

**THE APPLICATION OF GULFTEX ENERGY, LLC TO ADOPT FIELD RULES FOR THE PETROX (FRIO 1200 -B-) FIELD, DUVAL COUNTY, TEXAS**

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**Heard by:** Richard D. Atkins, P.E. - Technical Examiner

**Hearing Date:** July 2, 2008

**Appearances:**

**Representing:**

Don Rhodes  
Richard Marshall

Gulftex Energy, LLC

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Gulftex Energy, LLC requests that permanent field rules be adopted for the Petrox (Frio 1200 -B-) Field, Duval County, Texas. The proposed rules are summarized as follows:

1. 233' - 330' well spacing;
2. 10 acre gas units plus a 10 acre tolerance and a maximum diagonal of 1,100 feet;
3. Allocation based on 100% acres;
4. Top Allowable - 1965 Yardstick of 21 BOPD.

This application was unopposed and the examiner recommends adoption of the permanent field rules proposed by Gulftex.

**DISCUSSION OF EVIDENCE**

The Petrox (Frio 1200 -B-) Field was discovered in February 1963. The field produces from a Frio sand at an average depth of approximately 1,200 feet. The field has always operated under Statewide Rules. Gulftex is the only operator in the field with five active wells and one shut-in well carried on the proration schedule. Cumulative production from the field through May 2008 is approximately 199.6 MBO and 2.9 MMCFG.

The Frio sand has a uniform average matrix porosity of 32%. The average water saturation is 42% and the average net pay thickness is 10 feet. A solution gas drive is the

primary drive mechanism for the reservoir and GulfTex estimated a recovery factor of 25%. There have been six wells produce from this reservoir to date, resulting in an average per well recovery of approximately 32,000 BO. Using this information, GulfTex calculated an average drainage radius of only 8.3 acres per well.

Based on the calculated drainage radius, GulfTex requests 233'-330' well spacing and 10 acre density to allow for future infill development. GulfTex also requests that the allocation formula be based on 100% acreage and the Top Allowable be the 1965 Yardstick of 21 BOPD.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice at least ten days prior to the date of hearing.
2. The Petrox (Frio 1200 -B-) Field was discovered in February 1963. The field produces from a Frio sand at an average depth of approximately 1,200 feet.
3. GulfTex is the only operator in the field with five active wells and one shut-in well carried on the proration schedule. Cumulative production from the field through May 2008 is approximately 199.6 MBO and 2.9 MMCFG.
4. The Frio sand has a uniform matrix porosity of 32%. The average water saturation is 42% and the average net pay thickness is 10 feet. A solution gas drive is the primary drive mechanism for the reservoir and GulfTex estimated a recovery factor of 25%.
5. There have been six wells produce from this reservoir to date, resulting in an average per well recovery of approximately 32,000 BO. GulfTex calculated an average drainage radius of only 8.3 acres per well.
6. Based on the calculated drainage radius, GulfTex requests 233'-330' well spacing and 10 acre density to allow for future infill development.

### **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. Adopting field rules for the Petrox (Frio 1200 -B-) 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 examiner recommends that the field rules for the Petrox (Frio 1200 -B-) Field be adopted as proposed by Gulftex Energy, LLC.

Respectfully submitted,

Richard D. Atkins, P.E.  
Technical Examiner