MEMORANDUM TO THE COMMISSION:

IN RE: Application of Coastal States Gas Producing Company for Salvage Classification of the X-Ray (Marble Falls) Field, Erath County, Texas.

DATE OF HEARING: September 29, 1969

APPEARANCES: Will E. Odom and W. D. Elliott

The applicant, who operates 43 wells, requests that this gas field be classified as a salvage operation and that Rule 3 (allocation formula) be suspended.

This is a very old gas field, with 79 wells producing from a depth of 3,146 feet. The Commission's records do not show the discovery date, but the field has been on production since 1928. Cumulative production is 94.2 billion cubic feet of gas. In 1968, the average reservoir pressure was only 297 psig. The current average production of the best wells is 150 MCF per well per day, and most of the wells produce less than 150 MCF per day.

Of the 79 producing wells, only 6 wells are capable of producing the current allowables. Thus, this is clearly a marginal and salvage operation. Several wells have been plugged and abandoned because of unusually low pressures and deliverability.

Based on the evidence, the writer recommends approval of salvage classification for this gas field. All of the wells are connected to the same pipe line and the application is supported by all of the operators. There was no protest.

Respectfully submitted,

Mac L. Coker
Mac L. Coker, Director
Technical Hearings

MLC:clm

RECOMMENDATION APPROVED: [Signature]
Chief Engineer

RECOMMENDATION DENIED: [Signature]
Chairman

[Signature]
Commissioner

[Signature]
Commissioner

DCA: 10-27-69.

Effective: 11-1-69.