

**THE APPLICATIONS OF OCCIDENTAL PERMIAN LTD. TO AMEND FIELD RULES FOR THE OWNBY (CLEAR FORK, LO.), OWNBY (CLEAR FORK, UPPER) AND OWNBY (GLORIETA) FIELDS, YOAKUM COUNTY, TEXAS**

---

**Heard by:** Donna K. Chandler on November 17, 2010

**Appearances:**

John Soule  
Rick Johnston

**Representing:**

Occidental Permian Ltd.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Occidental Permian Ltd. requests that field rules be amended for the Ownby (Clear Fork, Lo.), Ownby (Clear Fork, Upper) and Ownby (Glorieta) Fields. The proposed rules are summarized as follows:

1. Designation of a correlative interval for each field;
2. 233' - 467' well spacing;
3. 80 acre units with a maximum diagonal of 3,250 feet; optional 10 acre units with a maximum diagonal of 1,100 feet;
4. Allocation based on 100% acreage.

Currently, the Ownby (Glorieta) and Ownby (Clear Fork, Lo.) Fields operate under Statewide Rules. The Ownby (Clear Fork, Upper) operates under rules providing for 450'-900' well spacing and 80/optional 40 acre density.

These applications were unopposed and the examiner recommends amending the field rules for the three fields as proposed.

**DISCUSSION OF EVIDENCE**

The Ownby (Clear Fork, Upper) Field was discovered in 1959 and currently has 94 producing oil wells on the proration schedule. Cumulative production from the field is reported as 28 million BO. Field rules for the field were initially adopted in 1960 and provided for 450'-1,200' well spacing and 80 acre density. The most recent change to the field rules was made in 1985 when the spacing was changed to 450'-900' and optional 40 acre units were added.

The Ownby (Glorieta) Field was discovered in 1960 and there are no wells carried on the current proration schedule. Cumulative production from the field is reported as 467,000 BO.

The Ownby (Clear Fork, Lo.) Field was discovered in 1965. There is one shut-in well carried on the current proration schedule and no producing wells. Cumulative production reported from the field is 354,000 BO.

Occidental operates two large units in the Ownby (Clear Fork, Upper) Field, the Ownby (Clear Fork, Upper) Unit and the Central Ownby Unit. Both units are unitized in all three fields and many Rule 10 exceptions have been approved for various combinations of the three fields on these units. The Commission has previously approved blanket Rule 10 authority for the three fields on these units.

Occidental plans to drill numerous infill wells to complete existing waterflood patterns on the units. In order to accomplish this development of all three fields, it is necessary to have consistent rules which allow drilling to occur on less acreage than currently authorized.

Occidental requests that the Ownby (Glorieta) Field be designated as the correlative interval from 6,060 feet to 6,240 feet as shown on the log of the Central Ownby Unit Well No. 1406. It is requested that the Ownby (Clear For, Upper) Field be designated as the correlative interval from 6,240 feet to 7,620 feet as shown on the log of the No. 1406 well. It is requested that the Ownby (Clear Fork, Lo.) Field be designated as the correlative interval from 7,620 feet to 8,275 feet as shown on the log of the No. 1406 well.

The recommended 233'-467' well spacing will provide flexibility in additional development to complete waterflood patterns. Similar rules in all three fields will promote such development by allowing completions of wellbores in all zones.

Allocation based on 100% acreage is a reasonable formula which will protect correlative rights.

**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 Ownby (Clear Fork, Upper) Field was discovered in 1959 and currently has 94 producing oil wells on the proration schedule. Field rules provide for 450'-900' well spacing and 80 acre/optional 40 acre units were added.
3. The Ownby (Glorieta) Field was discovered in 1960 and there are no wells carried on the current proration schedule. This field operates under Statewide Rules.
4. The Ownby (Clear Fork, Lo.) Field was discovered in 1965. There is one shut-in well carried on the current proration schedule and no producing wells. The field operates under Statewide Rules.
5. Occidental's Ownby (Clear Fork, Upper) Unit and Central Ownby Unit are large units which have been unitized in all three fields. Many Rule 10 exceptions have been approved for various combinations of the three fields under a blanket authority previously approved by the Commission for these two units.
6. The Ownby (Glorieta) Field should be designated as the correlative interval from 6,060 feet to 6,240 feet as shown on the log of the Central Ownby Unit Well No. 1406.
7. The Ownby (Clear Fork, Upper) Field should be designated as the correlative interval from 6,240 feet to 7,620 feet as shown on the log of the No. 1406 well.
8. The Ownby (Clear Fork, Lo.) Field should be designated as the correlative interval from 7,620 feet to 8,275 feet as shown on the log of the No. 1406 well.
9. Well spacing a minimum of 233 feet from lease lines and 467 feet between wells and density providing for 80 acre/optional 40 acre density for all three fields is necessary to provide for additional development of the field by completing existing waterflood patterns.

**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 Ownby (Glorieta), Ownby (Clear Fork, Upper) and Ownby (Clear Fork, Lo.) Fields is necessary to prevent waste, protect correlative rights and promote development of the field.

**RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends that the field rules for the Ownby (Glorieta), Ownby (Clear Fork, Upper) and Ownby (Clear Fork, Lo.) Fields be amended as set out in the attached Final Orders.

Respectfully submitted,

Donna K. Chandler  
Technical Examiner