OIL AND GAS DOCKET NO. 7B-0265344

THE APPLICATION OF DOUBLE M PETROPROPERTIES TO ADOPT FIELD RULES FOR THE PARDUE (STRAWN) FIELD, FISHER COUNTY, TEXAS

Heard by: Andres J. Trevino, P.E., Technical Examiner

Hearing Date: May 5, 2010

Appearances:	**Representing:**
David McWilliams	Double M Petroproperties

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

The field rules (County Regular Rules) for the Pardue (Strawn) Field are summarized as follows:

1. 467'-1,200' well spacing;

2. 40 acre oil units with 20 acre tolerance;

3. Allocation based on 100% per well.

Double M Petroproperties requests that field rules be adopted as follows :

1. Designation of the field as the correlative interval from 5,258 feet to 5,575 feet as shown on the log of the A. E. Pardue No. 4;

2. 330'-933' well spacing;

3. 40 acre units with optional 20 acre density;

4. Allocation based on 100% acreage.

Double M originally requested well spacing of 330'/933' and 40 acre units with optional 20 acre units. During the hearing, Double M agreed to designate an interval for the field. This application was unprotested and the examiner recommends that the field rules for the Pardue (Strawn) Field be amended as requested.

DISCUSSION OF EVIDENCE

The Pardue (Strawn) Field was discovered in 1951 at a depth of approximately 5,122 feet. Cumulative production from the field is approximately 5,517 BO. There is only one active oil well in the field, the T&P Pardue No.4, which is operated by Double M. There are no other operators in the field.

Double M re-entered a plugged and abandoned well originally completed in the Pardue (Ellenberger) Field. The well was originally completed at a depth of 5,900 feet. Double M recompleted the T&P Pardue No. 4 into the Pardue (Strawn) Field at a depth of 5,343 feet. The initial potential for the well was 21 BOPD, 37 MCFPD and 96 BWPD on a pump. Production increased to 90 BOPD then decreased and stabilized near 15 BOPD within two months. Production and log data demonstrates the Strawn sand is thinner and tighter than other Strawn fields in the area. Reservoir data obtained on the reservoir show the Strawn sands as having 10% to 13% porosity, 0.01 md permeability, 51% water saturation with a 10 foot net pay thickness. Wells completed in the Tompkins (Strawn Sand) Field, ½ mile to the north, have 330'-933' well spacing, 40 acre density and typically had EUR's of 100 MBO to 150 MBO. Double M believes recovery in the Pardue (Strawn) Field will be significantly less and requests optional 20 acre density. The designated interval from 5,258 feet to 5,575 feet as shown on the log of the A. E. Pardue No. 4 includes the Strawn A, B, C, D and E sands.

Double M plans to re-enter additional wells plugged in the Pardue (Ellenberger) Field and recomplete into the Strawn sands. The flexible well spacing of 330'-933' will allow Double M to re-enter and recomplete wells at optimum locations within the sand.

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. County Regular Field rules for the Pardue (Strawn) Field provide for 467'-1,200' well spacing, 40 acre oil units and allocation based on 100% per well.

3. The Pardue (Strawn) Field was discovered in 1951 and cumulative production from the field is approximately 5,517 BO.

4. The initial potential for the well was 21 BOPD, 37 MCFPD and 96 BWPD on a pump. Production increased to 90 BOPD then decreased and stabilized near 15 BOPD within two months.

5. The Pardue (Strawn) Field should be designated as the entire correlative interval between 5,258 feet to 5,575 feet as shown on the log of the A. E. Pardue No. 4. The interval includes the Strawn A, B, C, D and E sands.

6. The Strawn sand is thinner and tighter than other Strawn fields in the area. Reservoir data obtained on the reservoir show the Strawn sands as having 0.01 md permeability. Double M believes wells completed in the Pardue (Strawn) Field will drain less than 40 acres.

7. Development of the field on 40 acre units with optional 20 acre density will allow flexibility in selecting re-entry well locations within the plugged out Pardue (Ellenberger) Field.

8. The Tompkins (Strawn) is producing from the Strawn Sand in the area and has 330'-933' well spacing.

9. The proposed 330'-933' well spacing will accommodate development on 20 acres and allow flexibility in re-entering and recompleting existing wells without the need for Rule 37 exceptions.

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. Adopting field rules for the Pardue (Strawn) Field is necessary to prevent waste and protect correlative rights.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that field rules for the Pardue (Strawn) Field be adopted to provide for 40 acre units with optional 20 acre density and 330'-933' well spacing.

Respectfully submitted,

Andres J. Trevino, P.E.
Technical Examiner