



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 7C-0319829

APPLICATION OF O'RYAN OIL AND GAS (617042) TO AMEND SPECIAL FIELD RULES IN THE WYATT FIELD, CROCKETT COUNTY, TEXAS

HEARD BY: Austin Gaskamp – Technical Examiner
Jennifer Cook – Administrative Law Judge

HEARING DATE: August 19, 2019

CONFERENCE DATE: October 22, 2019

APPEARANCES:

Doug J. Dashiell, Attorney
Kerry A Pollard, Consulting Engineer

REPRESENTING:

O'Ryan Oil and Gas

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

O'Ryan Oil and Gas ("O'Ryan") seeks to amend field rules for the Wyatt Field ("Field"). Field rules for this field were adopted in O&G Docket No. 7C-0232776 and are summarized as follows:

- Rule 1: Designated interval from 1245' to 1480' as shown on the log of the Amoco Production Company J.S. Todd "A" Lease, Well No. 14, Section 30, Blk WX, GC&F RR Co. Survey, Crockett County, Texas.
- Rule 2: Lease line spacing of 330 feet and between well spacing of 660 feet.
- Rule 3: 40 acre proration units with optional 20 acre units, 20 acre tolerance provision for the last well on the lease.
- Rule 4: Allocation based on 100% acreage.

O'Ryan seeks to amend Rule 2 to provide for 200'/400' spacing. O'Ryan seeks to amend Rule 3 to change the optional unit size from 20 acres to 10 acres. Additionally, O'Ryan requests to amend Rule 3 to remove maximum diagonal limitation and to eliminate the requirement for filing proration unit plats for individual wells; however, an operator may file individual proration plats at their option.

Notice was provided to the operators in the Field. The application is unopposed. The Technical Examiner and Administrative Law Judge ("Examiners") recommend the requested amendments to the Field Rules as proposed by O'Ryan.

DISCUSSION OF THE EVIDENCE

The Wyatt Field was discovered in January of 1940 at a depth of 1,224'. The Field currently has 20 active wells, 11 of which are operated by O'Ryan. The total current potential reported for the 20 wells is 39 barrels of oil per day. O'Ryan seeks to amend the spacing and density rules to facilitate a water flood program within portions of the Field. O'Ryan contends that amending the lease line spacing rule to 200' and the between well spacing to 400' will prevent waste of recoverable oil.

O'Ryan also requests the adoption of a 10-acre optional density in place of the current 20-acre optional density. A 1999 study of two wells on the O'Ryan Rainmaker 2 Lease estimated drainage areas for these wells of 10 and five acres respectively. O'Ryan presented a summary of the drainage areas including all wells in the field and concludes that the average drainage area per well is 10.6 acres. Adoption of 10-acre optional density size will therefore prevent waste of recoverable oil.

The Field has produced approximately 2.5 million cumulative barrels of oil. O'Ryan testified that amending the rules as requested will facilitate infill drilling of both producing and injection wells and increase the ultimate recovery from the Field.

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. Amending field rules for the Wyatt Field will facilitate additional drilling, which will increase the ultimate recovery of oil from the Field.
 - a. The proposed spacing rules are appropriate for planned infill development of the Wyatt Field.
 - b. The proposed amendment to the optional density rule will protect correlative rights and prevent waste.

3. At the hearing, the applicant agreed on the record that the Final Order in this case is to be effective when a 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 and 1.45.
3. Approval of the application will prevent waste, protect correlative rights and promote development of the Wyatt Field.
4. Pursuant to § 2001.144(a)(4)(A) of the Texas Government Code, and the agreement of the applicant on the record, this Final Order is effective when a Master Order relating to this Final Order is signed on October 22, 2019.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend the approval of the application of O'Ryan Oil and Gas to amend field rules for the Wyatt Field.

Respectfully submitted,



Austin Gaskamp
Technical Examiner



Jennifer Cook
Administrative Law Judge