



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 06-0283101

THE APPLICATION OF EXXON MOBIL CORPORATION TO CONSOLIDATE THE HAWKINS (WOODBINE) FIELD INTO THE HAWKINS FIELD AND AMEND FIELD RULE NO. 4 FOR THE HAWKINS FIELD, WOOD COUNTY, TEXAS

HEARD BY: Andres J. Trevino, P.E. - Technical Examiner
Michael Crnich - Legal Examiner

HEARING DATE: June 28, 2013

APPEARANCES:

REPRESENTING:

APPLICANT:

Tim George
William T. Duncan, Jr.

Exxon Mobil Corporation

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Exxon Mobil Corporation (Exxon Mobil) requests that the Hawkins (Woodbine) Field be consolidated into the Hawkins Field. Exxon Mobil requests that Field Rule No. 4 be amended to permanently classify all wells in the Hawkins Field as oil wells.

This application was unopposed and the examiners recommend approval of the requested field consolidation and amending Rule No. 4 to permanently reclassify all wells in the Hawkins Field as oil wells.

DISCUSSION OF THE EVIDENCE

The Hawkins (Woodbine) Field was discovered in 1941 at a depth of 4,787 feet. The field is currently being used to place any gas wells within the Hawkins Field into the Hawkins (Woodbine) Field. There are 12 gas wells carried in the field, all wells operated by Exxon Mobil. The wells produce from the same Woodbine formation as the wells from the Hawkins Field. The original gas produced contained 1.8% nitrogen. Currently, after many years of secondary recovery of the Hawkins Field by injection of nitrogen, the gas

produced contains 70% nitrogen. The field rules last amended for the Hawkins and Hawkins (Woodbine) Fields in 2012 classify the fields as salvage for allowable purposes with no limitation on the production of oil, casinghead gas, gas well gas or condensate.

The Hawkins Field was discovered in 1940 at a depth of 4,531 feet. The Hawkins Field is a large nearly depleted oil field that has produced nearly a billion barrels of oil over the decades. The field was unitized in 1975 for secondary recovery and is operated by Exxon Mobil. There are approximately 200 producing oil wells and 200 shut-in wells carried in the field. The field produces from the same Woodbine formation that the Hawkins (Woodbine) Field produces from. The field has cumulative production of 890.7 MMBO. The field is classified as salvage for allowable purposes with no limitation on the production of oil or casinghead gas.

The Hawkins Field produces from the Woodbine formation that is composed of many faulted sands. The reservoir sands are highly permeable, contain a gas cap, water drive and an asphalt layer. The field has been produced most recently using a double displacement process whereby inert gas is injected into the gas cap while saltwater is removed from the water drive aquifer. The inert gas, nitrogen, is more efficient in sweeping oil from the reservoir than the water drive. The Hawkins (Woodbine) Field was created to place gas cap gas wells in a separate field during the secondary recovery project. The field currently contains 12 gas wells. The nitrogen content of the gas is currently 70% nitrogen. The double displacement process moves the oil column up and down within each wellbore over time. Each well is periodically tested to determine what it is capable of producing (gas or oil). As the well classification changes with the changing depth of the oil column, the well must be reclassified, creating an unnecessary burden on Exxon Mobil and Commission staff by filing numerous completion reports.

Due to nature of the artificially created inert gas cap, Exxon requests the Hawkins (Woodbine) Field be consolidated into the Hawkins Field and to permanently classify each well as an oil well. The oil wells in the Hawkins field are currently classified as salvage oil wells allowing them to produce any quantity of oil they are capable of producing. Consolidating the fields will promote the orderly development of the reservoir by minimizing the unnecessary filings of G-1's, and minimizing the burden on Commission Staff from maintaining a separate field with unnecessary filings.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and there were no protests.
2. The Hawkins (Woodbine) Field was discovered in 1941 at a depth of 4,787 feet. The field is currently being used to place any gas wells within the Hawkins Field into the Hawkins (Woodbine) Field. There are 12 gas wells carried in the field, all wells operated by Exxon Mobil.

3. The gas produced from the Hawkins (Woodbine) Field contains 70% nitrogen.
4. The Hawkins Field was discovered in 1940 at a depth of 4,531 feet. The Hawkins Field is a large nearly depleted oil field that has produced nearly a billion barrels of oil over the decades. The field was unitized in 1975 for secondary recovery and is operated by Exxon Mobil.
5. There are approximately 200 producing oil wells and 200 shut-in wells carried in the Hawkins Field. The Hawkins Field has cumulative production of 890.7 MMBO.
6. The Hawkins and the Hawkins (Woodbine) Fields produce from the same Woodbine formation.
7. The Hawkins and the Hawkins (Woodbine) Fields are classified as salvage for allowable purposes with no limitation on the production of oil, casinghead gas, gas well gas or condensate.
8. The Hawkins Field produces from the Woodbine formation that is composed of many faulted sands. The reservoir sands are highly permeable, contain a gas cap, water drive and an asphalt layer.
9. The field has been produced most recently using a double displacement process whereby inert gas is injected into the gas cap while saltwater is removed from the water drive aquifer. The inert gas, nitrogen, is more efficient in sweeping oil from the reservoir than the water drive.
10. The Hawkins (Woodbine) Field was created to place gas cap gas wells in a separate field during the secondary recovery project.
11. The double displacement process moves the oil column up and down within each wellbore over time.
12. Each well is periodically tested to determine what it is capable of producing (gas or oil). As the well classification changes with the changing depth of the oil column, the well must be reclassified, creating an unnecessary burden on Exxon Mobil and Commission staff by filing numerous completion reports.
13. The oil wells in the Hawkins field are currently classified as salvage oil wells allowing them to produce any quantity of oil they are capable of producing.

14. Consolidating the fields will promote the orderly development of the reservoir by minimizing the unnecessary filings of G-1's, and minimizing the burden on Commission Staff from maintaining a separate field with unnecessary filings.

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. Considering consolidation of fields and amendment of field rules, and determining the effectiveness of the rules and appropriate actions are matters within the Commission's jurisdiction.
4. Consolidation of the fields and adoption of the proposed amended field rule as proposed by Exxon Mobil Corporation is necessary to prevent waste, foster conservation and protect correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiners recommend that the Hawkins (Woodbine) Field be consolidated into the Hawkins Field and that all wells in the Hawkins Field be permanently classified as oil wells.

Respectfully submitted,



Andres J. Trevino, P.E.
Technical Examiner



Michael Crnich
Legal Examiner