OIL AND GAS DOCKET NO. 8A-0225476

APPLICATION OF GEORGE R. BROWN PARTNERSHIP TO CONSIDER TEMPORARY FIELD RULES FOR THE S.N.B. (CISCO) FIELD, KENT COUNTY, TEXAS

HEARD BY: Thomas H. Richter, P.E.

DATE OF HEARING: August 2, 2000

APPEARANCES: REPRESENTING:

Lloyd Muennink, attorney Bob Burnham George R. Brown Partnership

PROTESTANT: none

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the unprotested application of George R. Brown Partnership for the Commission to consider temporary field rules for the S.N.B. (Cisco) Field that provide for:

- 1. The entire correlative interval from 6,154' to 6,190' subsurface depth as shown on the Platform Express Array Induction log of the George R. Brown Partnership, Swenson-Morrison Lease Well No. 1, in Section 4, Blk B on the PSL Survey, A-1501, Kent County, Texas be recognized and designated as the S.N.B. (Cisco) Field.
- 2. Minimum well spacing of 660'/1320' (lease line/between well),
- 3. 80 acre proration units with 25 acre tolerance and maximum diagonal of 3,250;
- 4. An allocation formula based on 100% acreage.

DISCUSSION OF THE EVIDENCE

The S.N.B. (Cisco) Field was discovered June 9, 2000 by completion of the George R. Brown Partnership, Swenson-Morrison Lease Well No. 1 through perforations from 6,154' to 6,189

subsurface depth. George R. Brown is the only operator with one well. The subject reservoir is the result of a Cisco pinnacle reef structure. In this area of Kent County and in the immediate vicinity there are several Cisco and Canyon reef structures. Basic reservoir parameters are: average porosity 6%; average water saturation 65%; average net pay thickness 30 feet; average permeability 15 md. It is proposed the entire correlative interval from 6,154' to 6,190' subsurface depth as shown on the Platform Express Array Induction log of the George R. Brown Partnership, Swenson-Morrison Lease Well No. 1, in Section 4, Blk B on the PSL Survey, A-1501, Kent County, Texas be recognized and designated as the S.N.B. (Cisco) Field.

Eighty (80) acre proration unit density should be the appropriate well density for wells completed in the subject field. Wells in the adjacent Lyn Kay So. (Canyon) Field and Lyn Kay (6000) and (6150) Field (all Cisco Reef Fields) have per well recoveries of 140,000 BO per well. The Swenson-Morrison Well No. 1 potentialed at 86 BOPD, 46 MCFD and 13 BWPD. Cumulative production through August 1, 2000 is 3,700 BO. Volumetric analysis estimates that the recoverable oil-in-place (recovery factor = 20% for solution gas drive) for 80 acres is 79,100 BO; for 100 acres is 98,900 BO; and for 120 acres is 117,700 BO. It is anticipated that the per well oil recoveries in the subject field should approach the recoveries of wells in the analogous fields.

The proposed minimum well spacing, 660'/1320' (leaseline/between well), is necessary to provide for flexibility in locating wells in this area. The 100% acreage allocation formula will provide for the protection of correlative rights.

FINDINGS OF FACT

Based on the evidence presented, the examiner proposes the following findings:

- 1. Notice of this hearing was sent to all operators in the subject field at least ten (10) days prior to the subject hearing.
- 2. There was no protest at the call of the hearing.
- 3. The S.N.B. (Cisco) Field was discovered June 9, 2000 by completion of the George R. Brown Partnership, Swenson-Morrison Lease Well No. 1 through perforations from 6,154' to 6,189 subsurface depth. George R. Brown is the only operator with one well.
- 4. The entire correlative interval from 6,154' to 6,190' subsurface depth as shown on the Platform Express Array Induction log of the George R. Brown Partnership, Swenson-Morrison Lease Well No. 1, in Section 4, Blk B on the PSL Survey, A-1501, Kent County, Texas be recognized and designated as the S.N.B. (Cisco) Field.
- 5. Eighty (80) acre proration unit density should be the appropriate well density for wells completed in the subject field.

- a. The Swenson-Morrison Well No. 1 potentialed at 86 BOPD, 46 MCFD and 13 BWPD. Cumulative production through August 1, 2000 is 3,700 BO.
- b. Volumetric analysis estimates that the recoverable oil-in-place (recovery factor = 20% for solution gas drive) for 80 acres is 79,100 BO; for 100 acres is 98,900 BO; and for 120 acres is 117,700 BO.
- c. Wells in the adjacent Lyn Kay So. (Canyon) Field and Lyn Kay (6000) and (6150) Field (Cisco Reef Fields) have average per well recoveries of 140,000 BO per well.
- d. It is anticipated that the per well oil recoveries in the subject field should approach the recoveries of wells in the analogous fields.
- 6. The proposed minimum well spacing, 660'/1320' (leaseline/between well) is necessary to provide for flexibility in locating wells in this area.
- 7. The 100% acreage allocation formula will provide for the protection of correlative rights.

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. Consideration of field rules, a determination of their effectiveness and appropriate actions is a matter within the Commission jurisdiction.
- 4. Adoption of the proposed temporary field rules will prevent waste, foster conservation and protect correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends approval of the proposed temporary field rules for the S.N.B. (Cisco) Field.

Respectfully submitted,

Thomas H. Richter, P.E. Technical Examiner Office of General Counsel