

**THE APPLICATION OF TEXLAND PETROLEUM, LP TO AMEND AND RENUMBER THE FIELD RULES FOR THE FULLERTON (SAN ANDRES) FIELD, ANDREWS COUNTY, TEXAS**

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**HEARD BY:** Richard D. Atkins, P.E. - Technical Examiner  
Terry Johnson - Legal Examiner

**DATE OF HEARING:** July 19, 2012

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

John Soule  
Rick Johnston

Texland Petroleum, LP

**EXAMINERS' REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field Rules for the Fullerton (San Andres) Field were adopted in Final Order No. 8-38,183, effective June 30, 1958, as amended. The Field Rules are summarized as follows:

1. 467'-600' well spacing;
2. 40 acre units with optional 20 acre density;
3. Allocation based on 100% acres.

Texland Petroleum, LP ("Texland") requests that the Field Rules be amended and renumbered to provide for a correlative interval from 4,246' to 5,393', 330'-0' well spacing and 40 acre units with optional 10 acre density.

The application is unopposed and the examiners recommend that Field Rules for the Fullerton (San Andres) Field be amended and renumbered, as proposed by Texland.

**DISCUSSION OF EVIDENCE**

The Fullerton (San Andres) Field was discovered in May 1945 at an average depth

of 4,800 feet. There are 357 producing oil wells, one producing gas well and 16 operators carried on the proration schedules. The field operates under Field Rules that provide for 467'-600' well spacing, 40 acre units with optional 20 acre density and allocation based on 100% acres. Cumulative production from the field through March 2012 is 57.4 MMBO and 20.2 BCFG.

There is currently no defined correlative interval for the field. Texland requests that the field be defined as the correlative interval from 4,246 feet to 5,393 feet as shown on the log of the Texland Petroleum, LP - C. W. Logsdon "E" Lease, Well No. 26 (API No. 42-003-42985), Section 2, Block A37, PSL Survey, A-1977, Andrews County, Texas. This interval includes the entire San Andres formation. A solution gas drive is the primary drive mechanism for the reservoir.

Texland will be actively developing the Fullerton (San Andres) Field by drilling infill wells and re-completing wells from the deeper Fullerton Field. Texland requests that the Field Rules be amended to provide for 330'-0' well spacing and 40 acre units with optional 10 acre density. For consistency, Texland is requesting the same spacing and density rules that have been adopted for the Clearfork formation in the deeper Fullerton Field, as this will allow wells in the two subject fields to be re-completed or commingled without having to obtain Statewide Rule 37 exceptions. Texland submitted a tabulation showing that the Commission has already approved 27 Statewide Rule 10 downhole commingling permits for the Fullerton (San Andres) and Fullerton Fields.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Fullerton (San Andres) Field was discovered in May 1945 at an average depth of 4,800 feet.
  - a. There are 357 producing oil wells, one producing gas well and 16 operators carried on the proration schedules.
  - b. The field operates under Field Rules that provide for 467'-600' well spacing, 40 acre oil units with optional 20 acre density and allocation based on 100% acres.
3. The correlative interval from 4,246 feet to 5,393 feet as shown on the log of the Texland Petroleum, LP - C. W. Logsdon "E" Lease, Well No. 26 (API No. 42-003-42985), Section 2, Block A37, PSL Survey, A-1977, Andrews County,

Texas, should be designated as a single reservoir for proration purposes and be designated as the Fullerton (San Andres) Field. This interval includes the entire San Andres formation.

4. Field Rules that provide for 330'-0' well spacing and 40 acre units with optional 10 acre density are appropriate for the Fullerton (San Andres) Field.
  - a. The same spacing and density rules that have been adopted for the Clearfork formation in the deeper Fullerton Field, will allow wells in the two subject fields to be re-completed or commingled without having to obtain Statewide Rule 37 exceptions.
  - b. To date, the Commission has already approved 27 Statewide Rule 10 downhole commingling permits for the Fullerton (San Andres) and Fullerton Fields.

#### **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 and renumbering Field Rules for the Fullerton (San Andres) Field is necessary to prevent waste, protect correlative rights and promote development of the field.

#### **RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission amend and renumber the Field Rules for the Fullerton (San Andres) Field, as proposed by Texland Petroleum, LP.

Respectfully submitted,

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Technical Examiner

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