

**OIL AND GAS DOCKET NO. 8A-0253664**

---

**THE APPLICATION OF MERIT ENERGY COMPANY TO AMEND THE PERMANENT FIELD RULES FOR THE BROADVIEW, WEST (CLEAR FORK) FIELD, LUBBOCK COUNTY, AND TO AMEND THE ENTITY FOR DENSITY AUTHORITY APPROVED IN DOCKET NO. 8A-0253664 FOR THE WEST BROADVIEW UNIT, LUBBOCK COUNTY**

---

**Heard by:** Donna K. Chandler on October 18, 2007

**Appearances:**

Dale Miller

**Representing:**

Merit Energy Company

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field rules for the Broadview, West (Clear Fork) Field were adopted on January 26, 1967 in Docket No. 8A-56,997. The rules adopted are summarized as follows:

1. 660'-1,320' well spacing;
2. 80 acre oil units;
3. Allocation based on 100% acreage;

Merit Energy Company requests that the field rules be amended as follows:

1. Designation of the field as the correlative interval from 5,450 feet to 5,750 feet as shown on the log of the P. E. Collette No. 2 (West Broadview Unit No. 502).
2. 467'-660' well spacing;
3. 80 acre units with optional 40 acre units;
4. 100% per well allocation.

The West Broadview Unit was unitized for secondary recovery on December 3, 1996 in Docket No. 8A-0213931. This authority included approval of an entity for density designation of the Unit. The entity for density authority specifically includes language that the density will not exceed one producing well for each 80 acres and that no well be drilled closer than 660 feet to lease lines. Merit requests that the language in the 1996 order be amended to reflect the proposed changes in field rules for the field.

This application was unopposed and the examiner recommends that the field rules for the Broadview, West (Clear Fork) Field, with the exception of the allocation formula, be amended as proposed by Merit Energy Company. The examiner recommends that allocation be based on 50% acreage and 50% per well. Merit was in agreement with this allocation formula. The examiner further recommends that the entity for density authority be amended as requested by Merit.

### **DISCUSSION OF THE EVIDENCE**

The Broadview, West (Clear Fork) Field was discovered in 1960 at a depth of approximately 5,565 feet. There are currently 35 wells producing from the field. The 880 acre West Broadview Unit operated by Merit has 12 producing wells and 4 injection wells. Cumulative production from the field is 5.8 million BO and 612 MMCF of gas.

The unitized interval for the West Broadview Unit is from 5,450 feet to 5,750 feet as shown on the log of the P. E. Collette No. 2 (now the West Broadview Unit No. 502). Merit requests that this same interval be designated for the field.

Merit calculated drainage areas for 19 wells in the field to demonstrate that 40 acre optional rules are appropriate for the field. Average porosity in the reservoir is 10.5% and average water saturation is 30%. Net pay is 35 feet. Estimated ultimate recoveries range from less than 5,000 BO to over 500,000 BO, with an average of approximately 108,000 BO per well. The calculated drainage areas range from less than 5 acres to over 100 acres, with an average of 29 acres for the 19 wells studied.

Merit requests that the between-spacing rule be reduced to 660 feet to provide flexibility in developing the field on 40 acres. For the West Broadview Unit, there will be no between well spacing limitation due to its entity for density designation.

Merit requested that the allocation formula for the field be amended from 100% acreage to 100% per well such that all wells, regardless of acreage assignment, will be allowed to produce the top allowable of 142 BOPD. However, because the proposed designated interval consists of several separate and members, a two factor allocation formula is necessary to meet statutory requirements. Allocation based on 50% acreage and 50% per well will meet this requirement.

**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 Broadview, West (Clear Fork) Field was discovered in 1960 at a depth of approximately 5,565 feet. There are 35 producing wells in the field.
3. Field rules for the field were adopted on January 26, 1967 in Docket No. 8A-56,997. The rules provide for 467'-1,200' well spacing, 80 acre units and allocation based on 100% acreage.
4. The field should be defined as the correlative interval from 5,450 feet to 5,750 feet as shown on the log of the P. E. Collette No. 2 (now the West Broadview Unit No. 502).
5. The addition of an optional 40 acre density rule is appropriate for the field.
  - a. Merit calculated drainage areas for 19 wells in the field which range from 5 acres to over 100 acres, with an average of 29 acres.
  - b. Estimated ultimate recoveries for the wells studied ranges from 5,000 BO to over 500,000 BO.
6. Well spacing a minimum of 467 feet from lease lines and 660 feet between wells will provide additional flexibility in developing this field on 40 acre optional units.
7. The West Broadview Unit was unitized for secondary recovery on December 3, 1996 in Docket No. 8A-0213931. This authority included approval of an entity for density designation of the Unit. The entity for density authority specifically includes language that the density will not exceed one producing well for each 80 acres and that no well be drilled closer than 660 feet to lease lines.
8. Allocation based on 50% acreage and 50% per well is a reasonable formula which will protect correlative rights and meet statutory requirements.

**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 Broadview, West (Clear Fork) Field as proposed by Merit Energy Company is necessary to prevent waste and protect correlative rights.
4. Amending the entity for density authority for the West Broadview Unit is necessary to protect correlative rights.

### **EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the field rules for the Broadview, West (Clear Fork) Field be amended to include a designated interval, add an optional 40 acre density rule, amend the spacing to 467'-660', and amend the allocation formula to 50% acreage/50% per well. It is also recommended that the entity for density authority for the West Broadview Unit be amended to accommodate 40 acre development.

Respectfully submitted,

Donna K. Chandler  
Technical Hearings Examiner