

OIL AND GAS DOCKET NO. 10-0261722

THE APPLICATION OF MEWBOURNE OIL COMPANY TO EXPAND THE CORRELATIVE INTERVAL FOR THE CANADIAN, SW (GRANITE WASH) FIELD, HEMPHILL COUNTY, TEXAS

Heard by: Donna K. Chandler on May 18, 2009

Appearances:

Jim Clark

Representing:

Mewbourne Oil Company

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field rules for the Canadian, SW (Granite Wash) Field were adopted on October 23, 1978 in Docket No. 10-70,172. The rules are summarized as follows:

1. 660'-1,320' well spacing;
2. 640 acre density with optional 320 acre density;
3. Allocation based on 100% acreage.

Mewbourne Oil Company requests that the field rules be amended to include a correlative interval for the field. Mewbourne proposes that the field interval be defined as the correlative interval between 9,854 feet to 11,310 feet as shown on the log of the Isaacs -210- Well No. 1210.

This application was unopposed and the examiner recommends approval of Mewbourne's request to amend the field rules for the field.

DISCUSSION OF THE EVIDENCE

The Canadian, SW (Granite Wash) Field was discovered in 1975 and there are approximately 30 wells in the field. There was no designated interval adopted for the field when field rules were adopted in 1978.

The proposed interval for the field is from 9,854 feet to 11,310 feet as shown on the log of the Isaacs -210- Well No. 1210. This interval includes the entire Granite Wash, down to top of the Morrow. The interval includes Atoka sands and the 13 Fingers Lime. Some of these zones are very marginal and not economic for individual completions. Other Granite Wash fields in the area already include the Atoka and 13 Fingers Lime.

The allocation formula for the field is currently based on 100% acreage and is suspended. Allocation based on 95% acreage and 5% per well will meet statutory requirements. Mewbourne also requests continuation of the AOF status for the field.

FINDINGS OF FACT

1. Notice of this hearing was given to all operators of wells in the Canadian, SW (Granite Wash) Field at least ten days prior to the date of hearing.
2. The Canadian, SW (Granite Wash) Field was discovered in 1975. The field operates under rules providing for 660'-1,320' well spacing, 640/optional 320 acre density and 100% acreage allocation. There is currently no designated interval for the field.
3. The interval from 9,854 feet to 11,310 feet as shown on the log of the Isaacs -210- Well No. 210 includes the entire Granite Wash, down to the top of the Morrow. This interval includes Atoka sands and the 13 Fingers Lime.
4. Designation of the field to include the Granite Wash, Atoka and 13 Fingers Lime will maximize ultimate recovery from wells in the field.
5. Allocation based on 95% acreage and 5% per well will meet statutory requirements for expansion of the field interval.

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 Canadian, SW (Granite Wash) Field as proposed by Mewbourne Oil Company 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 Canadian, SW (Granite Wash) Field be amended to include a designated interval for the field.

Respectfully submitted,

Donna K. Chandler
Technical Hearings Examiner