



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 08-0321339

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**APPLICATION OF JETTA OPERATING COMPANY, INC. (432283) TO CONSOLIDATE THE SCOTT (CHERRY CANYON) FIELD INTO THE COLLIE (DELAWARE) FIELD, OR IN THE ALTERNATIVE, APPLICATION TO AMEND FIELD RULES IN THE SCOT (CHERRY CANYON) FIELD, REEVES AND WARD COUNTIES, TEXAS**

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**HEARD BY:** Petar Buva – Technical Examiner  
Charles S. Zhang – Administrative Law Judge

**DATE OF HEARING:** November 1, 2019  
**CONFERENCE DATE:** January 14, 2019

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

John Soule, Attorney  
James Clark, P.E.

Jetta Operating Company, Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Jetta Operating Company, Inc. ("Jetta" or "Applicant") seeks to consolidate the Scott (Cherry Canyon) Field into the Collie (Delaware) Field, Reeves and Ward County, Texas. As an alternative to the field consolidation, Jetta requested amendment of field rules for the Scott (Cherry Canyon), but at the hearing the Applicant decided to pursue field consolidation. The application is unopposed, and the Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend approval of the field consolidation as requested by Jetta.

#### DISCUSSION OF THE EVIDENCE

The Applicant is requesting consolidation of the Scott (Cherry Canyon) Field into Collie (Delaware) Field. With that consolidation Scott (Cherry Canyon) Field would cease to exist for all intents purposes. The Applicant is also requesting amendment of the Collie (Delaware) Field Rules as follows:

- 1) Amend the field interval to include the entire Delaware mountain group by adding 4 feet at the top and 68 feet at the base, i.e. from 4,664' to 8,098';

- 2) Amend the lease line spacing to 191’;
- 3) Amend the standard drilling and proration unit to 80 acres.

The Collie (Delaware) Field was discovered on November 7, 1981 at a depth of 4,725 feet. Current field rules have the correlative interval from 4,668’ to 8,030’, lease line spacing 233’, and proration unit of 80 acres. Current proration schedule for Collie (Delaware) Field shows several hundred oil or injecting wells and no producing gas wells. Current field rules governing this field have 233’ lease line spacing, 0 feet well spacing, and 80 acres proration unit with 20 acres tolerance and 10 acres optional.

The Scott (Cherry Canyon) Field was discovered on August 5, 1978 at a depth of 6,134 feet. Similarly to the Collie (Delaware), the current proration schedule for Scott (Cherry Canyon) Field shows over 100 oil or injection wells and no producing gas wells. Current field rules governing this field have 191 feet lease line spacing, 0 feet well spacing, and 160 acres proration unit with 10 acre tolerance and 10 acre optional.

Since their discovery the two fields have geographically grown together. In 2015 Oil and Gas Docket No. 08-0296468 recognized that the development of the Collie (Delaware) and Scott (Cherry Canyon) led to some lateral overlap. The docket further suggests that “*harmonization of certain field rules will allow for efficient development of the greater area.*” Consolidation of the fields and amendment of the field rules would allow for the suggested harmonization.

Jetta also requests the transfer of all wells in those two fields into the Collie (Delaware) Field.

#### FINDINGS OF FACT

1. Notice of this hearing was provided to all operators in the affected fields at least ten (10) days prior to the date of the hearing.
2. The Scott (Cherry Canyon) Field was discovered on August 5, 1978 at a depth of 6,134 feet.
3. The Collie (Delaware) Field was discovered on November 7, 1981, at a depth of 4,725 feet.
4. The Applicant requests consolidation of the Scott (Cherry Canyon) Field into Collie (Delaware) Field. With that consolidation Scott (Cherry Canyon) Field would cease to exist for all intents purposes.
5. The Applicant requests field rule amendments to include:
  - a) Extension of the correlative interval from 4,664’ to 8,098’;
  - b) Amend the lease line spacing to 191’;
  - c) Amend the standard drilling and proration unit to 80 acres.
6. The Applicant requests the transfer of the wells in Scott (Cherry Canyon) Field into the Collie (Delaware) Field.

7. The geographic area in which wells have been permitted and completed in the Scott (Cherry Canyon) Field and the Collie (Delaware) Field has expanded considerably since the fields were discovered causing them to overlap.
8. Applicant agreed in writing or on the record that, pursuant to the provisions of Texas Government Code §2001.144(a)(4)(A), this Final Order can be final and effective on the date a Master Order relating to this Final Order is signed.

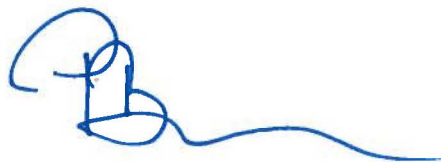
#### **CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. The requested field consolidation will prevent waste, protect correlative rights, and promote the orderly development of the affected fields.
4. Pursuant to §2001.144(a)(4)(A) of the Texas Government Code and by agreement of the parties in writing or on the record, the Final Order can be final and effective when a Master Order relating to the Final Order is signed.

#### **EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend consolidation of the Scott (Cherry Canyon) and the Collie (Delaware) Fields into the Collie (Delaware) Field. The Examiners also recommend adoption of the amended field rules for the consolidated Collie (Delaware) Field and transfer of all wells in the Scott (Cherry Canyon) Field to the Collie (Delaware) Field, as requested by Jetta Operating Company, Inc.

Respectfully submitted,



Petar Buva  
Technical Examiner



Charles S. Zhang  
Administrative Law Judge