

**OIL AND GAS DOCKET NO. 7B-0260279**

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**THE APPLICATION OF F. H. WALSH JR. OPERATING CO. INC. FOR BLANKET RULE 10 EXCEPTION IN VARIOUS WALSH RANCH AND WALSH RANCH WEST FIELDS, TARRANT AND PARKER COUNTIES, TEXAS**

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**Heard by:** Andres J. Trevino, P.E., Technical Examiner

**Hearing Date:** January 16, 2009

**Appearances:**

Dale Miller

**Representing:**

F. H. Walsh Jr. Operating Co. Inc.

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

F. H. Walsh Jr. Operating Co., Inc. requests exception to Statewide Rule 10 for all wells in any of the following fields.

Walsh Ranch (Atoka 1) Field  
Walsh Ranch (Atoka 2 Upper) Field  
Walsh Ranch (Atoka 2 Lower) Field  
Walsh Ranch (Upper Big Saline) Field  
Walsh Ranch (Lower Big Saline) Field  
Walsh Ranch West (Atoka 3) Field  
Walsh Ranch West (Atoka 4) Field  
Walsh Ranch West (Marble Falls) Field

Walsh requests that the field assignment for each individual wellbore be determined based on whether or not any prorated fields are involved in the commingling. If prorated fields are involved, then the well should be assigned to a prorated field. If only AOF fields are involved, then the well may be assigned to any field, as requested by the operator.

This application was unopposed and the examiner recommends approval of the requested Rule 10 authority.

**DISCUSSION OF THE EVIDENCE**

The subject eight fields are all non-associated gas fields which operate under Statewide Rules except the Walsh Ranch (Atoka 1), Walsh Ranch (Atoka 2 Upper) Fields

which operate under 330'-933' well spacing and 20 acre density. At least 2 Rule 10 exceptions have already been granted for various combinations of the 8 subject fields.

The fields were recently discovered between 2007-2008 and are undergoing the early stages development. A total of 4 wells are carried on the proration schedule as producing wells, most with deliverabilities of less than 100 MCFD. The shallowest field is the Atoka 1 at approximately 4,630 feet. Beneath the Atoka 1 is the Atoka 2 series, the Atoka 3 & 4, the Big Saline series, and the Marble Falls. The base of the Marble Falls occurs at approximately 6,220 feet.

All of the reservoirs produce water free and dry gas with similar gas gravities. Should cross-flow occur between the zones, there will be no reservoir damage.

Incremental reserves will be produced as a result of commingling. This incremental production is a result of a lower combined economic limit of these marginal zones.

It is requested that wells which are downhole commingled in the subject fields be assigned to a prorated field, if any of the commingled fields in a particular well is prorated. Otherwise, the well may be assigned to any field of the operator's choice.

### **FINDINGS OF FACT**

1. Notice of this hearing was issued to all operators in the Walsh Ranch (Atoka 1), Walsh Ranch (Atoka 2 Upper), Walsh Ranch (Atoka 2 Lower), Walsh Ranch (Upper Big Saline), Walsh Ranch (Lower Big Saline), Walsh Ranch West (Atoka 3), Walsh Ranch West (Atoka 4) and Walsh Ranch West (Marble Falls) Fields.
2. The Walsh Ranch (Atoka 1), Walsh Ranch (Atoka 2 Upper), Walsh Ranch (Atoka 2 Lower), Walsh Ranch (Upper Big Saline), Walsh Ranch (Lower Big Saline), Walsh Ranch West (Atoka 3), Walsh Ranch West (Atoka 4) and Walsh Ranch West (Marble Falls) Fields are all non-associated gas fields. All fields operate under Statewide Rules except the Walsh Ranch (Atoka 1), Walsh Ranch (Atoka 2 Upper) Fields which operate under 330'-933' well spacing and 20 acre density.
3. Two Rule 10 exceptions have already been granted for various combinations of the 8 subject fields.
4. The shallowest field is the Atoka 1 at approximately 4,630 feet. The base of the Marble Falls occurs at approximately 6,220 feet.
5. Cross-flow between the fields is not expected. All production from the fields is dry gas and if cross-flow occurs, there will be no reservoir damage.

6. Downhole commingling production from these fields will result in the recovery of incremental reserves from the various marginal zones. Most deliverabilities of wells are less than 100 MCFD.

**CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the requested Rule 10 exceptions for all wells in the Walsh Ranch (Atoka 1), Walsh Ranch (Atoka 2 Upper), Walsh Ranch (Atoka 2 Lower), Walsh Ranch (Upper Big Saline), Walsh Ranch (Lower Big Saline), Walsh Ranch West (Atoka 3), Walsh Ranch West (Atoka 4) and Walsh Ranch West (Marble Falls) Fields will prevent waste and will not harm correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends approval of the requested Rule 10 exceptions for all wells in the subject fields, as specified in the attached order.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner