

**THE APPLICATION OF LECLAIR OPERATING COMPANY, INC., FOR TEMPORARY
FIELD RULES, SPRINGER 168 (TANNEHILL) FIELD, KING COUNTY, TEXAS**

Heard by: Margaret Allen, Technical Hearings Examiner

Procedural history

Application received: November 19, 2003

Hearing held: December 11, 2003

Appearances

Royce D. Walker
Representing
LeClair Operating Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

LeClair Operating Company, Inc., ("LeClair") is seeking the following temporary field rules for the Springer 168 (Tannehill) Field:

1. 467-933' well spacing;
2. 40-acre oil proration units; and
3. allocation based on acreage.

The examiner does not believe there is enough evidence to adopt 40 acre units and the applicant withdrew its request for density and allocation rules. The examiner also suggested that a designated interval be adopted based on the open hole of the discovery well even though this interval was not logged; and that this rule and the requested spacing rule be made permanent. The applicant indicated the correlative interval should be between 3683' and 3690'.

DISCUSSION OF THE EVIDENCE

The Springer Lease Well No.1 was drilled in September of 2003, and completed open hole from 3683' to 3690'. The well was tested at a rate of 48 BOPD with a gas/oil ratio of 121 cubic feet per barrel. The discovery well's cumulative production during the first two months in operation was about 2000 barrels and the well's current potential is 44 BOPD.

Tannehill fields are located in long, narrow channels. The applicant submitted a map of the Wages Dreamteam (Tannehill) Field which is 4 miles south of the subject field. The Wages Dreamteam (Tannehill) Field has five wells located in a line, with dry holes on both sides of the channel. The applicant intends to drill additional wells in the Springer 168 (Tannehill) Field and believes between-well

spacing of 933' will enable it to keep new wells within the channel.

LeClair does not have any estimate of recoverable oil in place underneath 40 acres, nor has it estimated the ultimate recovery of the Springer No. 1. It plans to develop on the Statewide density of 40 acres until there is sufficient production to determine drainage area. An allocation formula cannot be based on acreage unless a specific density is adopted.

FINDINGS OF FACT

1. Notice of this hearing was issued to LeClair Operating Company, Inc. , the operator of the only well in the Springer 168 (Tannehill) Field, on November 21, 2003.
2. The Springer 168 (Tannehill) Field was discovered in September of 2003, with the completion of the Springer Lease Well No. 1.
3. The initial potential of the discovery well was 48 BOPD, at a gas/oil ratio of 121 cubic feet per barrel.
4. Tannehill fields produce from long narrow channel sandstones and 933' between-well spacing will facilitate locating additional wells within the channel.
5. The discovery well is completed open hole between 3683' and 3690', but this interval was not logged.

CONCLUSIONS OF LAW

1. Proper notice was given to all necessary parties as required by applicable statutory and regulatory provisions.
2. All things have been done or occurred to give the Railroad Commission jurisdiction to resolve this matter.
4. The requested field rules will prevent waste and protect correlative rights within the field.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that field rules specifying a designated interval from 3683' to 3690' in the discovery well and 933' between-well spacing for the Springer 168 (Tannehill) Field be approved.

Respectfully submitted,

Margaret Allen
Technical Hearings Examiner