



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0283008

THE APPLICATION OF ANADARKO E&P COMPANY LP TO AMEND FIELD RULES FOR THE AMMANN (BUDA) FIELD, DIMMIT, MAVERICK AND WEBB COUNTIES, TEXAS

HEARD BY: Richard D. Atkins, P.E. - Technical Examiner
Laura Miles-Valdez - Legal Examiner

DATE OF HEARING: July 1, 2013

APPEARANCES: **REPRESENTING:**

APPLICANT:

Ana Maria Marsland-Griffith Anadarko E&P Company LP

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field Rules for the Ammann (Buda) Field were adopted in Final Order No. 01-0280224, effective April 9, 2013. The current Field Rules in effect for the field are summarized as follows:

1. Designated correlative interval from 5,800 feet to 5,940 feet as shown on the log of the Opco, Inc. - W.C. Ammann Lease, Well No. 1 (API No. 42-127-31065), formerly known as the Hercules Exploration, Inc. - W.C. Ammann Lease, Well No. 1;
2. 330'-0' well spacing with special provisions for "take points", 100' leaseline spacing for the first and last take points, a 33' "box rule" and "off-lease" penetration point for horizontal drainhole wells;
3. 40 acre oil units with the filing of Form P-15 without proration unit plats;
4. Allocation based on 100% acres with a top oil allowable based on the 1965 Yardstick Allowable of 102 barrels of oil per day.

Anadarko E&P Company LP ("Anadarko") requests that the Field Rules for the Ammann (Buda) Field be amended to provide for 80 acre oil and gas units with optional 40 acre density.

The application is unopposed and the examiners recommend that the Field Rules for the Ammann (Buda) Field be amended, as proposed by Anadarko.

DISCUSSION OF THE EVIDENCE

The Ammann (Buda) Field was discovered in January 1977 at an average depth of 5,900 feet. There is currently no producing wells carried on the proration schedules. The field operates under Field Rules that provide for 330'-0' well spacing and 40 acre oil units. Cumulative production from the field through June 2013 is 1.7 MBO and 10 MCFG.

Anadarko is drilling horizontal drainhole wells in the Briscoe Ranch (Eagleford) Field and sometimes, due to geological factors, penetrates the Ammann (Buda) Field. To handle this situation, the Commission has previously approved blanket authority for exception to Statewide Rule 10 to commingle the Briscoe Ranch (Eagleford) and Ammann (Buda) Fields. Anadarko proposes the same Field Rules for the Ammann (Buda) Field that have been adopted in the Briscoe Ranch (Eagleford) Field, which will promote the efficient and effective development of the remaining hydrocarbons. Anadarko requests that the Field Rules for the Ammann (Buda) Field be amended to provide for 80 acre oil and gas units with optional 40 acre density.

FINDINGS OF FACT

1. Notice of this hearing was provided to all persons entitled to notice at least ten (10) days prior to the date of the hearing and no protests were received.
2. The Ammann (Buda) Field was discovered in January 1977 at an average depth of 5,900 feet.
 - a. There is currently no producing wells carried on the proration schedules.
 - b. The field operates under Field Rules that provide for 330'-0' well spacing and 40 acre oil units.
3. Field Rules that provide for 80 acre oil and gas units with optional 40 acre density are appropriate for the Ammann (Buda) Field.

- a. Anadarko E&P Company LP ("Anadarko") is drilling horizontal drainhole wells in the Briscoe Ranch (Eagleford) Field and sometimes, due to geological factors, penetrates the Ammann (Buda) Field.
- b. The Commission has previously approved blanket authority for exception to Statewide Rule 10 to commingle the Briscoe Ranch (Eagleford) and Ammann (Buda) Fields.
- c. The same Field Rules for the Ammann (Buda) Field that have been adopted in the Briscoe Ranch (Eagleford) Field will promote the efficient and effective development of the remaining hydrocarbons.

CONCLUSIONS OF LAW

- 1. Proper notice of this hearing was issued.
- 2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.
- 3. Amending Field Rules for the Ammann (Buda) Field is necessary to prevent waste, protect correlative rights and promote development of the field.

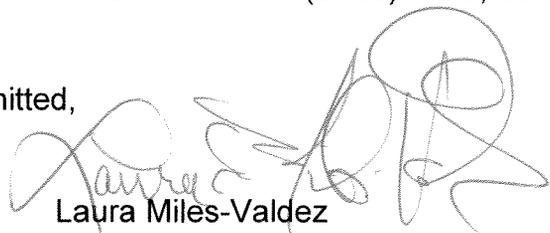
RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission amend Field Rules for the Ammann (Buda) Field, as requested by Anadarko E&P Company LP.

Respectfully submitted,



Richard D. Atkins, P.E.
Technical Examiner



Laura Miles-Valdez
Legal Examiner