

THE APPLICATION OF EXXON MOBIL CORPORATION TO AMEND FIELD RULES  
FOR THE LIPSCOMB (MORROW) FIELD, LIPSCOMB COUNTY, TEXAS

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Heard by: Andres J. Trevino, P.E. on July 9, 2008

**Appearances:**

Tim George  
Jack Zura  
William Horton  
William T Duncan, Jr.  
George A. Ogger

**Representing:**

Exxon Mobil Corporation

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Exxon Mobil Corporation requests to amend the field rules as adopted in Special Order No. 10-38,100, issued effective May 28, 1958, as amended, for the Lipscomb (Morrow) Field that currently provide for the following:

1. 1,250' - 2,500' well spacing;
2. 640 acre gas units with 10% tolerance; 7,500' maximum diagonal;
3. Allocation based on 100% acreage (suspended).

Exxon Mobil Corporation proposes the following:

1. Designation of the field as the correlative interval from 9,048 feet to 10,050 feet as shown on the log of the John B. Doyle No. 4;
2. 660' - 1,320' well spacing;
3. 640 acre gas units with 10% tolerance; optional 320 acre units; no filing of Form P-15 and plat;
4. Allocation based on 100% acreage, with continued suspension of the allocation formula.

This application was unopposed and the examiner recommends adoption of the

amended field rules proposed by Exxon Mobil Corporation.

### **DISCUSSION OF EVIDENCE**

The Lipscomb (Morrow) Field was discovered in 1957 and is a non-associated gas field with 15 wells and 8 operators on the current proration schedule. The field operates under Special Rules by Special Order 10-38,100 effective May 28, 1958 and is currently AOF status.

The Morrow sands are fluvial sand deposits. The productive sand body is a narrow and long streambed deposit. Porosity and permeability vary within each sand deposit. The Morrow sands have a gross thickness of 1,000 feet. Exxon Mobil requests that the field be defined as the correlative interval from 9,048 feet to 10,050 feet as shown on the log of the John B. Doyle No. 4. This interval includes the entire Morrow sands.

Typically, operators selectively perforate the Morrow sands over the 1,000 foot gross interval. The Morrow sands may contain up to 600 feet of sands however, net perforations are usually only 10-80 feet as the majority of the sands contain uneconomic levels of porosity and permeability.

Exxon Mobil provided drainage calculations for 2 wells in the field, the John B. Doyle No. 1 and the William Schultz No. 1L. The William Schultz No. 1L is calculated to drain up to 629 acres based on 200 psi abandonment pressure, 14 feet of net pay and an ultimate recovery of 5.57 BCF of gas. The John B. Doyle No. 1 is calculated to drain as little as 377 acres based on 100 psi abandonment pressure, 10 feet of net pay and an ultimate recovery of 3.46 BCF of gas. These calculations are based on 12% porosity and 25% water saturation.

Exxon Mobil is requesting that field rules be amended for the field to provide for optional 320 acre units and 660' - 1,320' well spacing. The 660' - 1,320' well spacing will allow additional flexibility in placing wells at optimum location within the fluvial sand bodies. Exxon Mobil also requests that the allocation formula remain unchanged for the field and be based on 100% acreage. The allocation formula has been suspended since 1993 and Exxon Mobil requests continuation of the AOF status. In addition, Exxon Mobil requests that a provision be included in the field rules which eliminates the necessity to file plats for each well while the allocation formula remains suspended.

### **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 Lipscomb (Morrow) Field was discovered in 1957 and is a non-associated gas field with 15 wells on the current proration schedule.
3. The field operates under Special Rules adopted by Special Order 10-38,100 effective May 28, 1958 and is currently AOF status.
4. Adoption of a density rule providing for 640/optional 320 acre units is appropriate for this field.
  - a. The William Schultz No. 1L is calculated to drain up to 629 acres based on 200 psi abandonment pressure, 14 feet of net pay and an ultimate recovery of 5.57 BCF of gas.
  - b. The John B. Doyle No. 1 is calculated to drain as little as 377 acres based on 100 psi abandonment pressure, 10 feet of net pay and an ultimate recovery of 3.46 BCF of gas.
  - c. Drainage calculations are based on 12% porosity and 25% water saturation.
5. Well spacing a minimum of 660 feet from lease lines and 1,320 feet between wells will allow additional flexibility in placing wells within the fluvial sand body deposit.
6. The Lipscomb (Morrow) Field should be defined as the correlative interval from 9,048 feet to 10,050 feet as shown on the log of the John B. Doyle No. 4. This interval includes the entire Morrow.
7. Allocation based on 100% acreage is a reasonable method of allocation which will protect the correlative rights of mineral owners in the field and meet statutory requirements.

#### **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 Lipscomb (Morrow) Field 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

amending of the field rules for the Lipscomb (Morrow) Field as set out in the attached Final Order.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner