

**THE APPLICATION OF MAGNUM PRODUCING, LP TO AMEND THE FIELD RULES FOR THE ESTES COVE (F-1 FB-B) FIELD, ARANSAS COUNTY, TEXAS**

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**Heard by:** Donna K. Chandler on September 6, 2006

**Appearances:**

Dick Marshall  
Dale Miller

**Representing:**

Magnum Producing, LP

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field rules adopted in Final Order No. 4-61,210, effective October 5, 1971 for the Estes Cove (F-1 FB-B) Field are summarized as follows:

1. 660'-1,320' well spacing;
2. 80 acre oil units with 40 acre tolerance;
3. Allocation based on 100% acreage.

Magnum Producing , LP requests that the rules be amended as follows:

1. Designation of the field as the correlative interval from 7,910 feet to 7,949 feet as shown on the log of the Sultenfuss No. 1;
2. 467'-933' well spacing;
3. 40 acre oil units;
4. 100% acreage allocation.

This application was unopposed and the examiner recommends approval of the amendments to the field rules for the Estes Cove (F-1 FB-B) Field as requested by Magnum Producing, LP.

### DISCUSSION OF THE EVIDENCE

The Estes Cove (F-1 FB B) Field was discovered in 1971 upon completion of the Sultenfuss No. 1. This well produced 101,000 BO and was recompleted to another field in 1989. In 1998, Magnum Producing, LP completed its Olivia Schnitz No. 1 in the field. This well has produced 108,600 BO through June 2006. The Schnitz No. 1 is perforated from 7,926 to 7,933 feet in the F-1 Sand.

Average porosity of this reservoir is 27.6% and average water saturation is 47.6%. Net pay thickness is 10 feet and the reservoir has a water drive. Magnum estimates that recoverable reserves beneath 40 acres are 115,800 BO, assuming 40% recovery efficiency.

Based on the production from the Sultenfuss No. 1, the drainage area for that well is 35 acres. Magnum estimates that ultimate recovery from the Schnitz No. 1 will be 116,000 BO. The well currently produces about 10-12 BOPD. The Schnitz No. 1 will therefore drain about 40 acres.

Magnum requests that the field be designated as the correlative interval between 7,910 feet and 7,949 feet as shown on the log of th Sultenfuss No. 1. This interval includes the entire F-1.

Magnum also requests that the spacing rule for the field be amended to provide for a minimum of 467 feet from lease lines and 933 feet between wells. This is the normal spacing for 40 acre density.

### FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice and there were no protests.
2. The Estes Cove (F-1 FB-B) Field was discovered in 1971. The field operates under special rules providing for 660'-1,320' well spacing, 80 acre density, and allocation based on 100% acreage.
3. No wells have been completed in the Estes Cove (F-1 FB-B) Field: the Sultenfuss No. 1 discovery well in 1971 and the Schnitz No. 1 in 1998.
4. Wells in the Estes Cove (F-1 FB-B) will adequately drain 40 acres.
  - a. The Sultenfuss No. 1 produced 101,000 BO prior to being recompleted to another field in 1989.

- b. The Schnitz No. 1 has already produced over 108,000 BO.
- c. Recoverable reserves beneath 40 acres are estimated to be 115,800 BO.
- 5. Spacing a minimum of 467 feet from lease lines and 933 feet between wells is standard for 40 acre density.
- 6. The Estes Cove (F-1 FB-B) Field should be defined as the correlative interval between 7,910 and 7,949 feet as shown on the log of th Sultenfuss No. 1.

**CONCLUSIONS OF LAW**

- 1. Proper notice of this hearing was given to all persons legally entitled to notice.
- 2. All things have occurred or been accomplished to give the Railroad Commission jurisdiction in this matter.
- 3. Amending the field rules for the Estes Cove (F-1 FB-B) Field is necessary to prevent waste, protect correlative rights, and promote orderly development of the field.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the field rules for the Estes Cove (F-1 FB-B) Field be amended to provide for 467'-933' well spacing, 40 acre density and a designated interval for the field.

Respectfully submitted,

Donna K. Chandler  
Technical Hearings Examiner