

**THE APPLICATION OF JOHNSON & ERNST OPERATING CO. TO AMEND THE FIELD RULES FOR THE BENJAMIN, W. (MARBLE FALLS) FIELD, KNOX COUNTY, TEXAS**

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**Heard by:** Donna K. Chandler on April 7, 2011

**Appearances:**

Paul Ernst

**Representing:**

Johnson & Ernst Operating Co.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field rules for the Benjamin, W. (Marble Falls) Field were adopted in 1963 and are summarized as follows:

1. 660'-1,320' well spacing;
2. 80 acre density;
3. allocation based on 100% acreage.

Johnson & Ernst Operating Co. requests that the field rules be amended as follows:

1. 467'-1,200' well spacing;
2. 40 acre density;
3. No change in allocation formula.

Johnson & Ernst also requests that Well Nos. 1, 2 and 3 on the Zeissel lease be transferred from the Fant (Congl., Lo.) Field to the Benjamin, W. (Marble Falls) Field.

This application was unopposed and the examiner recommends that the field rules for the Benjamin, W. (Marble Falls) Field be amended as proposed by Johnson & Ernst. The examiner also recommends transfer of the wells on the Zeissel lease as requested by Johnson & Ernst.

**DISCUSSION OF THE EVIDENCE**

The Benjamin, W. (Marble Falls) Field was discovered in 1983. Production is from the Atoka Conglomerate just below the Caddo Lime and above the Barnett Shale.

The discovery well for the field was the Brookreson No.1. Three wells were drilled on the lease by 1965. This lease was taken over by Johnson & Ernst in 2008 and is called the Lott lease. In 1980, the Fant (Congl., Lo.) Field was discovered about 7 miles to the northwest of the Lott lease. Subsequent Atoka Conglomerate wells in the area of the Lott lease were placed in both the Fant (Congl., Lo.) and Benjamin, W. (Marble Falls) Fields. In 2007, prior to taking over the Lott lease, Johnson & Ernst drilled a well on its Zeissel lease, adjacent to the Lott lease. Two additional wells have since been drilled on the Zeissel lease. These three wells were placed in the Fant (Congl., Lo.) Field for proration purposes. Johnson & Ernst requests that these three wells be transferred into the Benjamin, W. (Marble Falls) Field. The wells produce from a common reservoir as the wells on the Lott lease, as demonstrated by cross-sections and an isopach map. The nearest wells currently in the Fant (Congl., Lo.) Field are several miles away.

Cumulative production from wells which produced from the Benjamin, W. (Marble Falls) Field is approximately 333,000 BO. Original oil in place for the reservoir is approximately 2.7 million BO.

Johnson & Ernst plans to drill additional wells in the field and eventually conduct waterflooding operations on the Lott and Zeissel leases. Under the current 80 acre development, approximately 1,513 acre-feet of reservoir will be swept by waterflooding. Under the proposed 40 acre development, three additional producing wells will be drilled and 2,691 acre-feet of reservoir will be swept by the proposed waterflood. The additional oil recovered as a result of the infill drilling and waterflood is estimated to be 169,000 BO.

**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 Benjamin, W. (Marble Falls) Field was discovered in 1963.
3. Field rules for the Benjamin, W. (Marble Falls) Field were adopted in 1963 and provide for 660'-1,320 well spacing, 80 acre density and 100% acreage allocation.
4. Well Nos. 1, 2 and 3 on the Zeissel lease produce from a common reservoir as wells on the Lott lease and should be transferred from the Fant (Congl., Lo.) Field to the Benjamin, W. (Marble Falls) Field.
5. Development of the Benjamin, W. (Marble Falls) Field on 40 acre density will accommodate waterflooding and will result in increased ultimate recovery from the field.

- a. Cumulative production from wells which produced from the Benjamin, W. (Marble Falls) Field is approximately 333,000 BO, or approximately 12.3% of original oil in place.
- b. Under the current 80 acre development, approximately 1,513 acre-feet of reservoir will be swept by waterflooding.
- c. Under 40 acre development, approximately 2,691 acre-feet of reservoir will be swept by the waterflood.
- d. The additional oil recovered as a result of the infill drilling and waterflood is estimated to be 169,000 BO.

**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 Benjamin, W. (Marble Falls) Field is necessary to prevent waste and protect correlative rights.
4. Transferring the Zeissel Nos. 1, 2 and 3 from the Fant (Congl., Lo.) Field to the Benjamin, W. (Marble Falls) Field is necessary to prevent waste and protect correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the field rules for the Benjamin, W. (Marble Falls) Field be amended as proposed by Johnson & Ernst. The examiner also recommends transfer of the Zeissel wells.

Respectfully submitted,

Donna K. Chandler  
Technical Examiner