OIL AND GAS DOCKET NO. 09-0260833

THE APPLICATION OF MARTIN WELL SERVICE TO ADOPT FIELD RULES FOR THE WILLIS (STRAWN-BUTTRAM) FIELD, YOUNG COUNTY, TEXAS

HEARD BY: Richard D. Atkins, P.E.

DATE OF HEARING: February 23, 2009

APPEARANCES:	**REPRESENTING:**
Dale E. Miller	Martin Well Service

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Martin Well Service ("Martin") requests that permanent Field Rules be adopted for the Willis (Strawn-Buttram) Field, Young County, Texas. The proposed rules are summarized as follows:

1. Designation of the field as the correlative interval from 1,668 feet to 1,780 feet as shown on the log of the Martin Well Service - Walker-Williams Lease, Well No. 14;

2. 150'-660' well spacing;

3. 10 acre density with a maximum diagonal of 1,500 feet;

4. Allocation based on 100% acreage.

This application was unprotested and the examiner recommends adoption of the permanent Field Rules proposed by Martin.

DISCUSSION OF EVIDENCE

The Willis (Strawn-Buttram) Field was discovered in September 1989 at an average depth of 1,650 feet. The field contained one gas well and was classified as a non-associated gas field. In December 2008, an oil well, the Walker-Williams Lease, Well No. 11, was transferred into the field from the Young County Regular Field. In addition, five other oil wells will be transferred into the Willis (Strawn-Buttram) Field once Field Rules have been adopted. The gas field is now classified as an associated-49B field and the top allowable in the oil field is 74 BOPD with an allowable gas-oil ratio of 2,000 cubic feet per

barrel. Cumulative production from the field through December 2008 is 95.8 MMCFG and 17.0 MBO.

Martin recommends that the correlative interval from 1,668 feet to 1,780 feet as shown on the log of the Martin Well Service - Walker-Williams Lease, Well No. 14 (API No. 42-503-41582), be designated as a single reservoir for proration purposes and be designated as the Willis (Strawn-Buttram) Field. The field produces from a Strawn sand that has a 20% average porosity, 48% average water saturation and average net pay thickness of 25 feet. The reservoir is in the primary stage of depletion and the main drive mechanism is a depletion drive.

Martin plans to drill additional infill development wells and requests 150'-660' well spacing with 10 acre density. Martin submitted a tabulation showing that there are many shallow Strawn sand fields in District 9 that have adopted similar spacing and density rules. Martin also requests that the allocation formula be based on 100% acreage.

Martin presented drainage area calculations for the two wells currently in the Willis (Strawn-Buttram) Field. The gas well had an estimated recovery factor of 90% and an estimated ultimate recovery of 63.4 MMCFG. The oil well had an estimated primary recovery factor of 17% and an estimated ultimate recovery of 31.1 MBO. The calculated drainage area for the gas well was 13 acres and the calculated drainage area for the oil well was 10 acres.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.

2. The Willis (Strawn-Buttram) Field was discovered in September 1989 at an average depth of 1,650 feet. The field contained one gas well and was classified as a non-associated gas field.

3. In December 2008, an oil well, the Walker-Williams Lease, Well No. 11, was transferred into the field from the Young County Regular Field. The gas field is now classified as an associated-49B field and the top allowable in the oil field is 74 BOPD with an allowable gas-oil ratio of 2,000 cubic feet per barrel.

4. Martin recommends that the correlative interval from 1,668 feet to 1,780 feet as shown on the log of the Martin Well Service - Walker-Williams Lease, Well No. 14 (API No. 42-503-41582), be designated as a single reservoir for proration purposes and be designated as the Willis (Strawn-Buttram) Field.

5. Martin plans to drill additional infill development wells and requests that permanent Field Rules be adopted to provide 150'-660' well spacing, 10 acre density with a maximum diagonal of 1,500 feet and allocation formula based on 100% acreage. Many shallow Strawn sand fields in District 9 have

adopted similar spacing and density rules.

6. The field produces from a Strawn sand that has a 20% average porosity, 48% average water saturation and average net pay thickness of 25 feet. The reservoir is in the primary stage of depletion and the main drive mechanism is a depletion drive.

7. Martin presented drainage area calculations for the two wells currently in the Willis (Strawn-Buttram) Field.

   a. The gas well had an estimated recovery factor of 90% and an estimated ultimate recovery of 63.4 MMCFG.

   b. The oil well had an estimated primary recovery factor of 17% and an estimated ultimate recovery of 31.1 MBO.

   c. The calculated drainage area for the gas well was 13 acres and the calculated drainage area for the oil well was 10 acres.

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 permanent Field Rules for the Willis (Strawn-Buttram) Field as proposed by Martin Well Service is necessary to prevent waste, protect correlative rights and promote development of the field.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiner recommends that permanent Field Rules be adopted for the Willis (Strawn-Buttram) Field, as proposed by Martin Well Service.

Respectfully submitted,

Richard D. Atkins, P.E.
Technical Examiner