

July 6, 2007

**OIL AND GAS DOCKET NO. 08-0252162**

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**APPLICATION OF ENERGEN RESOURCES CORPORATION TO AMEND THE FIELD RULES FOR THE BLOCK 11 (FUSSELMAN) FIELD, ANDREWS COUNTY, TEXAS**

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**HEARD BY:** Thomas H. Richter, P.E.

**DATE OF HEARING:** June 25, 2007

**APPEARANCES:**

Sandra Buch, attorney  
David Cromwell  
Mark Solari  
Albert Barkman

**REPRESENTING:**

Energen Resources Corporation

**EXAMINER'S REPORT AND RECOMMENDATION**  
**STATEMENT OF THE CASE**

This is the unopposed application of Energen Resources Corporation to amend the field rules as adopted in Order No. 8-50,330, effective August 14, 1962 for the Block 11 (Fusselman) Field that currently provide for the following:

1. Minimum well spacing of 660'/1320' (lease line/between well);
2. 160 acre proration units plus 10% tolerance and a maximum diagonal of 4,500';
3. An allocation formula based on 100% acreage.
4. Surface casing requirement of 1500'.

Energen Resources Corporation proposes the following:

1. Minimum well spacing of 467'/1320' (lease line/between well);
2. Optional 80 acre density and a maximum diagonal of 3,250';
3. No Change.

The examiner recommends that existing Special Field Rule No. 4 be rescinded as this requirement is addressed by Statewide Rules. The examiner recommends approval of the proposed amended field rules.

**DISCUSSION OF THE EVIDENCE**

The Block 11 (Fusselman) Field was discovered in 1961 at 7,956' subsurface depth. Special Field Rules were adopted pursuant to Order No. 8-50,330, effective August 14, 1962. The top allowable for a well in the field is 241 BOPD. There are two operators in the field with one well each. Cumulative production from the field is 1.077 MMBO.

The proposed minimum well spacing rules (467'/1320') are necessary to allow flexibility in locating wells. The reservoir is the result of a stratigraphic trap. The closer minimum lease line spacing is identical for the lease line spacing for the Wolfcamp field that is located above the Fusselman. In addition, there are several other potential productive zones above the Wolfcamp being the Wichita-Albany, Lower Clearfork, Tubb and Upper Clearfork.

Optional 80 acre density is necessary for the efficient and effective depletion of the reservoir. The Santiago, University 14 Well No. 1 produced from 1960 and was plugged in 1979 after producing 248,000 BO. The Energen Resources, University 14-A Well No. 6 was completed in February 2007 and is located 1050' away from the former Santiago, University 14 Well No. 1. The well potentialized at 170 BOPD, 300 MCFD, and 9 BWPD.

**FINDINGS OF FACT**

1. Notice of this hearing was sent to all operators in the subject field at least ten (10) days prior to the subject hearing.
2. There was no protest at the call of the hearing.
3. The Block 11 (Fusselman) Field was discovered in 1961 at 7,956' subsurface depth.
  - a. Special Field Rules were adopted pursuant to Order No. 8-50,330, effective August 14, 1962. The top allowable for a well in the field is 241 BOPD.
  - b. There are two operators in the field with one well each.
4. The proposed minimum well spacing rules (467'/1320') are necessary to allow flexibility in locating wells. The closer minimum lease line spacing is identical for the lease line spacing for the Wolfcamp field that is located above the Fusselman.
5. Optional 80 acre density is necessary for the efficient and effective depletion of the reservoir.
  - a. The Santiago, University 14 Well No. 1 produced from 1960 and was plugged in 1979 after producing 248,000 BO.
  - b. The Energen Resources, University 14-A Well No. 6 was completed in February 2007 and is located 1050' away from the former Santiago, University 14 Well No.

1. The well potentialed at 170 BOPD, 300 MCFD, and 9 BWPD.
6. Rescinding Special Field Rule No. 4 is appropriate as the requirements are addressed by current Statewide Rules.

**CONCLUSIONS OF LAW**

1. Proper notice was given to all parties as set out in the provisions of all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Consideration of field rules, a determination of their effectiveness and appropriate actions are a matter within the Commission jurisdiction.
4. Adoption of the proposed amended field rules will prevent waste, foster conservation and protect correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends approval of the proposed amended field rules for the Block 11 (Fusselman) Field.

Respectfully submitted,

Thomas H. Richter, P.E.  
Technical Examiner  
Office of General Counsel