

**THE APPLICATION OF SCHALK OIL COMPANY, INC. TO ADOPT FIELD RULES FOR THE GIRARD, E. (TANNEHILL) FIELD, DICKENS COUNTY, TEXAS**

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

**Hearing Date:** October 8, 2009

**Appearances:**

Dale Miller

**Representing:**

Schalk Oil Company, Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Schalk Oil Company, Inc. requests that field rules for the Girard, E. (Tannehill) Field be adopted. The field is currently governed by Statewide Rules that provide for a 467'-1,200' well spacing. Schalk requests that the between well spacing be reduced from 1,200' to 933' and a designated interval be included. Schalk proposes the following rules for the field:

1. Designation of the field as the correlative interval from 4,220 feet to 4,248 feet as shown on the log of the Beggs-Jones Unit No. 1R;
2. 467'-933' well spacing, 40 acre drilling units;

Schalk requests the drilling unit remain at 40 acre units. This application was unprotested and the examiner recommends that the field rules for the Girard, E. (Tannehill) Field be amended as proposed by Schalk Oil Company, Inc..

### DISCUSSION OF EVIDENCE

The Girard, E. (Tannehill) Field was discovered in 1995 at a depth of approximately 4,319 feet. Cumulative production from the field is approximately 147,413 BO. As of October 2009, there are four active oil wells, one shut-in well and two injection wells in the field which in total produce about 63 BOPD,. Schalk is the only operator in the field.

The first two wells completed in the field were small producers. The discovery well was quickly converted to an injection well after production quickly dropped off and the Holmes No. 1 was plugged and abandoned after producing only 2,830 BO. The wells are believed to be completed at the edge of the reservoir. The later wells completed by Schalk were completed near the center of the reservoir and initially produced between 31 and 155 BOPD each.

The Girard, E. (Tannehill) Field is a narrow channel sand reservoir. Schalk requests 467'-933' well spacing for the Girard, E. (Tannehill) Field so that it can place wells in optimum locations within the narrow channel sand and recover the remaining hydrocarbon reserves that would otherwise remain in the reservoir.

The entire combined correlative interval from 4,220 feet to 4,248 as shown on the Platform Express Array Induction log of the Schalk Oil Company, Beggs-Jones Unit No. 1R, should be designated as the Girard, E. (Tannehill) Field. The proposed interval includes the entire Tannehill Sand.

### 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. Statewide field rules for the Girard, E. (Tannehill) Field provide for 467'-1,200' well spacing, 40 acre oil units.
3. The Girard, E. (Tannehill) Field was discovered in 1995 and cumulative production from the field is approximately 147,413 BO.
4. Current production from the 4 active oil wells in the field is approximately 63 BOPD.
5. The Girard, E. (Tannehill) Field produces from the Tannehill sand, a narrow channel sand deposit.
6. The entire combined correlative interval from 4,220 feet to 4,248 as shown on the Platform Express Array Induction log of the Schalk Oil Company, Beggs-Jones Unit No. 1R, should be designated as the Girard, E.

(Tannehill) Field. The proposed interval includes the entire Tannehill Sand

7. The proposed 467'-933' well spacing will accommodate additional development within the narrow channel sand.

**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 Girard, E. (Tannehill) 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 Girard, E. (Tannehill) Field be adopted to provide for a designated interval and 467'-933' well spacing.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner