

Railroad Commission of Texas

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OIL AND GAS DIVISION

ARTHUR H. BARBECK
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AUSTIN, TEXAS

September 24, 1968

MEMORANDUM TO THE COMMISSION: DOCKET NO. 6-58,819

APPLICATION: Harvey Unit Operating Committee for unitization and secondary recovery in East Texas Field, Rusk County, Texas

DATE OF HEARING: September 20, 1968

APPEARANCES: Homer W. Key, Wallace H. Scott, Jr., John V. Townsend, Jr., and R. A. Ewing for applicant

The Harvey Unit Operating Committee, for itself and other interest owners, who have executed the "Harvey Unit" unit agreement, requests:

1. Approval of the unit agreement.
2. Approval of the proposed injection program for the unit area.
3. Authorization for administrative expansion of the operation and for transfer of allowables from wells converted to injection use.

This memorandum deals with the unit agreement only. A separate memorandum is being prepared on the engineering phases of the application.

This is an unopposed application for unitization of a portion of the East Texas Field and the inauguration of a water injection program.

There was no protest to the application and the applicant testified that the owners of 99.3% of the working interest and 89.8% of the royalty interest within the unit area had executed the unit agreement.

The proposal is for the unitization of a 911 acre portion of the East Texas Field on the extreme east edge of the field. The applicant contends that the unitized area is, in fact, an area separated from the remainder of the East Texas Field and is an isolated Woodbine sand lense. At a previous hearing on the application for the recognition of the unit area as a separate field, representatives of several East Texas producers appeared and testified that while there was strong evidence to indicate that the subject area was not in full communication with the remainder of the East Texas Field, there was insufficient evidence to justify a separate field designation for the area and that application was denied.

At that earlier hearing, the other operators indicated that while they thought the area should remain on proration records as a portion of the East Texas Field, they had no objection to the proposed unitization of the area and at the unitization hearing, all operators were notified but none appeared in protest of the application.

The applicant testified that opportunity to join the unit was offered all owners of wells within the indicated productive limits of the sand lense and that interest owners on all such leases except Sinclair had joined in the unit agreement.

The applicant testified that most of the unsigned interests were owned by persons who had not been located to the time of the hearing, and that it was anticipated 100% sign up would be achieved for the entire unit.

It was noted that on the July 1, 1968, well status report, the highest potential for any well in the unit area was 9 barrels per day and the average is for less than 2 barrels per day.

There are 911 acres in the unit area, and the applicant estimated that 845 acres was considered to be productive. This acreage is divided into 46 separate tracts.

The proposal is to initiate a pilot injection program near the center of the unit, and the applicant estimated that an additional 712,000 barrels of oil could be produced from the unit area by means of the secondary recovery program. Testimony was that such additional recovery would more than offset the cost of the project.

Participation basis is 65% current production, 17 1/2% usable wells, and 17 1/2% productive acre feet. No obvious inequity results from this formula.

The applicant testified that while at the present time all wells within the unit area are producing at capacity so that there are no wells with excess producing capacity to which allowable transfers could be made. The transfer authority was requested in the anticipation that favorable results from the flood would result in excess producing capacity.

Additional testimony and examination of the unit agreement, indicates that the agreement is in full compliance with the requirements of Article 6008b and it is the recommendation of the writer that, subject to any restrictions recommended by the engineering department, the application be approved.

Respectfully submitted,

J. Brooks Feden
J. Brooks Feden, Senior Legal Examiner

JBP/b

RECOMMENDATION APPROVED

RECOMMENDATION DENIED

W. Barber

Chief Engineer

JBP
BR

Chairman

Commissioner

Commissioner

DCA 9-30-68

EFFECTIVE _____