



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 03-0281525

THE APPLICATION OF WHEELER OPERATING CORPORATION TO ADOPT FIELD RULES FOR THE FT. TRINIDAD (LEWISVILLE 8900) FIELD, MADISON COUNTY, TEXAS

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

HEARING DATE: May 2, 2013

APPEARANCES:

REPRESENTING:

APPLICANT:

Michael E. McElroy
George Jackson
Randy Earley

Wheeler Operating Corporation

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

The Ft. Trinidad (Lewisville 8900) Field currently operates under Statewide Field Rules. Wheeler Operating Corporation ("Wheeler") requests that Field Rules be adopted, as shown below:

1. Designated correlative interval from 8,665 feet to 8,970 feet as shown on the log of the Wheeler Operating Corporation - Scholz, et al Lease, Well No. 1 (API No. 42-313-30492);
2. 330'-467' well spacing;
3. 40 acre oil units with optional 20 acre density;
4. Allocation based on 100% acres with a top oil allowable based on the 1965 Yardstick Allowable of 142 barrels of oil per day.

The application is unopposed and the examiners recommend that Field Rules be adopted for the Ft. Trinidad (Lewisville 8900) Field, as proposed by Wheeler.

DISCUSSION OF EVIDENCE

The Ft. Trinidad (Lewisville 8900) Field was discovered in August 1982 at an average depth of 8,900 feet. There are two inactive oil wells and two operators carried on the proration schedule. The field currently operates under Statewide Field Rules. Cumulative production from the field through April 2013 is 370.9 MBO and 196.6 MMCFG.

There is currently no defined correlative interval for the field. Wheeler requests that the field be defined as the correlative interval from 8,665 feet to 8,970 feet as shown on the log of the Wheeler Operating Corporation - Scholz, et al Lease, Well No. 1 (API No. 42-313-30492), A J Dorman Survey, A-269, Madison County, Texas. The correlative interval includes the entire Lewisville 8900 sand formation.

Wheeler is developing the Ft. Trinidad (Lewisville 8900) Field by drilling infill wells and requests Field Rules that will promote the efficient and effective development of the remaining hydrocarbons. The field is comprised of low permeability sands with an average net pay of approximately 130 feet. The wells that have produced from the field only recovered 4-5% of the original oil in place. Wheeler believes that a smaller density is necessary to increase the primary recovery from the field and to allow the placement of infill wells for a future enhanced recovery project. Wheeler requests 330'-467' well spacing and 40 acre oil units with optional 20 acre density.

Wheeler proposes that allocation be based on 100% acres with a top oil allowable based on the 1965 Yardstick Allowable of 142 barrels of oil per day.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and no protests were received.
2. The Ft. Trinidad (Lewisville 8900) Field was discovered in August 1982 at an average depth of 8,900 feet.
 - a. There are two inactive oil wells and two operators carried on the proration schedule.
 - b. The field currently operates under Statewide Field Rules.
3. The Ft. Trinidad (Lewisville 8900) Field should be defined as the correlative interval from 8,665 feet to 8,970 feet as shown on the log of the Wheeler Operating Corporation - Scholz, et al Lease, Well No. 1 (API No. 42-313-30492), A J Dorman Survey, A-269, Madison County, Texas. The correlative interval includes the entire Lewisville 8900 sand formation.

4. Field Rules for the Ft. Trinidad (Lewisville 8900) Field that provide for 330'-467' well spacing and 40 acre oil units with optional 20 acre density are appropriate for the field.
 - a. Wheeler Operating Corporation is developing the field by drilling infill wells and requests Field Rules that will promote the efficient and effective development of the remaining hydrocarbons.
 - b. The field is comprised of low permeability sands with an average net pay of approximately 130 feet.
 - c. The wells that have produced from the field only recovered 4-5% of the original oil in place.
 - d. A smaller density is necessary to increase the primary recovery from the field and to allow the placement of infill wells for a future enhanced recovery project.
5. Allocation based on 100% acres with a top oil allowable based on the 1965 Yardstick Allowable of 142 barrels of oil per day is appropriate for the Ft. Trinidad (Lewisville 8900) 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. Adopting Field Rules for the Ft. Trinidad (Lewisville 8900) 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 adopt Field Rules for the Ft. Trinidad (Lewisville 8900) Field, as requested by Wheeler Operating Corporation.

Respectfully submitted,



Richard D. Atkins, P.E.
Technical Examiner



Michael Crnich
Legal Examiner