



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 09-0277869

THE APPLICATION OF EXTEX OPERATING COMPANY TO AMEND FIELD RULES
FOR THE CASH (STRAWN 3820) FIELD, WICHITA COUNTY, TEXAS

HEARD BY: Richard D. Atkins, P.E. - Technical Examiner
Laura Miles-Valdez - Legal Examiner

HEARING DATE: September 17, 2012

APPEARANCES: REPRESENTING:

APPLICANT:

Roland R. Baker

Extex Operating Company

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field Rules for the Cash (Strawn 3820) Field were adopted in Final Order No. 9-57,066, effective January 12, 1967, as amended. The Field Rules are summarized as follows:

1. Designated correlative interval from 3,824 feet to 3,900 feet as shown on the log of the Extex Operating Company - Brogden Lease, Well No. 1 (API No. 42-485-34896);
2. 330'-933' well spacing;
3. 20 acre oil units;
4. Allocation based on 100% acres.

Extex Operating Company ("Extex") requests that Field Rule No. 2 be amended to provide for 330'-660' well spacing.

The application is unopposed and the examiners recommend that the Field Rules for the Cash (Strawn 3820) Field be amended, as proposed by Extex.

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DISCUSSION OF EVIDENCE

The Cash (Strawn 3820) Field was discovered in August 1966 at an average depth of 3,800 feet. There are 57 producing oil wells, 8 injection wells and five operators carried on the proration schedule. Field Rules currently provide for 330'-933' well spacing and 20 acre oil units. Extex operates 2,799 acres of the 3,039 productive acres in the field. Cumulative production from the field through August 2012 is 4.7 MMBO and 2.7 BCFG.

The Cash (Strawn 3820) Field is in the late stages of secondary recovery and Extex is proposing to drill infill vertical wells. Extex requests 330'-660' well spacing so that it can place wells in optimum locations within the heterogenous reservoir to efficiently sweep and produce the remaining hydrocarbons. The nearby K-M-A Field also produces from the same Strawn formation and is located three miles southeast of the Cash (Strawn 3820) Field. The K-M-A Field already has 330'-660' well spacing and 20 acre density. In addition, 330'-660' well spacing is the standard well spacing recommended by the Commission for wells on 20 acre density.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Cash (Strawn 3820) Field was discovered in August 1966 at an average depth of 3,800 feet.
 - a. There are 57 producing oil wells, 8 injection wells and five operators carried on the proration schedule.
 - b. Field Rules currently provide for 330'-933' well spacing and 20 acre oil units.
 - c. Extex Operating Company ("Extex") operates 2,799 acres of the 3,039 productive acres in the field.
3. Amending Field Rule No. 2 for the Cash (Strawn 3820) Field to provide for 330'-660' well spacing is appropriate for the field.
 - a. The Cash (Strawn 3820) Field is in the late stages of secondary recovery and Extex is proposing to drill infill vertical wells.

- b. Well spacing of 330'-660' will allow Extex to place wells in optimum locations within the heterogenous reservoir to efficiently sweep and produce the remaining hydrocarbons.
- c. The nearby K-M-A Field also produces from the same Strawn formation and is located three miles southeast of the Cash (Strawn 3820) Field. The K-M-A Field already has 330'-660' well spacing and 20 acre density.
- d. Well spacing of 330'-660' is the standard well spacing recommended by the Commission for wells on 20 acre density.

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 Field Rule No. 2 for the Cash (Strawn 3820) Field 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 examiners recommend that the Commission amend Field Rule No. 2 for the Cash (Strawn 3820) Field, as requested by Extex Operating Company.

Respectfully submitted,



Richard D. Atkins, P.E.
Technical Examiner



Laura Miles-Valdez
Legal Examiner