



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 8A-0295588**

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**THE APPLICATION OF YUCCA ENERGY, INC. FOR ENTITY FOR DENSITY  
AUTHORITY FOR THE WEST REEVES UNIT, REEVES (SAN ANDRES) FIELD  
YOAKUM COUNTY, TEXAS**

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**HEARD BY:** Peggy Laird, P.G. – Technical Examiner  
Marshall Enquist – Hearings Examiner

**HEARING DATE:** May 21, 2015  
**CONFERENCE DATE:** August 25, 2015

**APPEARANCES:** **REPRESENTING:**

**APPLICANT:**

George Neale                      Yucca Energy, Inc.  
Jim Yates

### **EXAMINERS' REPORT AND RECOMMENDATION**

#### **STATEMENT OF THE CASE**

Yucca Energy, Inc. ("Yucca") requests that the West Reeves Unit ("Unit") be approved as an entity for density purposes such that individual wells drilled for infill development will be given the flexibility to be placed with the West Reeves Unit without adhering to the between well spacing requirement as set forth in field rules for the Reeves (San Andres) Field (the "Field"). The application is unopposed and the Examiners recommend approval of the application.

#### **DISCUSSION OF THE EVIDENCE**

The West Reeves Unit in the Reeves (San Andres) Field was approved as a unit for secondary recovery purposes in Final Order 8A-0290784 effective December 2, 2014. The Unit consists of nineteen tracts which contain 1,839.98 acres. Yucca has calculated the original oil in place under the Unit to be approximately 14.38 million barrels of oil ("MMBO"). Primary recovery from the Unit was estimated by Yucca to be 1.83 MMBO. Preliminary secondary recovery efforts have been effective in arresting the

oil decline in the Field, and an additional 1.65 MMBO are projected to be recovered. Entity for density authority will be most beneficial by eliminating between well spacing to optimize well placement. Designation of the West Reeves Unit as an entity for density purposes would provide the operator flexibility in spacing wells to maximize the recovery of reserves and prevent waste. The requested relief will not harm correlative rights.

**FINDINGS OF FACT**

1. Notice of this hearing was provided to all affected operators in the Field at least ten (10) days prior to the date of the hearing and no protests were received.
2. The West Reeves Unit in the Reeves (San Andres) Field was approved as a unit for secondary recovery purposes by Final Order 8A-0290784 on December 2, 2014.
3. In-fill drilling in the West Reeves Unit is necessary to maximize the recovery of reserves.
4. Designation of the West Reeves Unit as an entity for density will allow Yucca to locate wells as needed to optimize the recovery of reserves.

**CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the subject application is necessary to prevent waste, protect correlative rights, 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 designate the West Reeves Unit as an entity for density as requested by Yucca Energy Inc.

Respectfully submitted,



Peggy Laird, P.G.  
Technical Examiner



Marshall Enquist  
Legal Examiner