

OIL AND GAS DOCKET NO. 8A-0254128

THE APPLICATION OF HALVEY ENERGY LLC. TO ADOPT FIELD RULES FOR THE GIVENS (CLEARFORK, LO.) FIELD, LUBBOCK COUNTY, TEXAS

Heard by: Andres J. Trevino, P.E., Technical Examiner

Hearing Date: December 5, 2007

Appearances:

Dale E. Miller

Representing:

Halvey Energy, L.L.C.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field rules (Statewide Rules) for the Givens (Clearfork, Lo.) Field are summarized as follows:

1. 467'-1,200' well spacing;
2. 40 acre oil units with 20 acre tolerance;
3. Allocation based on 100% per well.

Halvey Energy, L.L.C. requests that field rules be adopted as follows :

1. Designation of the field as the correlative interval from 6,118 feet to 6,200 feet as shown on the log of the Halvey Energy, LLC, Cravens No. 1;
2. 467'-1,200' well spacing;
3. 80 acre oil units, maximum diagonal of 3,250', 40 acre optional units, maximum diagonal of 2,100';
4. Allocation based on 100% acreage.

This application was unopposed and the examiner recommends that the field rules for the Givens (Clearfork, Lo.) Field be amended as requested.

DISCUSSION OF EVIDENCE

The Givens (Clearfork, Lo.) Field was discovered in 1981 at a depth of approximately 6,105 feet. Cumulative production from the field is approximately 126,942 BO. As of November 2007, there are 4 active oil wells in the field which in total produce about 15 BOPD. There are two operators in the field, Halvey Energy and McDonald Production.

Halvey Energy completed two wells in the field, the Cravens No. 1 (September 8, 2006) and the Cravens No. 2 (August 4, 2007). Both were acid stimulated. The wells potentiated at 12 BOPD each. The drainage radius calculations demonstrate the need for larger drilling units. Halvey provided drainage calculations for three of the four wells in the field. The estimated drainage area for each well ranged from 12 to 80 acres. These calculations are based on a porosity of 6%, water saturation of 35.3%, net pay thickness of 31 feet and a recovery factor of 15%. The estimated ultimate recovery for the three wells in the field range from 29,962 to 104,561 BO.

Numerous other Clearfork fields in the area have similar 80/40 acre density and 467'/1,200' spacing as the proposed Givens (Clearfork, Lo.) Field rules.

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. Field rules for the Givens (Clearfork, Lo.) Field provide for 467'-1,200' well spacing, 40 acre oil units and allocation based on 100% per well.
3. The Givens (Clearfork, Lo.) Field was discovered in 1981 and cumulative production from the field is approximately 126,942 BO.
4. Current production from the 4 active oil wells in the field is approximately 15 BOPD total.
5. A density rule providing for 80/optional 40 acre units is appropriate for the field.
 - a. The calculated drainage area for the McDonald Production, Givens, Ercell No. 1, is about 23 acres.
 - b. The calculated drainage area for the McDonald Production, Shaw, Howard No. 1, is about 80 acres.

- c. The calculated drainage area for the Halvey Energy, Cravens No. 2, is about 12 acres.
7. The proposed 467'-1,200' well spacing will accommodate development on 80 acres.
8. Numerous other Clearfork fields in the area have similar 80/40 acre density and 467'/1,200' spacing.

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. Adopting field rules for the Givens (Clearfork, Lo.) Field is necessary to prevent waste and protect correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that field rules for the Givens (Clearfork, Lo.) Field be adopted to provide for 80 acre units with optional 40 acre density and 467'-1,200' well spacing.

Respectfully submitted,

Andres J. Trevino, P.E.
Technical Examiner