



# RAILROAD COMMISSION OF TEXAS

## OFFICE OF GENERAL COUNSEL

**OIL AND GAS DOCKET NO. 8A-0269794**

---

**THE APPLICATION OF RAW OIL & GAS, INC. TO ADOPT TEMPORARY FIELD RULES FOR THE WILLENE (FUSSELMAN) FIELD, DAWSON AND LYNN COUNTIES, TEXAS**

---

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

**DATE OF HEARING:** May 4, 2011

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Dale E. Miller

Raw Oil & Gas, Inc.

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Raw Oil & Gas, Inc. ("Raw") requests that temporary Field Rules be adopted for the Willene (Fusselman) Field. The proposed Field Rules are summarized as follows:

1. Designation of the field as the correlative interval from 10,849 feet to 10,876 feet as shown on the log of the Pan American Petroleum Corporation - Willene Roberson Lease, Well No. 1, Section 70, Block 8, EL&RR RR Co. Survey, A-753, Lynn County, Texas;
2. 467'-1,200' well spacing;
3. 160 acre oil units with optional 80 acre density;
4. Allocation based on 100% acres.

Since there were returned notice envelopes on unleased mineral owners and the field encompasses two counties, RAW published notice of the subject application in both Dawson and Lynn Counties. Notice was published in the *Lamesa Press Reporter*, a newspaper of general circulation in Dawson County, for four consecutive weeks beginning on March 27, 2011, and in *The Lynn County News*, a newspaper of general circulation in Lynn County, for four consecutive weeks beginning on March 31, 2011.

There were no protests to this application and the examiner recommends approval of the temporary Field Rules, as requested by Raw, subject to review in 18 months.

### DISCUSSION OF EVIDENCE

The Willene (Fusselman) Field was discovered in March 1963 at an average depth of 10,850 feet. The field currently operates under Statewide Rules. There is one producing oil well carried on the proration schedule. Raw has completed three additional wells and is the only operator in the field. Cumulative production from the field through March 2011 is 69.9 MBO and 13.4 MMCFG.

The discovery well, the Pan American Petroleum Corporation - Willene Roberson Lease, Well No. 1, was completed on February 21, 1963. After being perforated and acidized in the Fusselman formation from 10,850 feet to 10,853 feet, the well had an initial potential flowing of 154 BOPD, 60 MCFGPD and 430 BWPD. The well was subsequently plugged in November 1963 after producing only 1,734 BO.

Raw requests that the field be defined as the correlative interval from 10,849 feet to 10,876 feet as shown on the log of the Pan American Petroleum Corporation - Willene Roberson Lease, Well No. 1, Section 70, Block 8, EL&RR RR Co. Survey, A-753, Lynn County, Texas. This interval contains all of the Fusselman formation and the primary drive mechanism is a moderate water drive.

Raw performed a volumetric recovery calculation beneath 160 acres and 80 acres in the field and found the recoverable oil reserves to be 183.9 MBO and 92.0 MBO, respectively. The calculations are based on the following reservoir properties: 7% average porosity, 26% average water saturation, 16 feet of net pay and a 20% estimated recovery factor. Raw provided drainage area calculations for three producing wells in the field. The drainage areas range from 86 acres up to a maximum of 159 acres. The average drainage area was calculated to be approximately 131 acres.

Raw requests well spacing of 467'-1,200'. The well spacing is necessary to provide flexibility in locating infill wells in the field at optimum locations. The requested 160 acre oil units with optional 80 acre density is justified by the preliminary drainage area calculations. In addition, Raw submitted a tabulation of six Fusselman Fields in RRC Districts 8 and 8A that already had the same spacing and density Field Rules.

Raw also requests that the allocation formula be based on 100% acres. The top allowable is the 1947 Yardstick allowable which would be 365 BOPD for a well on a 160 acre unit and 285 BOPD for a well on an 80 acre unit.

**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 Willene (Fusselman) Field was discovered in March 1963 at an average depth of 10,850 feet. The field currently operates under Statewide Rules.
3. There is one producing oil well carried on the proration schedule. Raw has completed three additional wells and is the only operator in the field.
4. The Willene (Fusselman) Field should be defined as the correlative interval from 10,849 feet to 10,876 feet as shown on the log of the Pan American Petroleum Corporation - Willene Roberson Lease, Well No. 1, Section 70, Block 8, EL&RR RR Co. Survey, A-753, Lynn County, Texas. This interval contains all of the Fusselman formation and the primary drive mechanism is a moderate water drive.
5. Raw performed a volumetric recovery calculation beneath 160 acres and 80 acres in the field and found the recoverable oil reserves to be 183.9 MBO and 92.0 MBO, respectively.
6. Raw provided drainage area calculations for three producing wells in the field. The drainage areas range from 86 acres up to a maximum of 159 acres. The average drainage area was calculated to be approximately 131 acres.
7. Raw requests well spacing of 467'-1,200'. The well spacing is necessary to provide flexibility in locating infill wells in the field at optimum sand locations.
8. The requested 160 acre oil units with optional 80 acre density is justified by the preliminary drainage area calculations. In addition, six Fusselman Fields in RRC Districts 8 and 8A already have the same spacing and density Field Rules.
9. Allocation based on 100% acres is a reasonable formula which will protect correlative rights 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. Adoption of the proposed temporary Field Rules for the Willene (Fusselman) Field will prevent waste, protect correlative rights and promote the orderly development of the field.

**RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiner recommends adoption of temporary Field Rules for the Willene (Fusselman) Field, as requested by Raw Oil & Gas, Inc., subject to review in 18 months.

Respectfully submitted,



Richard D. Atkins, P.E.

Technical Examiner