and Snyder Fields. The remaining recoverable oil from the fields are expected to be found in isolated pockets which are not in communication with the main channels, which have been successfully waterflooded.
8. Development on five acres is necessary to develop the fields in the isolated pockets.
9. Expected additional recovery from each infill well is about 175,000 BO.
10. The proposed 200'-400' well spacing is necessary to provide flexibility in locating wells around existing surface obstructions such as old pipelines, wells, waterflood lines and stations and power facilities.

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/adopting field rules for the Snyder (San Andres), Snyder (Clearfork), Howard Glasscock, Iatan, East Howard and Snyder Fields 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 that the Commission amend/adopt field rules for the five fields as proposed by Forest Oil Corporation.

Respectfully submitted,

Donna K. Chandler
Technical Examiner