



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 10-0309797

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THE APPLICATION OF MEWBOURNE OIL COMPANY TO AMEND THE FIELD RULES FOR THE ALLEN-PARKER (MARMATON) FIELD, HANSFORD, HEMPHILL, LIPSCOMB, OCHILTREE, AND ROBERTS COUNTIES, TEXAS

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HEARD BY: Peggy Laird, P.G. – Technical Examiner  
Kristi M. Reeve – Administrative Law Judge

HEARING DATE: May 7, 2018

CONFERENCE DATE: June 19, 2018

APPEARANCES:

James M. Clark, P.E.

REPRESENTING:

Mewbourne Oil Company

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Mewbourne Oil Company ("Mewbourne") seeks to amend field rules for the Allen-Parker (Marmaton) Field ("Allen-Parker") in Hansford, Hemphill, Lipscomb, Ochiltree, and Roberts Counties, Texas. Mewbourne requests amending Allen-Parker Field Rule Three to allow optional filing of individual proration unit plats, acreage to be assigned via a Form P-16, and the removal of the maximum diagonal limitation in the Field. Notice was provided to all operators in the field and the application is unopposed. The Technical Examiner and Administrative Law Judge (collectively "Examiners") recommend field rules be amended for the Allen-Parker (Marmaton) Field in Hansford, Hemphill, Lipscomb, Ochiltree, and Roberts Counties, Texas.

#### DISCUSSION OF THE EVIDENCE

Mr. James Clark provided testimony on behalf of the applicant. Mewbourne is the largest operator in the Allen-Parker, and current field rules require the filing of individual proration unit plats. Final Order Oil & Gas Docket No. 10-0306413, issued on December 5, 2017, approved Mewbourne's application to consolidate the Pan Petro (Marmaton) Field ("Pan Petro") into the Allen-Parker. The Pan Petro field rules had a provision for filing a Form P-15 *Statement of Productivity of Acreage Assigned to Proration Units*, or Form P-16 *Acreage Designation*. When the two fields were consolidated into the Allen-Parker, that provision was then no longer in effect.

The Marmaton is mostly a horizontal play with very few vertical wells being drilled. Exhibit No. 4 demonstrates how one area of the Marmaton may be higher quality reservoir with greater levels of estimated ultimate recovery, while a short distance away from that area the reservoir may exhibit the complete opposite characteristics and lower recovery volume. Because of the reservoir's heterogeneity and complexity, Mr. Clark considers it difficult to predict the reservoir

area a well may be draining, and that proration unit plats are unnecessary in the Allen-Parker. Accordingly, the maximum diagonal limitation is not needed when proration unit plats are not required.

#### FINDINGS OF FACT

1. Notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of the hearing. No protests were received.
2. Mewbourne is the largest operator in the Allen-Parker, and current field rules require the filing of individual proration unit plats.
3. The Pan Petro was consolidated into the Allen-Parker by Final Order Oil & Gas Docket No. 10-0306413, issued on December 5, 2017.
4. The Pan Petro field rules had a provision for filing a Form P-15 or Form P-16 that is no longer in effect.
5. Because of the reservoir's heterogeneity and complexity, it is difficult to predict the reservoir area a well may be draining.
6. At the hearing, the applicant agreed on the record that the Final Order in this case is to be effective when the Master Order is signed.

#### CONCLUSIONS OF LAW

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051.
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.42.
3. Amending Field Rule Three is appropriate to provide for the orderly development of the field.
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the agreement of the applicant, this Final Order is effective when a Master Order relating to this Final Order is signed on June 19, 2018.

#### EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend the Commission approve amending the field rules for the Allen-Parker (Marmaton) Field in Hansford, Hemphill, Lipscomb, Ochiltree, and Roberts Counties, Texas, as requested by Mewbourne Oil Company.

Respectfully submitted,



Peggy Laird, P.G.  
Technical Examiner



Kristi M. Reeve  
Administrative Law Judge