



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 04-0287591

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THE APPLICATION OF WYNN-CROSBY OPERATING COMPANY, LTD TO CONSOLIDATE VARIOUS TABASCO, NORTH AND TEXAN GARDENS FIELDS AND TO ADOPT FIELD RULES FOR THE PROPOSED TEXAN GARDENS-TABASCO, N. (CONS) FIELD HIDALGO COUNTY, TEXAS

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HEARD BY: Karl Caldwell - Technical Examiner  
Marshall Enquist - Legal Examiner

HEARING DATE: April 4, 2014

APPEARANCES: REPRESENTING:

APPLICANT:

Olga Kobzar  
John Soule  
Jerry Elgin, P.E.

Wynn-Crosby Operating Company, Ltd.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Wynn-Crosby Operating Company, Ltd. ("Wynn-Crosby") requests to consolidate 42 Tabasco, North and Texas Garden Fields listed is Attachment A, into a new field. The proposed new field is the Texan Gardens-Tabasco, N. (Cons) Field, Hidalgo County, Texas. Wynn-Crosby also requests to adopt field rules for the proposed field, summarized as follows:

1. Designation of the field as the correlative interval from 5,420 feet to 10,050 feet as shown on the log of the Hidalgo-Willacy Well No. 13B, API No. 42-215-31948, Block 7, Lot 26 Y Ramirez POR 79, Hidalgo County, Texas;
2. 330'-0' well spacing;
3. 40-acre units, with optional 20-acre units;

4. Allocation based on 75% deliverability, 25% per well.

Wynn-Crosby also requests that the allocation formula be suspended and all wells in the field granted AOF status.

The application is unopposed and the examiners recommend that the various Tabasco, North and Texas Garden Fields be consolidated into the proposed Texan Gardens-Tabasco, N. (Cons) Field and field rules be adopted as requested by Wynn-Crosby.

### **DISCUSSION OF THE EVIDENCE**

The 42 fields (Attachment A) proposed for consolidation were discovered in the 1960's and are mature fields with completions in multiple intervals. Consolidation of the various fields will result in more efficient operations and increase ultimate recovery of hydrocarbons. Many of the subject fields have current Statewide Rule 10 exceptions. Field consolidation will allow operators to produce wells from multiple reservoirs in the proposed consolidated field without the need to file individual Statewide Rule 10 exceptions.

The Frio and Vicksburg formations are the primary formations in the subject fields. Wynn-Crosby is requesting that the correlative interval from 5,420 feet to 10,050 feet as shown on the log of the Hidalgo-Willacy Well No. 13B, API No. 42-215-31948, Block 7, Lot 26 Y Ramirez POR 79, Hidalgo County, Texas be designated as the correlative interval for the proposed Texan Gardens-Tabasco, N. (Cons) Field.

The fields proposed by Wynn Crosby to be consolidated are located near the Tabasco (Consolidated) Field which was consolidated in Oil and Gas Docket No. 04-0245626. Wynn Crosby stated that the correlative interval for the Tabasco (Consolidated) Field, which has been designated as a single reservoir for proration purposes is relatively correlative to the proposed correlative interval for the proposed Texan Gardens-Tabasco, N. (Cons) Field and both field type logs contain similar intervals.

Wynn Crosby is requesting 330 feet spacing to any property, lease line or subdivision line and no between well spacing for wells in the proposed consolidated field. No between well spacing would allow operators greater flexibility in determining where to drill new wells to maximize hydrocarbon recovery and prevent waste. The additional flexibility also encourages the drilling of new wells in this faulted area to encounter fault blocks which have not yet been produced.

The majority of fields listed in Attachment A requesting to be consolidated into the proposed Texan Gardens-Tabasco, N. (Cons) Field are on 40 acre standard base units with optional 20 acre units. Wynn-Crosby is proposing the same density for the Texan Gardens-Tabasco, N. (Cons) Field. This density is appropriate for efficient drainage of the field.

All wells in the 42 fields requested to be consolidated into the new proposed field are gas wells, with the exception of 1 oil well. The Texan Gardens (7400) field contains one oil well, which is currently shut-in, and four gas wells. A two factor allocation formula based on 75% deliverability and 25% per well is requested for the consolidated field. According to Wynn-Crosby, there is a market for all produced gas from the fields and therefore suspension of the allocation formula for the gas field is appropriate at this time.

The proposed rule changes will allow the field to be developed more efficiently and effectively, increase the recovery of hydrocarbons and prevent waste.

**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 42 subject fields proposed for consolidation were discovered in the 1960's. Of the 42 fields, 41 are non-associated gas fields.
3. The majority of the fields proposed for consolidation operate under current field rules with a density rule providing for 40 acre/optional 20 acre density. Development of the consolidated field under a density rule providing for 40 acre/optional 20 acre density rule for the consolidated field is appropriate based on the varying drainage areas determined for wells in the fields.
4. Field rules providing for 330 feet spacing from property, lease line or subdivision line with no between well spacing limitation will provide flexibility in drilling new wells.
5. Consolidation of the fields will not harm any of the reservoirs because of the similar reservoir and fluid properties.
6. Allocation based 25% per well and 75% on deliverability/potential will protect correlative rights and satisfy statutory requirements.
7. The proposed field consolidation and field rules will promote further development of the field and prevent waste.

**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. Consolidating the subject fields and adopting Field Rules for the Texan

Gardens-Tabasco, N. (Cons) Field is necessary to prevent waste 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 subject fields listed in Attachment A into a new field to be known as the Texan Gardens-Tabasco, N. (Cons) Field and adopt Field Rules for the Texan Gardens-Tabasco, N. (Cons) Field as requested by Wynn Crosby Operating Company, Ltd.

Respectfully submitted,



Karl Caldwell  
Technical Examiner



Marshall Enquist  
Legal Examiner

**Oil & Gas Docket No. 04-0287591 Attachment A****Tabasco, North Field** RRC Field ID

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Tabasco, North (A Sand)	88105002
Tabasco, North (H)	88105250
Tabasco, North (Heard)	88105500
Tabasco, North (K)	88105625
Tabasco, North (P)	88105750
Tabasco, North ( R )	88105760
Tabasco, North (R, FB-1)	88105762
Tabasco, North (R, FB-2)	88105766
Tabasco, North (R, FB-3)	88105770

**Texan Gardens Field** RRC Field ID

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Texan Gardens (Heard, First)	89070125
Texan Gardens (Heard Massive)	89070187
Texan Gardens (Heard, Third)	89070250
Texan Gardens (K Sand)	89070298
Texan Gardens (K, NW)	89070299
Texan Gardens (L Sand)	89070300
Texan Gardens (Mission)	89070320
Texan Gardens (O Sand)	89070340
Texan Gardens (O, East)	89070341
Texan Gardens (O, South)	89070342
Texan Gardens (O, W)	89070344
Texan Gardens (P Sand)	89070345
Texan Gardens (P, NW)	89070348
Texan Gardens (R, FB-4)	89070350
Texan Gardens (R Sand)	89070360
Texan Gardens (R, South)	89070361
Texan Gardens (R, West)	89070362
Texan Gardens (S Sand)	89070363
Texan Gardens (T Sand)	89070364
Texan Gardens (S, West)	89070369
Texan Gardens (Texan Garden 1st)	89070375
Texan Gardens (Texan Garden 3rd)	89070500
Texan Gardens (V Sand)	89070537
Texan Gardens (5400)	89070541
Texan Gardens (5600)	89070542
Texan Gardens (5700)	89070548
Texan Gardens (5800)	89070553
Texan Gardens (5900)	89070559
Texan Gardens (7400)	89070581
Texan Gardens (8300)	89070625
Texan Gardens (8800)	89070750
Texan Gardens (9300)	89070875
Texan Gardens (10400)	89070900