

THE APPLICATION OF LIME ROCK RESOURCES A, L.P. TO AMEND THE FIELD RULES FOR THE REKLAW (PETTIT) FIELD, CHEROKEE COUNTY, TEXAS

Heard by: Donna K. Chandler on December 11, 2008

Appearances:

Dale Miller

Representing:

Lime Rock Resources A, L.P.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field rules for the Reklaw (Pettit) Field were adopted on May 25, 1965 in Order No. 6-54,713. The rules in effect for the field are summarized as follows:

1. 1,867'-3,735' well spacing;
2. 640 acre gas units with 10% tolerance;
3. 100% acreage allocation.

Lime Rock Resources requests that the field rules be amended as follows:

1. Designation of the field as the correlative interval from 8,391 feet to 8,791 feet as shown on the log of the Reklaw Gas Unit 3 Well No. 7;
2. 467'-933' well spacing;
3. 640 acre units with optional 40 acre units;
4. Allocation based on 100% acreage; continued AOF.

This application was unopposed and the examiner recommends that the field rules for the Reklaw (Pettit) Field be amended as proposed by Lime Rock Resources A.

DISCUSSION OF THE EVIDENCE

The Reklaw (Pettit) Field was discovered in 1955 upon completion of the Reklaw GU 2 No. 1 by Exxon Corp. A total of five gas wells have been completed in the field, three of which have been plugged and abandoned. The only active producing well in the field is the Reklaw GU 3 No. 7 operated by Lime Rock Resources A, L.P.. The other well on the schedule has not produced since 1982.

Lime Rock proposes that the Reklaw (Pettit) Field be designated to include the entire Pettit interval. This interval is shown on the log of the Reklaw GU 3 No. 7 between the depths of 8,391 feet and 8,791 feet.

The inactive/plugged wells in the field have between 2.3 and 8.2 BCF. Lime Rock's Reklaw GU 3 No. 7 has produced only 774 MMCF and is expected to have an ultimate recovery of 790 MMCF. Average porosity of the reservoir is 12% and average water saturation is 35%. Average net pay is 27 feet. Recoverable reserves beneath 640 acres are estimated to be 11.8 BCF of gas and recoverable reserves beneath 40 acres are estimated to be 740 MMCF of gas. Some of the early wells in the field drained large areas and Lime Rock requests that the 640 acre base units be retained. However, the Reklaw GU 3 No. 7 will drain a much smaller area. Lime Rock plans to drill additional wells in the field on the 40 acre optional density rule.

The requested 467'-933' well spacing rule will accommodate development on 40 acre units. Additionally, Lime Rock provide a tabulation indicating that the rules proposed for the Reklaw (Pettit) Field are common for other Pettit fields in the area.

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 Reklaw (Pettit) Field was discovered in 1955 and is non-associated gas field which has had five producing wells.
3. Field rules for the Reklaw (Pettit) Field provide for 1,867'-3,735' well spacing, 640 acre density and 100% acreage allocation. The field is AOF.
4. The Reklaw (Pettit) Field should be designated to include the entire Pettit interval as shown on the log of the Reklaw GU 3 No. 7 between the depths of 8,391 feet and 8,791 feet.
5. A density rule providing for optional 40 acre density is appropriate for the Reklaw (Pettit) Field.
 - a. The inactive/plugged wells in the field have between 2.3 and 8.2 BCF.

- b. Lime Rock's Reklaw GU 3 No. 7 has produced only 774 MMCF and is expected to have an ultimate recovery of 790 MMCF.
 - c. Recoverable reserves beneath 640 acres are estimated to be 11.8 BCF of gas and recoverable reserves beneath 40 acres are estimated to be 740 MMCF of gas.
- 6. The requested 467'-933' well spacing rule will accommodate development on 40 acre units.
 - 7. The rules proposed for the Reklaw (Pettit) Field are similar to rules governing other Pettit fields in the area.

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. Amending the field rules for the Reklaw (Pettit) Field is necessary to prevent waste and protect correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that the field rules for the Reklaw (Pettit) Field be amended as proposed by Lime Rock.

Respectfully submitted,

Donna K. Chandler
Technical Examiner