



RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 03-0265977

THE APPLICATION OF BRAMMER ENGINEERING, INC. TO CONSOLIDATE THE MAPLE SLOUGH (UPPER WILCOX), MAPLE SLOUGH (UPPER WILCOX, OIL), MAPLE SLOUGH (WILCOX 10000) AND MAPLE SLOUGH (WILCOX, UPPER) FIELD INTO A NEW FIELD TO BE KNOWN AS THE MAPLE SLOUGH (UPPER WILCOX CONS) FIELD, AND TO ADOPT FIELD RULES FOR THE MAPLE SLOUGH (UPPER WILCOX CONS) FIELD, HARDIN COUNTY, TEXAS

Heard by: Donna K. Chandler on June 23, 2010

Appearances:

Dale Miller

Representing:

Brammer Engineering, Inc.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Brammer Engineering, Inc. requests that the Maple Slough (Upper Wilcox), Maple Slough (Upper Wilcox, Oil), Maple Slough (Wilcox 10000) and Maple Slough (Wilcox, Upper) Field Fields be consolidated into a new field called the Maple Slough (Upper Wilcox Cons) Field and that the following rules be adopted for the consolidated field:

1. Designated interval from 9,552 feet to 10,700 feet as shown on the log of the B. P. Ricker No. 1;
2. 467'-1,320' well spacing;
3. 320 acre density for oil and gas wells;
4. Allocation based 5% deliverability and 95% acreage, with AOF status for the gas field; salvage classification for oil wells.

This application was unopposed and the examiner recommends approval of Brammer's request for field consolidation and field rules.

DISCUSSION OF THE EVIDENCE

On January 3, 1987, the Commission approved consolidation of the Maple Slough (Wilcox, Upper) and Maple Slough (Wilcox, Upper Oil) Fields into the Maple Slough (Upper

Wilcox) Field. However, the Commission proration schedules do not reflect that this consolidation was ever put into effect and the fields remain listed on the proration schedule. Brammer now requests that these fields be consolidated, along with the Maple Slough (Wilcox 1000) Field, into a new field called the Maple Slough (Upper Wilcox Cons) Field.

The fields were discovered in the 1980's and a total of 14 completions have been made in 9 wellbores. Cumulative production from all fields is approximately 400,000 BO and 2 BCF of gas. There are currently only three active wells in the fields, each with a current potential of 5 BOPD.

The proposed consolidated field is from 9,552 feet to 10,700 feet as shown on the log of the B. P. Ricker No. 1. This interval includes several Upper Wilcox sands, many of which would not be economic as single completions. Consolidation of the various sands into a single field will result in the recovery of additional reserves which would otherwise be uneconomic. Three reservoirs within an existing wellbore can be completed for a cost of approximately \$770,000. To sequentially make three completions in a single wellbore would cost approximately \$1.061 million. The savings associated with the consolidation will result additional recovery as a result of a lower combined economic limit.

Brammer requests that a 320 acre density rule be adopted for oil and gas wells, as this density has already been applicable to 3 of the 5 fields to be consolidated. The proposed spacing rule of 467'-1,320' has also been applicable to all 3 fields which have operated under 320 acre rules.

A two factor allocation formula based on 5% deliverability and 95% acreage is requested for the consolidated field to meet statutory requirements. Additionally, AOF status is requested for the consolidated field because there is a market for all gas produced. Brammer also requests salvage classification for the oil field so that allowable will not be restricted for the oil wells.

FINDINGS OF FACT

1. Notice of this hearing was sent to all persons legally entitled to notice at least ten days prior to the date of hearing.
2. On January 3, 1987, the Commission approved consolidation of the Maple Slough (Wilcox, Upper) and Maple Slough (Wilcox, Upper Oil) Fields into the Maple Slough (Upper Wilcox) Field. However, the Commission proration schedules do not reflect that this consolidation was ever put into effect and the fields remain listed on the proration schedule.
3. The five subject fields were discovered in the 1980's and a total of 14 completions have been made in 9 wellbores.

4. Cumulative production from all fields proposed for consolidation is approximately 400,000 BO and 2 BCF of gas.
5. There are currently only three active wells in the fields, each with a current potential of 5 BOPD.
6. A 320 acre density rule is appropriate for the consolidated field because this density has already been applicable to 3 of the 5 fields to be consolidated. The other two fields are on Statewide Rules.
7. The proposed spacing rule of 467'-1,320' is appropriate for the consolidated field because this spacing has been applicable to all 3 fields which have operated under 320 acre rules.
8. Consolidation of the fields will result in the recovery of additional reserves from the various fields as a result of a lower combined economic limit.
9. The Maple Slough (Upper Wilcox Cons) Field should be designated as the correlative interval from 9,552 feet to 10,700 feet as shown on the log of the B. P. Ricker No. 1.
10. Allocation based on 5% deliverability and 95% acreage will protect correlative rights and satisfy statutory requirements.
11. There is a market for all gas produced from the field.

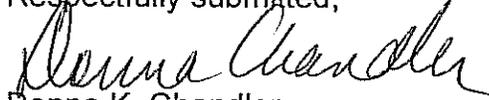
CONCLUSIONS OF LAW

1. Proper notice of this hearing was given to all persons legally entitled to notice.
2. All things have occurred or been accomplished to give the Railroad Commission jurisdiction in this matter.
3. Consolidation of the fields as proposed by Brammer Engineering Inc. is necessary to prevent waste and protect correlative rights.
4. The proposed field rules will prevent waste, protect correlative rights, and satisfy statutory requirements.
5. Suspension of the allocation formula for the Maple Slough (Upper Wilcox Cons) Field is appropriate pursuant to Rule 31(j).

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that the four subject fields be consolidated into a new field to be known as the Maple Slough (Upper Wilcox Cons) Field and that the requested field rules be adopted for the consolidated field.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Donna Chandler".

Donna K. Chandler

Technical Hearings Examiner