

THE APPLICATION OF PETROLEUM TECHNICAL SERVICES COMPANY TO AMEND THE FIELD RULES IN THE TEX-MEX, SE (WICHITA ALBANY) FIELD, GAINES COUNTY, TEXAS

Heard by: Donna K. Chandler on December 6, 2000

Appearances:

John Soule
Don Bennett

Representing:

Petroleum Technical Services

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field rules currently in effect for the Tex-Mex, SE (Wichita Albany) Field were adopted by Final Order No. 8A-80,948, effective October 31, 1983, as amended. The rules are as follows:

1. 660'-1,320' well spacing;
2. 80 acre oil units with 40 acre tolerance and a maximum diagonal of 3,250 feet;
3. Allocation based on 100% acreage.

Petroleum Technical Services Company requests that the rules be amended as follows:

1. Designation of the field as the correlative interval from 6,806 feet to 7,700 feet as shown on the log of the Hancock No. 4;
2. 467'-933' well spacing;
3. 80 acre units with 40 acre tolerance and a maximum diagonal of 3,250 feet; optional 40 acre units with a maximum diagonal of 2,100 feet;
4. 100% acreage allocation.

This application was unopposed and the examiner recommends that the field rules for the Tex-Mex, SE (Wichita Albany) Field be amended as requested by Petroleum Technical Services Company.

DISCUSSION OF EVIDENCE

The Tex-Mex, SE (Wichita Albany) Field was discovered in 1983 at a depth of approximately 7,500 feet. There are 64 producing wells in the field, the majority of which are operated by Petroleum Technical Services Company. Three other operators have nine wells in the field.

Cumulative production from the field is 5.2 million BO and 8.8 BCF of gas through July 2000. Current production is approximately 550 BOPD and 1,250 MCFD.

Average porosity of the reservoir is 8.5% and average water saturation is 45%. Net pay ranges from 42 feet to 130 feet in the 31 wells studied by applicant. Estimated ultimate recoveries for these 31 wells range from 61,000 BO to 252,000 BO. The calculated drainage areas for the 31 wells range from 29 acres to 128 acres.

The subject field is almost developed down to 80 acres per well and Petroleum Technical Services Company plans to further develop the field to a greater density. Additional wells are needed to effectively drain this reservoir, based on the drainage calculations submitted by applicant.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice.
2. The Tex-Mex, SE (Wichita Albany) Field was discovered in 1983 at a depth of approximately 7,500 feet. There are 64 wells in the field and four operators.
3. Field rules providing for 80 acre density and 660'-1,320' well spacing were adopted for the field in 1983.
4. A density rule providing for 40 acre optional units is appropriate for the field.
 - a. Net pay ranges from 42 feet to 130 feet in the 31 wells studied.
 - b. Ultimate recoveries range from 61,000 BO to 252,000 BO.
 - c. Calculated drainage areas range from 29 acres to 128 acres.
 - d. Two of the older wells in the field produced over 90,000 BO and drained at least 80 acres.
5. Well spacing a minimum of 467 feet from lease lines and 933 feet between wells will accommodate additional development in the field on 40 acre density.

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 the field rules for the Tex-Mex, SE (Wichita Albany) Field will prevent waste and protect correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the field rules for the Tex-Mex, SE (Wichita Albany) Field be amended as requested by Petroleum Technical Services Company.

Respectfully submitted,

Donna K. Chandler
Technical Examiner