RAILROAD COMMISSION OF TEXAS HEARINGS DIVISION

OIL AND GAS DOCKET NO. 8A-0317989

APPLICATION OF ROCKER A OPERATING COMPANY (722932) TO CONSIDER AMENDING THE FIELD RULES FOR THE LEEPER (GLORIETA) FIELD, HOCKLEY COUNTY, TEXAS

HEARD BY: Robert Musick - Technical Hearings Examiner

Kristi M. Reeve - Administrative Law Judge

PREPARED BY: Ashley Correll - Technical Hearings Examiner

Kristi M. Reeve - Administrative Law Judge

HEARING DATE: April 4, 2019

CONFERENCE DATE: August 20, 2019

APPEARANCES: REPRESENTING:

APPLICANT

Ana Maria Marsland (Attorney)
Earl Chapman (Applicant)

Rocker A Operating Company

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Rocker A Operating Company ("Rocker") seeks to amend the current field rules for the Leeper (Glorieta) Field ("Field"), Hockley County, Texas. Rocker has requested to designate the correlative interval from 5,165 feet to 7,000 feet, from the San Andres formation through the Clear Fork formation; and to amend the between well spacing from 660 feet to no between-well spacing. The current field rules allow for production from the top of the San Andres (San Andres P-1 sand) and the Glorieta and Clear Fork formations. The adoption of the requested field rules will allow for additional production from the San Andres zones between the San Andres P-1 sand and the Glorieta formation. Rocker would like to re-enter existing wells and produce the interval between the currently producing zone.

Notice was given to operators in the Field, the application was not protested, and no protesting party appeared at the hearing. The Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend the amended field rules as set out in the Final Order be granted.

DISCUSSION OF THE EVIDENCE

Rocker sent a letter dated January 30, 2019, requesting a hearing to amend field rules. A Notice of Hearing was issued by the Commission on March 19, 2019, to all operators entitled to notice at least ten days prior to the date of the hearing. A hearing was held on April 4, 2019.

The Field (No. 52916500) was discovered when the first oil well was installed on April 8, 1958. Docket 8A-41,448 designated field rules for the reservoir in Terry County, Texas on August 10, 1959. In April 1984, Docket 8A-81,792 consolidated the D-L-S (Clearfork) Field into the current Leeper (Glorieta) Field. Docket 8A-91,762 further amended field rules regarding well spacing and acreage in March 1988.

Rocker's application requests a designation of the correlative interval for the Field from 5,165 feet to 7,000 feet, and to add Hockley County to the description of the Field. The entire correlative interval from 5,165 feet to 7,000 feet shall be designated as a single reservoir for proration purposes and be designated as the Leeper (Glorieta) Field. The correlative interval consists of the San Andres P-1 sand, from 5,150 feet to 5,164 feet, the San Andres Deep, from 5,165 feet to 5,470 feet, the Glorieta, from 5,471 feet to 6,000 feet, and the Clearfork from 6,001 feet to 7,000 feet, as shown on the Compensated Neutron Gamma Ray/CCL Log for the Rocker A Operating Company Young-Hays #109W well, in Terry County, Texas (API No. 42-219-37139).

Rocker currently produces out of the San Andres P-1 sand and the Glorieta and Clearfork formations. Rocker is requesting to designate the correlative interval to include the San Andres Deep, which lies between the San Andres P-1 sand and the Glorieta formation. Mr. Earl Chapman presented in testimony that Rocker would be re-entering existing wells to produce from the San Andres Deep. Mr. Chapman stated drilling new wells to recover reserves from this zone would not be economic, and surface constraints prevent the drilling of new wells to produce from the zone. During the hearing, Mr. Chapman testified that the recoverable reserves from the San Andres Deep is estimated to be between three to four million barrels of oil.

Rocker requested during the hearing to amend the between well spacing from 660 feet to no between-well spacing. On June 26, 2019, a Notice of Opportunity for Hearing letter was sent to the Service List providing 10 days to protest the supplemental amendment to the Field Rule. No protests or requests for hearing were received.

The requested rule changes will be protective of correlative rights, increase recovery of resources and prevent waste. The Examiners recommend granting the application.

At the hearing, Rocker agreed on the record that the Final Order in this case is to be final and effective when the Master Order relating to the Final Order is signed.

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 and no protests were received.
- 2. Rocker seeks to amend the current field rules for the Leeper (Glorieta) Field ("Field"), and to amend the Field to include Hockley County, Texas.
- 3. The Field (No. 52916500) was discovered when the first oil well was installed on August 5, 1959 in Terry County. The Field was formed on April 10, 1959.
- 4. On April 1, 1984, Docket 8A-81,792 consolidated the D-L-S (Clearfork) Field into the current Field, the Leeper (Glorieta) Field.
- 5. The current Field rules were established by Docket No. 8A-91,762, adopted on March 21, 1988, which amended rules regarding well spacing and acreage.
- 6. The entire correlative interval from 5,165 feet to 7,000 feet, covering the San Andres P-1 sand, from 5150 feet to 5164 feet, the San Andres Deep, from 5165 feet to 5470 feet, the Glorieta, from 5471 feet to 6000 feet, and the Clearfork from 6001 feet to 7000 feet, as shown on the Compensated Neutron Gamma Ray/CCL Log for the Rocker A Operating Young-Hays #109W well, in Terry County, Texas (API No. 42-219-37139); shall be designated as a single reservoir for proration purposes and be designated as the Leeper (Glorieta) Field.
- 7. In the hearing held on April 4, 2019, Rocker requested to designate the correlative interval for the Field from 5,165 feet to 7,000 feet, and to include Hockley County to the location description for the Field.
- 8. Rocker requested that Field Rule 2 be changed to amend the between well spacing from 660 feet to no minimum (0 feet) between-well spacing.
- 9. On June 26, 2019, a Notice of Opportunity for Hearing letter was sent to the Service List providing 10 days to protest the supplemental amendment to the Field Rule. No protests or requests for hearing were received.
- 10. The requested rule changes will be protective of correlative rights, increase recovery of resources, and prevent waste.
- 11. At the hearing, Rocker agreed on the record that the Final Order in this case is to be final and effective when the Master Order relating to the Final 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. The requested amendment to the Field Rules will prevent waste.
- 4. Pursuant to § 2001.144 (a)(4)(A) of the Texas Government Code and the agreement of the applicant, this Final Order is final and effective when a Master Order relating to the Final Order is presented at Commission conference and signed by the Commissioners.

EXAMINER'S RECOMMENDATION

Based on the above findings of facts and conclusions of law, the Examiners recommend the Commission enter an order regarding the application of Rocker A Operating Company granting the amended field rules as set out in the proposed Final Order for the Leeper (Glorieta) Field, Terry and Hockley Counties, Texas.

Respectfully submitted.

Ashley Correll, P.G.

Technical Hearings Examiner

Kristi M. Reeve

Administrative Law Judge