

**OIL AND GAS DOCKET NO. 08-0258732**

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**APPLICATION OF RANGE PRODUCTION COMPANY TO AMEND THE FIELD RULES FOR THE FUHRMAN-MASCHO FIELD, ANDREWS, ECTOR AND MIDLAND COUNTIES, TEXAS**

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**HEARD BY:** Donna K. Chandler on September 25, 2008

**APPEARANCES:**

John Camp  
Tommie Wilson

**REPRESENTING:**

Range Production Company

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field rules for the Fuhrman-Mascho Field currently provide for the following:

1. Designation of the field as the correlative interval from 3,990 feet to 5,456 feet as shown on the log of the Leta Jones Lease No. 3;
2. 330-0' well spacing;
3. 40 acre/optional 10 acre density;
4. Allocation based on 100% per well.

Range Production Company requests that the density rule be amended to provide for optional 5 acre units.

This application was unopposed and the examiner recommends approval of the requested field rule amendment.

**DISCUSSION OF THE EVIDENCE**

The Fuhrman-Mascho Field was discovered in 1930 and there are almost 700 producing wells carried in the field. The field is governed by field rules most recently amended in Docket No. 08-0253252, effective November 6, 2007. The field has produced over 129 million BO.

Range analyzed 60 wells on its West Fuhrman Mascho Unit to support its request for optional 5 acre density. In its drainage calculations, Range used 9.4% average porosity, 30% average water saturation and 10% recovery. Net pay in the wells ranges from 24 feet to over 100 feet in the Lower San Andres and from 1 foot to over 100 feet in the Upper San Andres. Estimated ultimate recoveries for individual wells range from less than 10,000 BO to over 50,000 BO. The average calculated drainage area for the 60 wells is 6.5 acres, with a maximum of 10 acres.

There are numerous units with ongoing waterfloods in the field. Range's West Fuhrman Mascho Unit was formed in 1969 and consists of 3,691 acres. Range took over operations in 1998 and has drilled 273 producing wells on the Unit since that time. This unit is almost developed to 10 acre density. Range will have drilled 60 wells on the Unit during 2008 and plans to drill 38 more wells in 2009 and 23 more wells in 2010. Almost all of these planned infill wells would require exceptions to Rule 38.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Fuhrman-Mascho Field was discovered in 1930 at a depth of approximately 4,700 feet. Current field rules provide for a designated interval, 330'-0' well spacing, 40 acre density with optional 10 acre density and allocation based on 100% acreage.
3. Adoption of an optional 5 acre density rule for the field is appropriate.
  - a. For 60 wells studied, average porosity is 9.4% and average water saturation is 30% average. Net pay in the wells ranges from 24 feet to over 100 feet in the Lower San Andres and from 1 foot to over 100 feet in the Upper San Andres.
  - b. Estimated ultimate recoveries for individual wells range from less than 10,000 BO to over 50,000 BO.
  - c. The average calculated drainage area for the 60 wells is 6.5 acres, with a maximum of 10 acres.
4. Development on 5 acre density is necessary to effectively develop the numerous ongoing waterfloods in the field.

**CONCLUSIONS OF LAW**

1. Proper notice was given to all parties as set out in the provisions of all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Amending the field rules to provide for optional 5 acre density will prevent waste, foster conservation and protect correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends that Rule 3 of the field rules for the Fuhrman-Mascho Field be amended to provide for optional 5 acre density.

Respectfully submitted,

Donna K Chandler  
Technical Examiner