



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 10-0285245**

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**APPLICATION OF APACHE CORPORATION TO AMEND FIELD RULES FOR THE  
FRYE RANCH (CONSOLIDATED) FIELD, WHEELER COUNTY, TEXAS**

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**HEARD BY:** Paul Dubois – Technical Examiner  
Michael Crnich – Legal Examiner

**DATE OF HEARING:** November 18, 2013

**APPEARANCES:**

Bill Spencer  
Jim Clark, P. E.

**REPRESENTING:**

Apache Corporation

**EXAMINER'S REPORT AND RECOMMENDATION**  
**STATEMENT OF THE CASE**

This is the application of Apache Corporation (Apache) to amend field rule no. 2 for the Frye Ranch (Consolidated) Field in Wheeler County, Texas. Apache seeks to revise take point spacing provisions and add box rule provisions for horizontal wells to make the Frye Ranch (Consolidated) Field rules comparable to other nearby Granite Wash fields. The application was not protested. The examiners recommend approval of the proposed field rule amendments.

**DISCUSSION OF THE EVIDENCE**

The Frye Ranch (Consolidated) Field was discovered in May 1986, in Wheeler County, Texas. The discovery field was originally named the Frye Ranch (Granite Wash -A-) Field. The field interval was expanded and permanent field rules were adopted in 2007. Currently there are six operators in the field, 181 gas wells and 20 oil wells on the current proration schedule. Currently the field produces about 90,000 bbl of oil/condensate per month and about 3BCF gas per month. Cumulative production for the field is about 5.7 MMB liquid hydrocarbons and 124.5 BCF gas.

From 2007 through 2011 the field rules were changed several times. These changes reflect a typical maturation seen in many fields as they are developed primarily with horizontal wells, including the establishment of a correlative interval for the field and provisions for take point spacing, off-lease penetration points, and no perforation zones.

With the current application, Apache seeks to amend the take point spacing provisions to allow for 200-foot first/last take point to lease line spacing and 467-foot perpendicular lease line spacing. This will make more lease area available for development, protecting the correlative rights of operators and offset operators. Also, Apache is seeking the adoption of a 50-foot box rule that would allow for a normal degree of variance in horizontal wellbore positioning without triggering Statewide Rule 37 issues. Additionally, these amendments are consistent with those for ten other Granite Wash fields in the immediate area.

### **FINDINGS OF FACT**

1. Notice of this hearing was sent to all operators in the subject field at least ten (10) days prior to the hearing.
2. The hearing was not protested.
3. The proposed field rules are consistent with rules recently adopted in other fields experiencing horizontal well development.
4. The proposed take point spacing provisions will protect correlative rights and prevent waste by allowing recovery of additional reserves.
5. The proposed box rule provisions will promote the orderly development of the field by allowing some spacing flexibility for the horizontal wellbores.

### **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. The proposed field rules will protect correlative rights, prevent waste and promote the orderly development of the field.

**EXAMINERS' RECOMMENDATION**

Based on the above findings and conclusions of law, the examiners recommend approval of the proposed amended field rules for the Frye Ranch (Consolidated) Field.

Respectfully submitted,

Paul Dubois  
Technical Examiner



Mike Crnich  
Legal Examiner