



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0280356

THE APPLICATION OF CANYON CREEK RESOURCES, LLC TO RENUMBER AND AMEND FIELD RULES FOR THE JACK FROST (CROCKETT) FIELD, LA SALLE COUNTY, TEXAS

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

EXAMINERS' REPORT PREPARED BY: Richard D. Atkins, P.E. - Technical Examiner

HEARING DATE: February 19, 2013

APPEARANCES:

REPRESENTING:

APPLICANT:

Greg Cloud

Canyon Creek Resources, LLC

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Field Rules for the Jack Frost (Crockett) Field were adopted in Final Order No. 1-53,055, effective October 2, 1963, as amended. The Field Rules are summarized as follows:

1. 330'-660' well spacing;
2. 20 acre oil units;
3. Production casing and cementing requirements;
4. Well testing requirements.

Canyon Creek Resources, LLC ("Canyon") requests that the Field Rules be renumbered and amended, as shown below:

1. Designated correlative interval from 1,280 feet to 1,304 feet as shown on the log of the Canyon Creek Resources, LLC - South Texas Syndicate Lease, Well No. 3 (API No. 42-283-00107);
2. 150'-300' well spacing;
3. 20 acre oil units with optional 5 acre density;
4. Allocation based on 100% acres with a top oil allowable based on the 1947 Yardstick Allowable of 37 barrels of oil per day.

The application is unopposed and the examiners recommend that the Field Rules for the Jack Frost (Crockett) Field be renumbered and amended, as proposed by Canyon.

DISCUSSION OF EVIDENCE

The Jack Frost (Crockett) Field was discovered in May 1963 at an average depth of 1,300 feet. There are eight producing oil wells carried on the proration schedule and Canyon is the only operator in the field. Field Rules currently provide for 330'-660' well spacing and 20 acre oil units. Cumulative production from the field through November 2012 is 503.4 MBO and 13.2 MMCFG.

There is currently no defined correlative interval for the field. Canyon requests that the field be defined as the correlative interval from 1,280 feet to 1,304 feet as shown on the log of the Canyon Creek Resources, LLC - South Texas Syndicate Lease, Well No. 3 (API No. 42-283-00107), Section 2, H&GN RR Co Survey, A-1392, La Salle County, Texas. The correlative interval includes the entire Crockett Sand formation.

Canyon is developing the field by drilling infill wells and requests 150'-300' well spacing and 20 acre oil units with optional 5 acre density. From available log data, Canyon determined an average porosity of 30%, an average water saturation of 35%, an average net pay thickness of 10 feet and a recovery factor of 9.5%. The original oil in place was calculated to be 5.7 MMBO with an estimated ultimate recovery of 533.9 MBO. Canyon opined that through infill drilling it would increase the field recovery factor to 12.0%, resulting in the additional recovery of 144.9 MBO.

Canyon also requests allocation based on 100% acres with a top oil allowable based on the 1947 Yardstick Allowable of 37 barrels of oil per day.

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 Jack Frost (Crockett) Field was discovered in May 1963 at an average depth of 1,300 feet.
 - a. There are eight producing oil wells carried on the proration schedule and Canyon is the only operator in the field.
 - b. Field Rules currently provide for 330'-660' well spacing and 20 acre oil units.
3. The Jack Frost (Crockett) Field should be defined as the correlative interval from 1,280 feet to 1,304 feet as shown on the log of the Canyon Creek Resources, LLC - South Texas Syndicate Lease, Well No. 3 (API No. 42-283-00107), Section 2, H&GN RR Co Survey, A-1392, La Salle County, Texas. The correlative interval includes the entire Crockett Sand formation.
4. Field Rules for the Jack Frost (Crockett) Field that provides for 150'-300' well spacing and 20 acre oil units with optional 5 acre density is appropriate for the field.
 - a. Canyon Creek Resources, LLC ("Canyon") is developing the field by drilling infill wells.
 - b. From available log data, Canyon determined an average porosity of 30%, an average water saturation of 35%, an average net pay thickness of 10 feet and a recovery factor of 9.5%.
 - c. The original oil in place was calculated to be 5.7 MMBO with an estimated ultimate recovery of 533.9 MBO.
 - d. Infill drilling will increase the field recovery factor to 12.0%, resulting in the additional recovery of 144.9 MBO.
5. Allocation based on 100% acres with a top oil allowable based on the 1947 Yardstick Allowable of 37 barrels of oil per day is appropriate for the Jack Frost (Crockett) Field.

CONCLUSIONS OF LAW

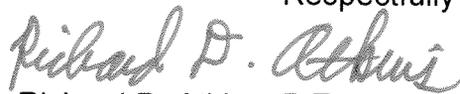
1. Proper notice of this hearing was issued.
2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.

3. Renumbering and amending the Field Rules for the Jack Frost (Crockett) 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 Jack Frost (Crockett) Field, as requested by Canyon Creek Resources, LLC.

Respectfully submitted,



Richard D. Atkins, P.E.
Technical Examiner



Marshall F. Enquist
Legal Examiner