



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 03-0289369

THE APPLICATION OF PARTEN OPERATING, INC. TO AMEND FIELD RULES FOR THE FORT TRINIDAD (DEXTER) FIELD, HOUSTON COUNTY, TEXAS

HEARD BY: Brian Fancher, P.G. - Technical Examiner
Marshall F. Enquist - Legal Examiner

HEARING DATE: July 10, 2014

APPEARANCES:
APPLICANT:

REPRESENTING:

Don Rhodes
David Hooker
John Austin Parten

Parten Operating, Inc.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

The Fort Trinidad (Dexter) Field is a consolidation of the Dexter A, B, and C Fields, per Final Order 3-80,062. The current Field Rules for the Fort Trinidad (Dexter) Field are summarized as follows:

1. 330'-933' well spacing;
2. 40-acre proration units with 20-acre tolerance for the last well on a lease with a maximum diagonal of 2,600 feet;
3. Allocation based on 100% acreage

Parten Operating, Inc. ("Parten") seeks to amend the current special field rules to include:

1. Designated the Field as the correlative interval from 8,626 to 8,818 feet, as shown on the log of the Fort Trinidad Dexter Unit, Well No. 309 (API No. 42-225-00429);
2. 330' lease line spacing and 0' between well spacing;

3. 40-acre oil proration units with 20-acre optional proration units

At the hearing, Parten did not request a correlative interval to define the subject field. The examiners requested that Parten submit a late-filed exhibit that consists of a type-log and summary of a proposed designated correlative interval for the field. In addition, the examiners requested that Parten submit a separate late-filed exhibit to support its request of 20-acre optional proration units.

On July 14 and July 17, 2014, Parten submitted late filed exhibits 9 and 10, which includes a type log for the proposed designated correlative interval and drainage area calculation, respectively.

The application is unopposed and the examiners recommend that the Field Rules be amended for the Fort Trinidad (Dexter) Field.

DISCUSSION OF EVIDENCE

The Fort Trinidad (Dexter) Field was created by field consolidation through Final Order 3-80,062 on January 1, 1984. The individual components of the current Fort Trinidad (Dexter) Field included the Dexter A, B, and C Fields. The purpose of the assimilating the Fort Trinidad (Dexter) Field was to initiate secondary recovery operations (*i.e.*, waterflood). On August 22, 1995, the Commission entered a final order that unitized Parten's Fort Trinidad Dexter Unit¹. From 1967 to 2011, no drilling occurred within the Fort Trinidad Dexter Unit ("FTDU"). In 2011, Parten drilled the DU3-18H well, a horizontal lateral within the FTDU. Drilling the DU3-18H has increased the recovery from the waterflood sweep at the FTDU by over 50,000 stock tank barrels. Parten seeks to drill additional horizontal wells in the field to recover additional reserves that result from the waterflood sweep. Parten seeks its proposed field rules to provide for flexibility in wellbore placement so that it may capture recoverable reserves that result from the FTDU's waterflood sweep.

At the hearing, Parten submitted a copy of the July 2014 oil proration schedule for the subject field. The proration schedule indicates that there are five operators in the field, with Parten as the largest operator. The Field operates under special Field Rules that provide for 330'-933' well spacing and 40 acre oil units. Cumulative production from the Field through August 2014 is 2.14 million barrels of oil and 1.83 billion cubic feet of casing-head gas.

There is currently no defined correlative interval for the Field. Parten requests that the Field be defined as the correlative interval from 8,626 to 8,818 feet, as shown on the log of the Fort Trinidad Dexter Unit, Well No. 309 (API No. 42-225-00429).

Parten indicated it plans to develop the Field with additional horizontal wells and requests that the governing field rules be amended to promote the efficient and effective development of the remaining hydrocarbons. Parten proposes 330'-0' well spacing and 40 acre oil units with optional 20 acre density.

¹ See O&G Final Order 03-0209281.

In support of its application, Parten submitted a drainage area calculation based on the FTDU, Well No. 2-4. The average porosity is 13.2%, water saturation is 27.5%, net pay is 68.5 feet, and recovery factor is 10%. Based on a calculation using these parameters, Parten indicated that Well No. 2-4 is capable of draining 26 acres.

FINDINGS OF FACT

1. Parten Operating, Inc. (“Parten”) seeks to amend the field rules governing the Fort Trinidad (Dexter) Field .
2. The Fort Trinidad (Dexter) Field (“the Field”) was created by field consolidation through Final Order 3-80,062 on January 1, 1984.
3. The individual components of the Field included the Dexter A, B, and C Fields.
4. On August 22, 1995, the Commission entered Final Order 03-0209281, which created the Fort Trinidad Dexter Unit (“FTDU”) operated by Parten.
5. In 2011, Parten drilled the DU3-18H well, a horizontal lateral within the FTDU in the Field.
6. Drilling the DU3-18H has increased the recovery from the waterflood sweep at the FTDU in the Field by over 50,000 stock tank barrels.
7. The Field should be defined as the correlative interval from 8,626 to 8,818 feet, as shown on the log of the Fort Trinidad Dexter Unit, Well No. 309 (API No. 42-225-00429).
8. Adoption of 330'-0' well spacing and 40 acre oil units with optional 20 acre density is appropriate for the Field.

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 the special field rules for the Fort Trinidad (Dexter) Field will prevent waste and protect correlative rights.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission renumber and amend the special field rules for the Fort Trinidad (Dexter) Field.

Respectfully submitted,



Brian Fancher, P.G.
Technical Examiner



Marshall F. Enquist
Legal Examiner