

**RAILROAD COMMISSION OF TEXAS**  
OIL AND GAS DIVISION

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CAPITOL STATION — P. O. DRAWER 12967

AUSTIN, TEXAS 78711

July 10, 1981

OIL AND GAS DOCKET NO. 7B-76,733

APPLICATION OF HEXAGON OIL & GAS, INC. FOR TEMPORARY GAS FIELD RULES IN  
THE X-RAY, S. (MARBLE FALLS, LO.) FIELD, ERATH COUNTY, TEXAS:

HEARD BY: Bill E. Watson on June 23, 1981

FOR APPLICANT: Carroll Martin, Flip Whitworth and Michael E. Locke

FOR PROTESTANT: None

EXAMINER'S REPORT AND RECOMMENDED ORDER

STATEMENT OF THE CASE

This is the application of Hexagon Oil & Gas, Inc. for temporary gas field rules for the X-Ray, S. (Marble Falls, Lo.) Field, Erath County, Texas, in which the Applicant requests:

1. 660-1,320' spacing.
2. 320-acre gas units plus 10% tolerance and maximum diagonal of 7,500'.
3. 100% acreage allocation.
4. Surface casing as recommended by Texas Department of Water Resources.

Service of the proposal for decision was waived.

APPLICANT'S EVIDENCE

The Applicant submitted eight exhibits and supporting testimony to show that the proposed rules are needed for orderly development of this relatively new gas field.

The evidence shows that the field was discovered April 13, 1981, on completion of the Applicant's Pannell Well No. 1. The discovery well had an initial absolute open flow of 600 MCF/D producing through overall perforations from 3,567 to 3,988'. Three additional wells have been completed with absolute open flows ranging from 480 to 650 MCF/D.

The evidence shows an average net effective gas pay thickness of 108' with an average porosity and permeability of 5% and 1.0 md and water saturation of 35%; gas gravity of 0.700; and, original reservoir pressure and temperature of 1,800 psi and 140°F.

The evidence shows that there has been no production to date. Following the initial potential test all wells were shut-in awaiting a pipeline connection.

Referring to Exhibit 2, an area map, the witness pointed out that there are a number of long, narrow tracts. He explained that the proposed 660-1,320' spacing and maximum diagonal of 7,500' are needed to permit flexibility. He also pointed out the nearby Marble Falls fields having 320-acre gas units.

The witness is of the opinion that a well in this reservoir will adequately drain the proposed 320-acre proration units and recommended approval of the rules to prevent waste and the drilling of unnecessary wells during the next 18 months.

#### FINDINGS OF FACT

From an evaluation of the evidence presented at this hearing, the examiner makes the following findings of fact:

1. The field was discovered April 13, 1981, on completion of the Applicant's Pannell Well No. 1.
2. The discovery well had an initial absolute open flow of 600 MCF/D producing through overall perforations from 3,567 to 3,988'.
3. Three additional wells have since been completed by the Applicant with absolute open flows ranging from 480 to 650 MCF/D.
4. All wells are shut-in awaiting pipeline connection.
5. The proposed rules are needed for continued orderly development.
6. There was no protest.

CONCLUSION OF LAW

Based on the above findings and statutory powers and duties of the Commission, the examiner makes the following conclusion of law applicable to this application:

1. That the proposed field rule order is a conservation measure properly within Commission jurisdiction.

RECOMMENDATION

Based on the foregoing findings and conclusion, the examiner recommends the attached order approving the proposed rules for the subject field during the next 18 months.

Respectfully submitted,



Bill E. Watson  
Senior Staff Geologist

BEW:bs

RECOMMENDATION APPROVED:

RECOMMENDATION DENIED:

Bob Harris Chief Engineer \_\_\_\_\_

Date of Commission Action \_\_\_\_\_