



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0287997

**THE APPLICATION OF CONOCOPHILLIPS COMPANY TO AMEND AND RENUMBER
FIELD RULES FOR THE ANDECTOR (WICHITA ALBANY) FIELD, ECTOR COUNTY,
TEXAS**

HEARD BY: Karl Caldwell - Technical Examiner
Marshall Enquist - Legal Examiner

HEARING DATE: April 25, 2014

APPEARANCES:

REPRESENTING:

APPLICANT:

Jamie Nelson
Greg Cloud

ConocoPhillips Company

INTERVENOR:

George Neale

Imperial Gas Resources LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field Rules for the Andector (Wichita Albany) Field, Ector County, Texas were made permanent in Final Order 8-91,794 effective May 15, 1989. The current field rules in effect for the field are summarized as follows:

1. Minimum well spacing of 660'-1,320' (lease line, between well);
2. Proration unit density of 80 acres with 40 acre tolerance and a maximum diagonal of 3250', filing of certified plats
3. Maximum oil allowable of 198 BOPD, allocation formula based on 100% acres.

ConocoPhillips Company ("ConocoPhillips") requests that the current field rules be renumbered and amended. ConocoPhillips is requesting to adopt a correlative interval for the field, change the well spacing to 330 ft from lease lines, and no between well spacing, add field rules for horizontal drainholes, eliminate the maximum diagonal limitation, eliminate the requirement to file proration plats, increase the daily allowable from 198 BOPD to 800 BOPD for a standard proration unit, and add provisions for stacked laterals. ConocoPhillips withdrew the request to increase the daily allowable on July 1, 2014 via an email from Jamie Nielson, who represented ConocoPhillips Company during the hearing.

The application is unopposed and the examiners recommend that the field rules be amended and renumbered for the Andector (Wichita Albany) Field, Ector County, Texas as proposed by ConocoPhillips, noting that the request to increase the daily allowable has been withdrawn.

DISCUSSION OF THE EVIDENCE

The Andector (Wichita Albany) Field, Ector County, Texas was discovered in April of 1986 at a depth of 7,292 feet. Temporary field rules were adopted on October 6, 1986 (Oil and Gas Docket No. 8-88,393) and in a Final Order on Oil and Gas Docket No. 8-91, 794, dated May 15, 1989, the temporary field rules were made permanent.

As of January 1, 2014, the Andector (Wichita Albany) Field has produced 484, 581 BO and 1,352 MMCF of gas. There are currently 16 producing wells in the field, including 6 horizontal wells. The vertical wells in the field have been primarily stimulated with acid treatments, with production ranging from 3 BOPD to 182 BOPD on initial potential tests. Horizontal wells in the field have all been multi-stage completions, with hydraulic fracturing stimulation treatments. Horizontal well production has ranged from 68 BOPD to 255 BOPD on initial potential tests.

The current field rules Andector (Wichita Albany) Field, Ector County, Texas do not include a correlative interval for the field. ConocoPhillips proposes the entire correlative interval from 6,466 feet to 7,374 feet as shown on the log of Westland Oil Development Corporation, Cowden, R.B. Estate "2", Well No. 1, (API No. 135-35286), T-1-N, T&P RR Company Survey, Ector County, Texas, to be designated as a single reservoir for proration purposes and be designated as the Andector (Wichita Albany) Field.

ConocoPhillips proposes to adopt horizontal field rules similar to the Three Bar (Wichita) Field, which is in close proximity to the Andector (Wichita Albany) Field. ConocoPhillips requests adoption of 330 feet lease line spacing, no between-well spacing which would be consistent with the spacing rules of other fields being developed with horizontal wells. ConocoPhillips is requesting a spacing rule requiring a minimum of 100 feet to the lease line from the first and last take points of a horizontal drainhole, with 330 feet from lease lines on all points on the drainhole perpendicular to the lease line. The 100-foot lease line spacing for the first and last take points allows maximum recovery from the reservoir by maximizing reservoir contact.

ConocoPhillips requests several other standard provisions that are commonly adopted when horizontal well development is anticipated. These provisions include a 50-foot "box rule" for horizontal drainhole wells, as well as take off-lease penetration, with notice.

FINDINGS OF FACT

1. Notice of this application and hearing was provided to all persons entitled to notice at least ten (10) days prior to the date of the hearing;
2. The Andector (Wichita Albany) Field, Ector County, Texas was discovered in April of 1986 at a depth of 7,292 feet.
 - a. The field operates under Field Rules that were made permanent in Final Order 8-91,794 effective May 15, 1989.
 - b. As of January 1, 2014, the Andector (Wichita Albany) Field has produced 484, 581 BO and 1,352 MMCF of gas.
 - c. There are currently 16 producing wells in the field.
 - d. There are currently 6 horizontal wells in the field.
3. Adopting a correlative interval for the subject field is appropriate.


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 and renumbering the Field Rules for the Andector (Wichita Albany) Field will promote development of the field.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission amend and renumber the Field Rules for the Andector (Wichita Albany) Field, as requested by ConocoPhillips Company.

Respectfully submitted,


Karl Caldwell
Technical Examiner


Marshall Enquist
Legal Examiner