

THE APPLICATION OF S. B. STREET OPERATING, INC. TO AMEND THE FIELD RULES FOR THE SOJOURNER FIELD, HASKELL COUNTY, TEXAS

Heard by: Donna K. Chandler on February 16, 2011

Appearances:

Dale Miller

Representing:

S. B. Street Operating, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field rules for the Sojourner Field were adopted on October 2, 1950 in Order No. 7-19347. The rules in effect for the field are summarized as follows:

1. 330'-933' well spacing;
2. 40 acre density;
3. allocation based on 75% acreage and 25% per well.

S. B. Street Operating, Inc. requests that the field rules be amended as follows:

1. Designation of the field as the correlative interval from 5,200 feet to 5,234 feet as shown on the log of the BP-Burson Well No. 109-1;
2. 330'-0' well spacing;
3. 40 acre density with optional 20 acre density;
4. allocation based on 75% acreage and 25% per well.

This application was unopposed and the examiner recommends that the field rules for the Sojourner Field be amended as proposed by S. B. Street Operating, Inc.

DISCUSSION OF THE EVIDENCE

The Sojourner Field was discovered in 1950 at a depth of approximately 5,325 feet. Cumulative production from the field is approximately 10.2 million BO and 249 MMCF of gas. There are currently only five producing wells in the field, all operated by S. B. Street Operating, Inc. The field was substantially developed in the 1950's and two waterfloods have been conducted in the field, as well as some lease waterfloods. A total of 86 wells have been plugged.

Street completed its first well in the field in November 2009 and all five of its wells are located to the north and east of the currently inactive Sojourner Sand Unit. Based on the performance of the five wells, Street plans to drill at least 10 infill wells.

Average porosity of the reservoir is 15%, average water saturation is 50% and average net pay is 28 feet. Recoverable reserves beneath 40 acres are estimated to be 90,000 BO and recoverable reserves beneath 20 acres are approximately 45,000 BO. Cumulative recoveries to date for numerous wells range from 11,500 BO to almost 60,000 BO. These recoveries do not include secondary recovery as a result of waterflooding. Calculated drainage areas range from 5 acres to 26 acres, based on cumulative production

Street requests 330'-0' well spacing for the field. This spacing is consistent with 20 acre units and will accommodate infill drilling and use of existing wellbores.

Street requests that the Sojourner Field be designated as the correlative interval from 5,200 feet to 5,234 feet as shown on the log of the BP-Burson Well No. 1091. This interval includes the entire Strawn producing interval. Street requests no change in the allocation, which is based on 75% acreage and 25% per well. This two factor allocation formula meets statutory requirements.

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 Sojourner Field was discovered in 1950. Field rules for the Sojourner Field provide for 330'-933' well spacing, 40 acre density and allocation based on 75% acreage and 25% per well.
3. Cumulative production from the Sojourner Field is approximately 10.2 million BO.
4. There are currently only 5 producing wells in the field, all recent completions by S. B. Street Operating Inc.

5. The field was substantially developed in the 1950's and two waterfloods have been conducted in the field, as well as some lease waterfloods. A total of 86 wells have been plugged.
6. Additional development is necessary to maximize ultimate recovery from the field.
 - a. Recoverable reserves beneath 40 acres are approximately 90,000 BO.
 - b. Wells in the field have produced between 11,500 BO and 59,400 BO, excluding secondary recovery.
 - c. Calculated drainage areas range from 5 acres to 27 acres, based on cumulative primary production.
7. A spacing rule providing for a minimum of 330 feet from lease lines and 0 feet between wells will flexibility in drilling and/or recompleting additional infill producing wells at optimum locations.
8. The Sojourner Field should be designated as the correlative interval from 5,200 feet to 5,234 feet as shown on the log of the BP-Burson Well No. 1091. This interval includes the entire Strawn formation.

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 Sojourner 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 Sojourner Field be amended as proposed by S. B. Street Operating, Inc.

Respectfully submitted,

Donna K. Chandler
Technical Examiner