

THE APPLICATION OF UNION OIL COMPANY OF CALIFORNIA TO CONSIDER ALLOWABLE RELIEF FOR THE SVRUC LEASE WELL NO. 2911, VAN (RODESSA) FIELD, VAN ZANDT COUNTY, TEXAS

Heard by: Donna K. Chandler, Technical Examiner

Hearing Date: July 10, 2007

Appearances:

Brian Sullivan
Khaled Larbi
Chuck Treska
Bruce Isabel

Representing:

Union Oil Company of California

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Union Oil Company of California requests that the classification of gas wells in the Van (Rodessa) Field be changed from associated 49(b) to associated-prorated. In addition, Union requests that all overproduction for the SVRUC No. 2911 be canceled.

This application was unopposed and the examiner recommends approval.

DISCUSSION OF THE EVIDENCE

The Van (Rodessa) Field was discovered in 1975 and is currently classified as associated-49(b). There are eight producing oil wells on the South Van Rodessa Upper Carlisle Unit (SVRUC Unit) and one gas well, the No. 2911. Unocal operates 12 other producing oil wells in the field. These wells are on nine leases which are not in the Unit. Buffco Production has one producing oil well and Crawford Energy Operating has one producing oil well.

In 1999, the Commission approved Unitization and Secondary Recovery Authority for the SVRUC Unit. The Unit area is fault separated from other producing wells in the field. Water injection commenced into the Rodessa and Upper Carlisle in 2000 and continued through mid-2006. Very little response was seen and the waterflood was discontinued.

The No. 2911 was drilled in 2000 for the purpose of injection into the Rodessa and

Carlisle as part of the secondary recovery project. Rodessa perforations were between 4,829 feet and 4,971 feet; Upper Carlisle perforations were between 4,994 and 5,030 feet. After limited injection into the well in 2000 and 2001, the Rodessa perforations were squeezed and the Upper Carlisle perforations were re-perforated and stimulated for production. From 2002 through 2005, the well produced a few hundred barrels of oil and small amounts of gas. In February 2006, Unocal obtained Rule 10 authority to commingle production from the Upper Carlisle and Rodessa. After only a few weeks, the well began loading and in April 2006, the Upper Carlisle perforations were isolated below a bridge plug and the Rodessa was re-perforated and stimulated. Production from these Rodessa perforations is currently 300-400 MCFD and 2 BCPD. The well is overproduced approximately 50 MMCF as of June 1, 2007.

Gas wells in the field are currently limited to 219 MCFD based on Rule 49(b). March 2007 production from the SVRUC Unit was 788 BO and 2,407 MCF of gas, or an average of 3 BOPD per well. All other oil wells in the field produce less than 10 BOPD.

The Rodessa structure is highly faulted and a large fault separates the SVRUC Unit from other production to the northeast. It was believed that the smaller splinter faults in the Rodessa were not sealing. However, after the failed waterflood, Unocal is convinced that the No. 2911 well is not in communication with any other well in the field. Therefore, there is no reason to limit gas production from the Rodessa. No further development of this depleted field is anticipated.

FINDINGS OF FACT

1. Notice was issued to all affected persons at least ten (10) days prior to the date of the hearing.
2. The Van (Rodessa) Field was discovered in 1975 and is classified as associated 49(b). The Rule 49(b) gas limit for gas wells is 219 MCFD and top oil allowable is 102 BOPD.
3. In 1999, the South Van Rodessa Upper Carlisle Unit (SVRUC Unit) was approved for waterflooding.
4. There are a total of 22 producing oil wells in the field and one gas well, the No. 2911. The Unit area is fault separated from other producing wells in the field and there are eight producing oil wells on the Unit.
5. Water injection commenced into the Rodessa and Upper Carlisle in 2000 and continued through mid-2006. Very little response was seen and the waterflood was discontinued.
6. The No. 2911 was drilled in 2000 as an injection well into the Rodessa and Carlisle. After a short period of injection, the well was converted to a Upper

Carlisle producer, then commingled producer in both zones, and is now producing only from Rodessa perforations between 4,829 feet and 4,971 feet.

7. Current production from the No. 2911 is 300-400 MCFD and 2 BCPD.
8. No oil wells in the field are capable of producing in excess of 20% of the top allowable.
9. The No. 2911 well is not in communication with any other well in the field and limiting gas production from the Rodessa is not necessary to prevent waste.
10. The No. 2911 well is overproduced approximately 50 MMCF as of June 1, 2007.

CONCLUSIONS OF LAW

1. Proper notice was timely issued to all persons legally entitled to notice.
2. All things have been accomplished to give the Commission jurisdiction in this matter.
3. Classification of the Van (Rodessa) Field as associated-prorated will not cause waste.
4. Cancellation of overproduction for the SVRUC Unit No. 2911 in the Van (Rodessa) Field will not cause waste or harm correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends that the Van (Rodessa) Field be classified as associated-prorated and that all overproduction for the SVRUC Unit No. 2911 be canceled.

Respectfully submitted,

Donna K. Chandler
Technical Examiner