

**THE APPLICATION OF EXL PETROLEUM, LP TO AMEND THE FIELD RULES FOR THE SAINT WILMA (STRAWN) FIELD, ANDREWS COUNTY, TEXAS**

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**Heard by:** Donna K. Chandler on November 29, 2010

**Appearances:**

Steve Towns  
Nguyen Ngoc

**Representing:**

EXL Petroleum, LP

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field rules for the Saint Wilma (Strawn) Field were adopted on September 30, 2009 in Docket No. 08-0262513. The rules in effect for the field are summarized as follows:

1. Designation of the field as the correlative interval from 8,885 feet to 11,042 feet as shown on the log of the University Brittany Well No. 1;
2. 660'- 1,320' well spacing;
3. 160 acre oil units with 40 acre tolerance and a maximum diagonal of 4,500 feet;
4. Allocation based on 95% acreage and 5% per well.

EXL Petroleum, LP requests that Rule 1 be amended and that the amended rules be made permanent. The proposed amended Rule 1 is as follows:

1. Designation of the field as the correlative interval from 7,225 feet to 11,042 feet as shown on the log of the University Brittany Well No. 1.

This application was unopposed and the examiner recommends that the field rules for the Saint Wilma (Strawn) Field be amended as proposed by EXL and that the amended rules be made permanent.

### **DISCUSSION OF THE EVIDENCE**

The Saint Wilma (Strawn) Field was discovered in January 2008. There are 18 producing wells in the field, all operated by EXL Petroleum, LP.

The current designated interval for the field includes only the Strawn formation. EXL is requesting that the interval be expanded to include the Clear Fork formation. The proposed correlative interval is from 7,225 feet to 11,042 feet as shown on the log of the University Brittany Well No.1. The Clear Fork is included in field intervals for various nearby fields, including the Spraberry (Trend Area) Field and the Sallie Ann (Spraberry-Wolfcamp) Field. The two formations have similar rock and fluid properties and all wells are on rod pump, which will prevent any cross-flow.

Wells in the field have produced a total of 231,000 BO, with individual wells producing up to 25,000 BO. Estimated ultimate recoveries range from 15,000 BO to over 150,000 BO, for Strawn production only. Calculated drainage areas range from 57 acres to 400 acres, with an average of 164 acres. These areas are based on Strawn production only. EXL estimates that the Clear Fork will contribute an additional 18,000 BO to each well's ultimate recovery. Separate completions in the Clear Fork cannot be economically justified.

EXL requests no other changes to the temporary rules and requests that the amended rules be made permanent for the field.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice at least ten days prior to the date of hearing.
2. The Saint Wilma (Strawn) Field was discovered in January 2008. Field rules for the Saint Wilma (Strawn) Field were adopted on September 30, 2009 in Docket No. 08-0262513. The rules provide for a designated interval, 660'-1,320' well spacing, 160 acre density and allocation based on 95% acreage and 5% per well.
3. The current designated interval for the field is from 8,885 feet to 11,042 feet as shown on the log of the University Brittany Well No. 1. This interval includes the entire Strawn formation.
4. Amending the designated interval for the subject field will result in the recovery of additional reserves.
  - a. The proposed correlative interval is from 7,225 feet to 11,042 feet as shown on the log of the University Brittany Well No.1 includes the Clear Fork formation.

- b. The Clear Fork is included in field intervals for various nearby fields, including the Spraberry (Trend Area) Field and the Sallie Ann (Spraberry-Wolfcamp) Field.
  - c. The two formations have similar rock and fluid properties.
  - d. Estimated recovery from the Clear Fork is estimated to be 18,000 BO per well.
  - e. Separate completions in the Clear Fork cannot be economically justified.
5. Field rules providing for 160 acre density are appropriate for the subject field on a permanent basis.
- a. Estimated ultimate recoveries for wells in the field range from 15,000 BO to over 150,000 BO, for Strawn production only.
  - b. Calculated drainage areas range from 57 acres to 400 acres, with an average of 164 acres.

#### **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. Amending the field rules for the Saint Wilma (Strawn) Field is necessary to prevent waste and protect correlative rights.

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

Based on the above findings and conclusions, the examiner recommends that the field rules for the Saint Wilma (Strawn) Field be amended as proposed by EXL Petroleum and that the amended rules be made permanent.

Respectfully submitted,

Donna K. Chandler  
Technical Examiner