



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 7C-0279182

THE APPLICATION OF GREEN CENTURY EXP & PROD, LLC TO CONSOLIDATE THE NOELKE, SOUTHEAST (QUEEN, LOWER) FIELD INTO THE NOELKE, SOUTHEAST (QUEEN) FIELD AND TO RENUMBER AND AMEND THE FIELD RULES FOR THE NOELKE, SOUTHEAST (QUEEN) FIELD, CROCKETT COUNTY, TEXAS

HEARD BY: Richard D. Atkins, P.E. - Technical Examiner
Marshall F. Enquist - Legal Examiner

DATE OF HEARING: December 12, 2012

APPEARANCES: REPRESENTING:

APPLICANT:

A. James Mayer
Umber Mayer

Green Century Exp & Prod, LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Green Century Exp & Prod, LLC ("Green Century") requests to consolidate the Noelke, Southeast (Queen, Lower) Field, ID No. 65680 666, into the Noelke, Southeast (Queen) Field, ID No. 65680 333, and renumber and amend the Field Rules for the Noelke, Southeast (Queen) Field.

Field Rules for the Noelke, Southeast (Queen) Field were adopted by Final Order No. 7C-80,810, effective August 29, 1983. The Field Rules currently in effect for the field are summarized as follows:

1. 330'-660' well spacing;
2. 40 acre units with optional 20 acre density;
3. Oil allocation based on 100% acres with a top oil allowable of 78 BOPD and gas allocation based on 100% deliverability.

Green Century requests that the Field Rules be amended as follows:

1. Designation of the field as the correlative interval from 1,560 feet to 2,020 feet as shown on the log of the Fred Turner, Jr., Est. - Shannon -AA- Lease, Well No. 1;
2. 150'-300' oil well spacing;
3. 10 acre oil units with optional 5 acre density;
4. Oil allocation based on 100% acres with a top MER oil allowable of 150 BOPD.

The application is unopposed and the examiners recommend approval of the field consolidation and renumbering and amending the Field Rules for the Noelke, Southeast (Queen) Field, as requested by Green Century.

DISCUSSION OF THE EVIDENCE

The Noelke, Southeast (Queen) Field was discovered in November 1958 at an average depth of 1,900 feet. There are currently 11 producing oil wells, six producing gas wells and three operators carried on the proration schedules. The field operates under Field Rules providing for 330'-660' well spacing and 40 acre units with optional 20 acre density. Cumulative production from the field through November 2012 is 256.9 MBO and 723.3 MMCFG.

The Noelke, Southeast (Queen, Lower) Field was discovered in February 1959 at an average depth of 1,850 feet. There is currently no producing wells carried on the proration schedule and the field operates under Statewide Rules. Cumulative production from the field is 182.3 MBO and 2.2 MMCFG.

Green Century is proposing to consolidate the Noelke, Southeast (Queen, Lower) Field into the Noelke, Southeast (Queen) Field. The proposed designated interval for the consolidated field is the entire correlative interval from 1,560 feet to 2,020 feet as shown on the log of the Fred Turner, Jr., Est. - Shannon -AA- Lease, Well No. 1 (API No. 42-105-03307), Section 23, Block GG, GC&SF RR Co Survey, A-3679, Crockett County, Texas. This interval includes the entire Queen formation.

The fields are geographically intermingled and there are no other fields contained within the proposed correlative interval. All of the reservoirs are continuous across the field area and contain sands that are deposited over a North-South trending axis of a minor regional synclinal fold. The heart of the field is an oval lens that is approximately 1.4 miles long and 0.75 miles wide. The gross interval is 400 feet thick and has a main pay zone net thickness of 25 feet. The primary drive mechanism is a solution gas drive and the fields are in the later stages of primary depletion.

Green Century has acquired a new 445 acre lease and will be actively re-developing the consolidated interval by drilling infill wells. Green Century proposes to initially implement a waterflood by drilling 5 injection wells and 16 producing wells. For future development to increase the flood efficiency, Green Century plans to re-enter some of the plugged out wells on the new lease. Green Century will use brackish water from the Santa Rosa formation for the waterflood source water. Green Century estimates that secondary recovery will equal 200 to 500% of primary recovery or approximately 600 to 1,500 MBO.

The proposed consolidated field was originally developed down to 20 acres per well and Green Century plans to further develop the field down to a density of 5 acres. The field area has topographic challenges created by the presence of a rugged canyon and mesa system. Minimum oil well spacing of 150'-300' and 10 acre oil units with optional 5 acre density will provide flexibility in locating wells for future development in the area. Green Century also requests that the top oil allowable be set at a MER Allowable of 150 BOPD for a 10 acre well.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and there were no protests.
2. The Noelke, Southeast (Queen) Field was discovered in November 1958 at an average depth of 1,900 feet.
 - a. There are currently 11 producing oil wells, six producing gas wells and three operators carried on the proration schedules.
 - b. The field operates under Field Rules providing for 330'-660' well spacing and 40 acre units with optional 20 acre density.
3. The Noelke, Southeast (Queen, Lower) Field was discovered in February 1959 at an average depth of 1,850 feet. There is currently no producing wells carried on the proration schedule and the field operates under Statewide Rules.
4. The Noelke, Southeast (Queen, Lower) Field should be consolidated into the Noelke, Southeast (Queen) Field.
5. The fields are geographically intermingled and there are no other fields contained within the proposed correlative interval. All of the reservoirs are continuous across the field area and contain sands that are deposited over a North-South trending axis of a minor regional synclinal fold.

6. The designated interval for the consolidated field should be the entire correlative interval between 1,560 feet to 2,020 feet as shown on the log of the Fred Turner, Jr., Est. - Shannon -AA- Lease, Well No. 1 (API No. 42-105-03307), Section 23, Block GG, GC&SF RR Co Survey, A-3679, Crockett County, Texas. This interval includes the entire Queen formation.
7. Green Century Exp & Prod, LLC ("Green Century") has acquired a new 445 acre lease and will be actively re-developing the consolidated interval by drilling infill wells.
 - a. Green Century proposes to initially implement a waterflood by drilling 5 injection wells and 16 producing wells.
 - b. Green Century estimates that secondary recovery will equal 200 to 500% of primary recovery or approximately 600 to 1,500 MBO.
8. Minimum oil well spacing of 150'-300' and 10 acre oil units with optional 5 acre density will provide flexibility in locating wells for future development in the area.
 - a. The proposed consolidated field was originally developed down to 20 acres per well and Green Century plans to further develop the field down to a density of 5 acres.
 - b. The field area has topographic challenges created by the presence of a rugged canyon and mesa system.
9. A top MER oil allowable of 150 BOPD for a 10 acre well is appropriate for the Noelke, Southeast (Queen) 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. Consolidating the Noelke, Southeast (Queen, Lower) Field into the Noelke, Southeast (Queen) Field and renumbering and amending the Field Rules for the Noelke, Southeast (Queen) Field will prevent waste, protect correlative rights, satisfy statutory requirements and promote development of the field.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission consolidate the Noelke, Southeast (Queen, Lower) Field into the Noelke, Southeast (Queen) Field and renumber and amend the Field Rules for the Noelke, Southeast (Queen) Field, as requested by Green Century Exp & Prod, LLC.

Respectfully submitted,



Richard D. Atkins, P.E.
Technical Examiner



Marshall F. Enquist
Legal Examiner