



RAILROAD COMMISSION OF TEXAS OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 03-0221304

THE APPLICATION OF PARTEN OPERATING, INC. TO CONSIDER FIELD CONSOLIDATION AND FIELD RULES FOR THE FT. TRINIDAD, E. (EDWARDS -A-) AND FORT TRINIDAD (EDWARDS A) FIELDS, HOUSTON, LEON AND MADISON COUNTIES, TEXAS

Heard by: Donna Chandler, Technical Examiner

Hearing Date: March 12, 1999

Appearances:

Representing:

Andy Taylor
Matthew Gallagher
Rick Johnston

Parten Operating & Bellwether Exploration

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Parten Operating, Inc. requests that the Fort Trinidad (Edwards A) Field be consolidated into the Ft. Trinidad, E. (Edwards -A-) Field and that field rules be adopted for the Ft. Trinidad, E. (Edwards -A-) Field as follows:

1. Designation of the field as the correlative interval from 9,490 feet to 9,610 feet as shown on the log of the Steven J. Stock Farm Lease Well No. 28;
2. 660'-2,640' well spacing;
3. 320 acre oil units with 160 acre tolerance and a maximum diagonal of 10,000 feet; special provisions for horizontal wells.
4. Allocation based on 100% acreage with a top allowable of 4.1 barrels per acres.

This application was unopposed and the examiner recommends approval of the field consolidation and adoption of field rules for the consolidated field as proposed by Parten.

DISCUSSION OF THE EVIDENCE

The The Ft. Trinidad, E. (Edwards -A-) Field was discovered in 1977 at a depth of approximately 10,150 feet. There are currently six wells carried in the field, all operated by Parten Operating. The field operates under rules providing for 660'-2,640' well spacing, 320 acre density, and 100% acreage allocation. The Fort Trinidad (Edwards A) Field was discovered in 1979 and operates under rules identical to the Ft. Trinidad, E. (Edwards -A-) Field. Parten operates the only well carried in the Fort Trinidad (Edwards A) Field. Cumulative production from both fields is 770,000 BO and 2 BCF of gas.

The Edwards A is continuous across an area including portions of Leon, Madison and Houston counties. Parten's cross-section indicates no distinction between the two designated fields. As the overlying shale thickens to the east, the Edwards A pinches out. Parten proposes that any well completed within the proposed designated interval be classified in the Fort Trinidad, E. (Edwards -A-) Field as long as any part of the correlative interval occurs between 8,000 and 11,000 feet subsea in Houston, Madison and Leon Counties. Similar language has been adopted for the Brookeland (Austin Chalk 8800) Field which includes portions of several counties. Such language will prevent confusion as to proper field designation of Edwards A completions. There are no other Edwards A designated fields in this area.

Parten requests no change to the spacing and density rules for vertical wells in the consolidated field. For horizontal wellbores completed in the field, Parten proposes that acreage assignable to a horizontal drainhole be determined in a manner which has been adopted by the Commission in numerous fields having special horizontal rules. The 4.1 barrels per acre allowable proposed by Parten is also very common in Austin Chalk fields, which Parten believes the Edwards A production will be comparable to.

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 The Ft. Trinidad, E. (Edwards -A-) Field was discovered in 1977 at a depth of approximately 10,150 feet. The Fort Trinidad (Edwards A) Field was discovered in 1979.
3. Parten operates all six wells in the Ft. Trinidad, E. (Edwards -A-) Field and the only well carried in the Fort Trinidad (Edwards A) Field.
4. Both fields operate under rules providing for 660'-2,640' well spacing, 320 acre density, and 100% acreage allocation.

5. Cumulative production from both fields is 770,000 BO and 2 BCF of gas.
6. The two fields produce from the same correlative interval, with no indication of separation between the two fields and there are no other Edwards A designated fields in this area.
7. The proposed horizontal drainhole rules for the consolidated field are identical to those adopted by the Commission in numerous other fields.
8. An allowable of 4.1 barrels per acre is common for many Austin Chalk fields which have comparable production to the expected Edwards -A- production from horizontal wells.

CONCLUSIONS OF LAW

1. Proper notice as required by statute was given to all parties entitled to notice.
2. All things have been done or occurred to give the Railroad Commission jurisdiction to resolve this matter.
3. Consolidation of fields and adoption of the proposed rules for the Fort Trinidad, E. (Edwards -A-) 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 Fort Trinidad (Edwards A) Field be consolidated into the Ft. Trinidad, E. (Edwards -A-) Field and that field rules be adopted for the Ft. Trinidad, E. (Edwards -A-) Field as proposed by Parten.

Respectfully submitted,



Donna K. Chandler
Technical Examiner