



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0279563

THE APPLICATION OF BENCHMARK TEXAS PETROLEUM, LLC TO RENUMBER AND AMEND FIELD RULES FOR THE DRUMMOND (AUSTIN 1400) FIELD, CALDWELL COUNTY, TEXAS

HEARD BY: Richard D. Atkins, P.E. - Technical Examiner
Michael Crnich - Legal Examiner

HEARING DATE: January 10, 2013

APPEARANCES: **REPRESENTING:**

APPLICANT:

Greg Cloud

Benchmark Texas Petroleum, LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field Rules for the Drummond (Austin 1400) Field were adopted in Final Order No. 1-58,735, effective September 18, 1968. The Field Rules are summarized as follows:

1. 150'-300' well spacing;
2. 2 acre oil units;
3. Allocation based on 100% acres with a top MER oil allowable of 21 BOPD;
4. Casing and cementing requirements.

Benchmark Texas Petroleum, LLC ("Benchmark") requests that the Field Rules be renumbered and amended, as shown below:

1. Designated correlative interval from 1,378 feet to 1,634 feet as shown on the log of the Royal Texas Petroleum - Rueben Webb Lease, Well No. 2 (API No. 42-055-20030), formerly known as the Cavalier Oil & Gas, Inc. - R. Webb Lease, Well No. 2;

2. 100'-0' well spacing;
3. 2 acre oil units;
4. Allocation based on 100% acres with a top MER oil allowable of 21 BOPD.

The application is unopposed and the examiners recommend that the Field Rules for the Drummond (Austin 1400) Field be renumbered and amended, as proposed by Benchmark.

DISCUSSION OF EVIDENCE

The Drummond (Austin 1400) Field was discovered in January 1968 at an average depth of 1,400 feet. There are three producing oil wells and two active operators carried on the proration schedule. Field Rules currently provide for 150'-300' well spacing, 2 acre oil units and allocation based on 100% acres. Cumulative production from the field through November 2012 is 43.7 MBO and 5.4 MMCFG.

There is currently no defined correlative interval for the field. Benchmark requests that the field be defined as the correlative interval from 1,378 feet to 1,634 feet as shown on the log of the Royal Texas Petroleum - Rueben Webb Lease, Well No. 2 (API No. 42-055-20030), formerly known as the Cavalier Oil & Gas, Inc. - R. Webb Lease, Well No. 2, I. Allen Survey, A-28, Caldwell County, Texas. The correlative interval includes the entire Austin Chalk formation.

Benchmark is developing the field by drilling infill wells and requests 100'-0' well spacing. A no minimum between well spacing limitation is necessary to promote the efficient and effective development of the remaining hydrocarbons in an attempt to recover any bypassed oil. For consistency, Benchmark is requesting the same spacing Field Rule that has been adopted in the deeper Drummond (Edwards 1800) Field, as this will allow wells in the Drummond (Austin 1400) Field to be commingled with the Drummond (Edwards 1800) Field without having to obtain Statewide Rule 37 exceptions.

FINDINGS OF FACT

1. Notice of this application and hearing was provided to all persons entitled to notice at least ten (10) days prior to the date of the hearing.
2. The Drummond (Austin 1400) Field was discovered in January 1968 at an average depth of 1,400 feet.

- a. There are three producing oil wells and two active operators carried on the proration schedule.
 - b. Field Rules currently provide for 150'-300' well spacing, 2 acre oil units and allocation based on 100% acres.
3. The Drummond (Austin 1400) Field should be defined as the correlative interval from 1,378 feet to 1,634 feet as shown on the log of the Royal Texas Petroleum - Rueben Webb Lease, Well No. 2 (API No. 42-055-20030), formerly known as the Cavalier Oil & Gas, Inc. - R. Webb Lease, Well No. 2, I. Allen Survey, A-28, Caldwell County, Texas. The correlative interval includes the entire Austin Chalk formation.
 4. A Field Rule for the Drummond (Austin 1400) Field that provides for 100'-0' well spacing is appropriate for the field.
 - a. Benchmark Texas Petroleum, LLC ("Benchmark") is developing the field by drilling infill wells.
 - b. A no minimum between well spacing limitation is necessary to promote the efficient and effective development of the remaining hydrocarbons in an attempt to recover any bypassed oil.
 - c. For consistency, the same spacing Field Rule that has been adopted in the deeper Drummond (Edwards 1800) Field will allow wells in the Drummond (Austin 1400) Field to be commingled with the Drummond (Edwards 1800) Field without having to obtain Statewide Rule 37 exceptions.

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. Renumbering and amending the Field Rules for the Drummond (Austin 1400) Field is necessary to prevent waste, protect correlative rights and promote development of the field.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission renumber and amend the Field Rules for the Drummond (Austin 1400) Field, as requested by Benchmark Texas Petroleum, LLC.

Respectfully submitted,


Richard D. Atkins, P.E.
Technical Examiner


Michael Crnich
Legal Examiner