



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 06-0287733

THE APPLICATION OF WILL-DRILL OPERATING, L.L.C. TO ADOPT FIELD RULES FOR THE GOOD SPRINGS (PETTIT) FIELD, RUSK AND CHEROKEE COUNTIES, TEXAS

HEARD BY: Paul Dubois – Technical Examiner
Terry Johnson – Hearings Examiner

HEARING DATE: April 21, 2014

APPEARANCES:

REPRESENTING:

APPLICANT:

David Gross
Dale Miller

Will-Drill Operating, L.L.C.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

This is the application of Will-Drill Operating, LLC (Will-Drill) to adopt field rules for the Good Springs (Pettit) Field in Cherokee and Rusk Counties, Texas. The notice of hearing only indicated Rusk County, but wells are completed in both Rusk and Cherokee Counties. Will-Drill seeks to adopt a correlative interval for the field and a standard suite of field rules to facilitate development with horizontal or vertical wells. The application was not protested. The examiners recommend the field rules be adopted as requested by Will-Drill.

DISCUSSION OF THE EVIDENCE

The Good Springs (Pettit) Field was discovered on November 29, 1982, at a depth of 7,702 feet. The field is currently under Statewide Rules. To date a total of 13 wells have been completed in the field. The April 2014 proration schedules carry six oil and no gas wells. Several wells have been plugged and at least one completion is pending. Most

of the wells are vertical completions, and two horizontal wells have been drilled, one of which has three laterals. The field has produced 340,124 bbl oil and 196,205 mcf gas from discovery through January 2014. From 2008 through 2013 the field has produced just over 10,000 bbl oil per year.

The type log for the well is the the Baker Atlas Induction Log of the Buffco Production Incorporated B.A. Florence Well No. 1, (API No. 42-073-31111), located 2,644 feet from the North line and 2,900 feet from the West line of the S. Dykes Survey, A-201 in Cherokee County. This well is currently operated by Buffco. It was drilled by Will-Drill, however, and Will-Drill's name appears on the type log. The correlative interval for the field is from 7,847 feet to 7,950 feet.

Will-Drill completed its horizontal Wylie Heirs No. 1H on January 15, 2014. On initial potential testing the well produced 340 bbl oil and 342 bbl water. The well produced no gas. The other horizontal well in the field, the Buffco Production Childress Unit No. 1, was first completed in 2005 and tested with an initial potential of 252 bbl oil, 77 mcf gas and 119 bbl water. The Buffco Childress well has three laterals drilled from one surface location. The 11 vertical wells in the field had initial potential oil production rates from 15 to 91 bbl oil per day.

Will-Drill estimates the field has a net pay thickness of 13 feet over the 103-foot correlative interval from 7,847 feet to 7,905 feet. The average porosity is 11.1 percent and the water saturation is 35 percent. With a recovery factor of 20 percent, the recoverable oil in place is estimated to be 93,142 STB per acre-feet for an 80-acre unit, and 46,571 STB per acre-feet for a 40-acre unit. Will-Drill estimates that the vertical wells in the field have drainage areas ranging from 1 to 92 acres. Two vertical wells in the field have demonstrated the ability to drain 77 to 92 acres. The three drainholes of the Buffco Childress No. 1 well drain an estimated combined 78 acres. There is insufficient production data from the new Will-Drill Wiley Heirs No. 1H for drainage calculations.

Based on the production success of horizontal wells over vertical wells in this field, Will-Drill is requesting a standard suite of field rules to facilitate the orderly development of the field with horizontal wells. These rules include 330-foot lease line spacing, no between well spacing restrictions, 200-foot take point provisions, off-lease take point provisions, no-perf zones, and a 50-foot box rule. Will-Drill requests standard 80-acre units with 40-acre options based on its volumetric and drainage area calculations. Also, Will-Drill has demonstrated that a 400 bbl per day allowable is reasonable for an 80-acre unit.

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 Good Springs (Pettit) Field was discovered on November 29, 1982, at a depth of 7,702 feet. The field is currently under Statewide Rules.
3. To date a total of 13 wells have been completed in the field in Cherokee and Rusk Counties; eleven vertical wells and two horizontal wells.
4. The field has produced 340,124 bbl oil and 196,205 mcf gas from discovery through January 2014.
5. Will-Drill's Wylie Heirs No. 1H tested an initial potential of 340 bbl oil and 342 bbl water. The well produced no gas.
6. The 11 vertical wells in the field had initial potential oil production rates from 15 to 91 bbl oil per day.
7. The field has a net pay thickness of 13 feet over the 103-foot correlative interval from 7,847 feet to 7,905 feet.
8. The average porosity is 11.1 percent and the water saturation is 35 percent.
9. With a recovery factor of 20 percent, the recoverable oil in place is estimated to be 93,142 STB per acre-feet for an 80-acre unit, and 46,571 STB per acre-feet for a 40-acre unit.
10. The two horizontal wells have outperformed the vertical wells.
11. Common horizontal well provisions will reduce waste and protect correlative rights.

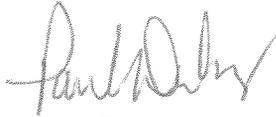
CONCLUSIONS OF LAW

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 Good Springs (Pettit) Field will prevent waste, protect correlative rights and promote development of the field.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission adopt the field rules Good Springs (Pettit) Field, as requested by Will-Drill Operating, L.L.C.

Respectfully submitted,



Paul Dubois
Technical Examiner



Terry Johnson
Hearings Examiner