

**THE APPLICATION OF SAMSON LONE STAR LP. TO CONSOLIDATE VARIOUS HARGILL FIELDS AND FOR FIELD RULES FOR THE (PROPOSED) HARGILL (FRIO CONS.) FIELD, HIDALGO AND WILLACY COUNTIES, TEXAS**

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**Heard by:** Andres J, Trevino, P.E. on April 17, 2007

**Appearances:**

James Clark

**Representing:**

Samson Lone Star LP.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Samson Lone Star LP. requests that 4 Hargill Fields be consolidated into a new field to be known as the Hargill (Frio Cons.) Field. The fields proposed for consolidation are as follows:

Hargill (8850) Field	39060 300
Hargill (10000) Field	39060 333
Hargill (11000 Sand) Field	39060 666
Hargill (11400 Frio) Field	39060 700

Samson requests that the following rules be adopted for the consolidated field:

1. Designated interval from 8,860 feet to 13,000 feet as shown on the log of the Magnolia Petroleum Co., Hidalgo-Willacy Oil Co. No. 1;
2. Well spacing a minimum of 467 feet from lease lines with no between-well spacing limitation;
3. 40 acre drilling units;
4. Allocation based 5% per well and 95% deliverability;
5. Salvage classification for oil wells.

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

**DISCUSSION OF THE EVIDENCE**

The 4 fields which are the subject of this hearing were discovered beginning in 1954.

The fields include Frio sands which are in the late stage of depletion. Three of the four fields are non-associated gas fields and all operate under Statewide Rules.

There are a total of 3 wells listed on the proration schedules for the various fields with only the recently drilled Samson gas well as the only actively producing well. A total of 6 wellbores have been completed in the fields and cumulative production from the fields is about 3.8 BCF of gas and 131,000 BC. Samson has drilled 2 additional wells in the field but has not filed completion reports yet.

Samson will drill additional wells within the depleted reservoirs targeting the various sands within the consolidated interval. The sands are lenticular, thin and of varying reservoir quality. Additionally the sands are faulted within the area. Reducing the between-well spacing requirement will provide opportunities for infill drilling without the need for Rule 37 exceptions.

Samson requests a density rule of 40 acres for the consolidated field due to the small areal extent of the sand lenses. Currently all fields have 40 acre statewide density.

Samson requests that the consolidated field be designated as the interval from 8,860 feet to 13,000 feet as shown on the log of the Magnolia Petroleum Co., Hidalgo-Willacy Oil Co. No. 1. Consolidation of the various sands into a single field will result in the recovery of additional reserves which would otherwise be uneconomic.

The proposed consolidated field will consist of numerous sands. A two factor allocation formula based on 95% deliverability and 5% per well is requested for the consolidated field to meet statutory requirements.

Samson requests salvage classification for any oil wells found in the field. Only one oil well has been drilled in the field and given the depleted status of the reservoirs, there is no reason to limit production.

### **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. The subject fields proposed for consolidation were discovered beginning in 1954. Three of the fields are non-associated gas fields and there is only one producing well in the field at this time.
3. The 4 fields produce from Frio sands which are thin lenticular sands of limited areal extent in the late stages of depletion.
4. All of the fields operate under Statewide Rules.
5. Consolidation of the fields will not harm any of the reservoirs because of the similar reservoir and fluid properties.

6. 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.
7. The Hargill (Frio Cons.) Field should be designated as the correlative interval from 8,860 feet to 13,000 feet as shown on the log of the Magnolia Petroleum Co., Hidalgo-Willacy Oil Co. No. 1.
8. The proposed 467'/0' well spacing rule for the consolidated field will provide flexibility in drilling infill wells for completion in the various lenticular Frio sands without the need for Rule 37 exceptions.
9. A density rule providing for 40 acre density is appropriate for the consolidated field to better target potential reserves within the various sands.
10. Allocation based 5% per well and 95% on deliverability will protect correlative rights and satisfy statutory requirements.
11. Any oil wells should be exempt from proration and be classified as salvage.

**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 Samson Lone Star LP. is necessary to prevent waste and protect correlative rights.
4. The proposed field rules will prevent waste, protect correlative rights, and satisfy statutory requirements.

**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 Hargill (Frio Con.) Field and that the requested field rules be adopted for the consolidated field.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Hearings Examiner