



## RAILROAD COMMISSION OF TEXAS

### HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 03-0294343**

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**THE APPLICATION OF IMPETRO OPERATING LLC TO AMEND FIELD RULES FOR THE KURTEN (BUDA) FIELD, BRAZOS COUNTY, TEXAS**

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**HEARD BY:** Paul Dubois – Technical Examiner  
Marshall Enquist – Hearings Examiner

**HEARING DATE:** January 15, 2015

**CONFERENCE DATE:** March 24, 2015

**APPEARANCES:**

John Soule  
Edward Shaw

**REPRESENTING:**

Impetro Operating LLC

### EXAMINER'S REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

Impetro Operating LLC (Impetro) seeks to amend the field rules for the Kurten (Buda) Field in Brazos County, Texas. Impetro seeks the following changes to the current field rules:

- Adopt a correlative interval for the field from 8,346 feet to 8,763 feet;
- Reduce the lease line spacing from 660 feet to 467 feet; and,
- Reduce the between well spacing from 1,320 feet to 1,200 feet.

The purpose of the requested amendments is to make the rules for the Kurten (Buda) Field consistent with the Kurten (Georgetown) and Giddings (Buda) Fields. The three fields are co-located in the same area and the correlative intervals are similar for each. The application was not protested. The Examiners recommend the field rules be amended as requested by Impetro.

### DISCUSSION OF EVIDENCE

Impetro's request for the subject field rule amendments is prefaced by an unusual history of the field rules in the Kurten (Buda) and Kurten (Georgetown) Fields. In 1983 the Kurten (Georgetown) Field was consolidated into the Kurten (Buda) Field, but only for oil wells. In 1996, the Kurten (Buda) Field was consolidated into the Kurten (Georgetown) Field, but only for gas wells. In effect, these well type-specific consolidations have resulted in one associated field—although with different names and with separate rules for gas wells and oil wells.

The Kurten (Buda) field currently has 660-foot lease line spacing, 1,320-foot between well spacing, and 160-acre proration units with 80-acre optional units. The Kurten (Georgetown) field currently has 467-foot lease line spacing, 1,200-foot between well spacing, and 160-acre proration units. Impetro seeks to harmonize these rules with regard to the spacing provisions. Further, Impetro seeks to adopt a correlative interval for the Kurten (Buda) Field comparable to that for the Kurten (Georgetown) Field.

In addition, development of the Giddings (Buda) Field is also relevant to Impetro's requested field rule amendments. The Kurten (Buda) Field was discovered in Brazos County, and the Giddings (Buda) Field was discovered in Lee County. However, development of the Giddings (Buda) Field has extended from Lee County, across Burleson County, and is now active in Brazos County. That is, the fields have grown together. Originally the Giddings (Buda) Field was a Buda Formation field only, but the Caldwell (Georgetown) was consolidated into it. Wells in the Giddings (Buda) field now produce from both the Buda and Georgetown Formations, and the field has oil and gas wells. The Giddings (Buda) field currently has 467-foot lease line spacing, 1,200-foot between well spacing, and 160-acre proration units with 80-acre optional units.

Thus the Kurten (Buda) Field produces from a similar correlative interval as that of the Kurten (Georgetown) and Giddings (Buda) Fields, but operators assigning wells in the Kurten (Buda) Field may be at a disadvantage to operators in the other two fields because of the well spacing disparities. Therefore, Impetro seeks to reduce the lease line spacing from 660 feet to 467 feet, and reduce the between well spacing from 1,320 feet to 1,200 feet.

Alternative potential resolutions available to operators of wells in the Kurten (Buda) Field include obtaining individual Rule 37 exceptions for reduced well spacing distances, or to consolidate the fields.

Impetro seeks to adopt a correlative interval for the Kurten (Buda) Field as the interval from 8,346 feet to 8,763 feet as shown on the log of the W. Presnel Lease, Well No. 1 (API No. 42-041-30876). This interval extends from the top of the Buda Formation to the top of the Edwards Formation and includes the entire Buda and Georgetown Formations. This correlative interval is stratigraphically identical to the field intervals for the

Kurten (Georgetown) and Giddings (Buda) Fields.

**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 Kurten (Buda) and Kurten (Georgetown) Fields are related. The two fields function as a single associated field, with all oil wells assigned to the Kurten (Buda) Field and gas wells assigned to the Kurten (Georgetown) Field.
3. The Kurten (Buda) field currently has 660-foot lease line spacing, 1,320-foot between well spacing, and 160-acre proration units with 80-acre optional units.
4. The Kurten (Georgetown) field currently has 467-foot lease line spacing, 1,200-foot between well spacing, and 160-acre proration units.
5. The Giddings (Buda) field currently has 467-foot lease line spacing, 1,200-foot between well spacing, and 160-acre proration units with 80-acre optional units.
6. The Kurten (Buda), Kurten (Georgetown), and Giddings (Buda) Fields all produce from the same stratigraphic interval, which includes the Buda and Georgetown Formations.
7. Development of the Giddings (Buda) Field has progressed from Lee County into Brazos County, and into the area also being developed as the Kurten (Buda) Fields.
8. Disparate field rules between the Kurten (Buda), Kurten (Georgetown), and Giddings (Buda) put operators of wells in the Kurten (Buda) at a competitive disadvantage with regard to protecting their correlative rights; there is no geologic or engineering reason for the field rule spacing requirements to differ.
9. The proposed correlative interval for the Kurten (Buda) Field from 8,346 feet to 8,763 feet as shown on the log of the W. Presnel Lease, Well No. 1 (API No. 42-041-30876) is stratigraphically identical to the field intervals for the Kurten (Georgetown) and Giddings (Buda) Fields.

**CONCLUSIONS OF LAW**

1. Resolution of the subject application is a matter committed to the jurisdiction of the Railroad Commission of Texas. Tex. Nat. Res. Code § 81.051
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.45
3. Adoption of the proposed field rules will protect correlative rights and promote the orderly development of the Kurten (Buda) Field.

**RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the Examiners recommend the Kurten (Buda) field rules be amended as requested by Impetro.

Respectfully submitted,



Paul Dubois  
Technical Examiner



Marshall Enquist  
Hearings Examiner