

**OIL AND GAS DOCKET NO. 7B-0269798**

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**THE APPLICATION OF PLANTATION OPERATING, LLC TO AMEND FIELD RULE NOS. 2 AND 3 FOR THE FLOWERS, W. (CANYON SAND) FIELD, STONEWALL COUNTY, TEXAS**

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**HEARD BY:** Richard D. Atkins, P.E. - Technical Examiner

**DATE OF HEARING:** April 13, 2011

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Dale E. Miller

Plantation Operating, LLC

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field Rules for the Flowers, W. (Canyon Sand) Field were adopted in Final Order No. 7-27,205, effective September 9, 1953, as amended. The Field Rules are summarized as follows:

1. Designation of the field as the correlative interval from 4,326 feet to 4,837 feet as shown on the log of the Conoco Inc. - West Flowers Unit, Well No. 65A (API No. 42-433-31623);
2. 467'-933' well spacing;
3. 40 acre oil units;
4. Allocation based on 75% acres and 25% per well.

Plantation Operating, LLC ("Plantation") requests that Field Rule Nos. 2 and 3 be amended as follows:

2. 330'-0' well spacing;
3. 40 acre oil units with optional 10 acre density.

The application was unopposed and the examiner recommends that Field Rule Nos.

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2 and 3 for the Flowers, W. (Canyon Sand) Field be amended, as requested by Plantation.

### **DISCUSSION OF EVIDENCE**

The Flowers, W. (Canyon Sand) Field was discovered in January 1952 at an average depth of 4,300 feet. There are 19 producing oil wells carried on the proration schedule and Plantation is the only operator in the field. Cumulative production from the field through February 2011 is 5.8 MMBO and 1.3 BCFG.

Plantation is planning on drilling infill wells and requests 330'-0' well spacing and 40 acre oil units with optional 10 acre density. Plantation submitted a tabulation of 8 Canyon and Strawn Sand fields in RRC District 7B that already had similar Field Rules and opined that the proposed rules would allow greater flexibility in selecting future drilling locations.

From the available reservoir data, Plantation estimated an average porosity of 16%, an average water saturation of 40% and an average net pay thickness of 15 feet. The primary drive mechanism is a solution gas drive and the recovery to date has been 17% of the original oil in place. Plantation is proposing a waterflood revitalization project on a 40 acre 5-spot pattern coupled with infill drilling on 20 acre and 10 acre density. Plantation calculated that its project would increase the recovery factor by 15%, resulting in a total recovery for the field of 32% of the original oil in place.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Flowers, W. (Canyon Sand) Field was discovered in January 1952 at an average depth of 4,300 feet.
3. There are 19 producing oil wells carried on the proration schedule and Plantation is the only operator in the field.
4. Well Spacing of 330'-0' and 40 acre oil units with optional 10 acre density is appropriate for the field.
  - a. A tabulation of 8 Canyon and Strawn Sand fields in RRC District 7B shows that the 8 fields already have similar Field Rules.
  - b. The proposed rules would allow greater flexibility in implementing a waterflood revitalization project on a 40 acre 5-spot pattern.
  - c. The proposed rules would allow greater flexibility in selecting future infill drilling locations on 20 acre and 10 acre density.

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- d. The proposed redevelopment project is estimated to increase the recovery factor by 15%, resulting in a total recovery for the field of 32% of the original oil in place.

**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 Nos. 2 and 3 for the Flowers, W. (Canyon Sand) 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 examiner recommends that the Commission amend Field Rule Nos. 2 and 3 for the Flowers, W. (Canyon Sand) Field, as proposed by Plantation Operating, LLC.

Respectfully submitted,

Richard D. Atkins, P.E.  
Technical Examiner