

December 6, 2006

**OIL AND GAS DOCKET NO. 10-0248976**

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**APPLICATION OF MEWBOURNE OIL COMPANY TO CONSIDER FIELD RULES FOR THE BARTON (MORROW, UPPER) FIELD, LIPSCOMB COUNTY, TEXAS**

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**HEARD BY:** Thomas H. Richter, P.E.

**DATE OF HEARING:** December 6, 2006

**APPEARANCES:**

James M. Clark

**REPRESENTING:**

Mewbourne Oil Company.

**EXAMINER'S REPORT AND RECOMMENDATION**  
**STATEMENT OF THE CASE**

This is the unprotested application of Mewbourne Oil Company for the Commission to consider permanent field rules for the Barton (Morrow, Upper) Field as follows:

1. The entire combined correlative interval from 9,864' to 9,980' as shown on the Type log of the Apache Corporation, J.D. Barton et al Lease Well No. 2, (API No. 42-295-30939), Section 532, Blk 43, H & TC RR Co./D. Barton Survey, A-763, Lipscomb County, Texas, should be designated as the Barton (Morrow, Upper) Field.
2. Minimum well spacing of 660'/1320' (leaseline/between well);
3. 160 acre proration unit density and 80 acre tolerance and maximum diagonal of 4,500';
4. Allocation formula of 100% acreage.

The notice of hearing did not include a proposed allocation formula. The examiner at the hearing pointed this out and recommended that because 160 acre proration unit density was proposed an allocation formula based on acreage be adopted as log analysis and drainage determination indicate acreage is indicative of the recoverable reserves in place. The examiner recommends approval of the application with the proposed allocation formula.

**DISCUSSION OF THE EVIDENCE**

The Barton (Morrow, Upper) Field was discovered in 1958 at 10,034' subsurface depth. The field is governed by Statewide Rules and the top allowable is 292 BOPD. A total of four well have produced from the field. Currently, there are two operators in the field with one well each.

The entire combined correlative interval from 9,864' to 9,980' as shown on the Type log of the Apache Corporation, J.D. Barton et al Lease Well No. 2, (API No. 42-295-30939), Section 532, Blk 43, H & TC RR Co./D. Barton Survey, A-763, Lipscomb County, Texas, should be designated as the Barton (Morrow, Upper) Field.

Proration unit density of 160 acres is necessary to provide for the effective and efficient depletion of the reservoir. Cumulative production from the field is 67,000 BO. The Mewbourne Oil, Jay D. Barton et al "F" Lease Well No. 5321 was completed August 9, 2006 through perforations from 9,942' to 9,960' subsurface depth. The well potentialized at 33 BOPD, 300 MCFD, and no water. The well produced with a flowing tubing pressure of 200 PSIG and a casing pressure of 500 psig. The Apache Corp., Jay D. Barton et al "B" Lease Well No. 2 commenced production in 1981 and has cumulative production of 62,890 BO. The estimated ultimate recovery of the well is 86,330 BO. The calculated drainage area of the well is 135 acres (solution gas drive recovery factor of 15%).

Minimum well spacing of 660'/1320' (leaseline/between well) will provide flexibility in locating wells in the subject field. There are 10 other Upper Morrow fields in the area that have 160 acre base unity density and identical minimum well spacing restrictions.

An allocation formula based on 100% acreage allocation formula will provide for the protection of correlative rights.

### **FINDINGS OF FACT**

1. Notice of this hearing was sent to all operators in the subject field at least ten (10) days prior to the subject hearing.
2. There was no protest at the call of the hearing.
3. The Barton (Morrow, Upper) Field was discovered in 1958 at 10,034' subsurface depth.
  - a. The field is governed by Statewide Rules and the top allowable is 292 BOPD.
  - b. There are two operators in the field with one well each.
4. The entire combined correlative interval from 9,864' to 9,980' as shown on the Type log of the Apache Corporation, J.D. Barton et al Lease Well No. 2, (API No. 42-295-30939), Section 532, Blk 43, H & TC RR Co./D. Barton Survey, A-763, Lipscomb County, Texas, should be designated as the Barton (Morrow, Upper) Field.
5. Proration unit density of 160 acres is necessary to provide for the effective and efficient depletion of the reservoir.

- a. The Apache Corp., Jay D. Barton et al "B" Lease Well No. 2 commenced production in 1981 and has cumulative production of 62,890 BO.
  - b. The estimated ultimate recovery of the well is 86,330 BO.
  - c. The calculated drainage area of the well is 135 acres.
6. Minimum well spacing of 660'/1320' (leaseline/between well) will provide flexibility in locating wells in the subject field. There are 10 other Upper Morrow fields in the area that have 160 acre base unity density and identical minimum well spacing restrictions.
  7. A allocation formula based on 100% acreage allocation formula will provide for the protection of correlative rights.

**CONCLUSIONS OF LAW**

1. Proper notice was given to all parties as set out in the provisions of all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Consideration for field rules, a determination of the effectiveness of the rules and appropriate actions is a matter within the Commission jurisdiction.
4. Adoption of the proposed field rules will prevent waste, foster conservation and protect correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends approval of the proposed field rules for the Barton (Morrow, Upper) Field.

Respectfully submitted,

Thomas H. Richter, P.E.  
Technical Examiner  
Office of General Counsel