



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

**OIL AND GAS DOCKET NO. 08-0295428**

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**THE APPLICATION OF BLACKBEARD OPERATING, LLC TO ADOPT PERMANENT FIELD RULES FOR THE MARSTON RANCH (CLEARFORK) FIELD IN WARD COUNTY, TEXAS**

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**HEARD BY:** Richard Eyster, P.G. – Technical Examiner  
Terry Johnson – Legal Examiner

**HEARING DATE:** March 27, 2015

**CONFERENCE DATE:**

**APPEARANCES:**

**REPRESENTING:**

**APPLICANT:**

Dale Miller

Blackbeard Operating, LLC

### **EXAMINERS' REPORT AND RECOMMENDATION**

#### **STATEMENT OF THE CASE**

Blackbeard Operating, LLC. (Blackbeard) is proposing to adopt permanent field rules for the Marston Ranch (Clearfork) Field, Ward County, Texas.

The Marston Ranch (Clearfork) Field was discovered on July, 24, 1980 at a depth of 4,508 feet. The field is currently under Statewide Rules. Current field rules are:

- a. 467'– 1200' lease/well spacing
- b. 40 acre base units with;
- c. 20 acre tolerance acres
- d. No Maximum diagonal length
- e. 100% acres Allowable

Notice of the application was sent to all operators with wells in the field. Operators in the field are Blackbeard Operating Co, Northstar Operating Company, and OXY USA, Inc., the application is not protested. The Examiners recommend field rules adopted for the Marston Ranch (Clearfork) Field as proposed by Blackbeard.

### **DISCUSSION OF THE EVIDENCE**

The proposed rule rules for the Marston Ranch (Clearfork) Field are;

1. Designate the Correlative Interval from 4,200 feet to 5,067 feet as shown on the Compensated Neutron Formation Density Log of the American Quasar Petroleum, Marston Lease Well No. 1, located in Section 7, Blk B-19 of the PSL Survey, Ward County Texas.
2. 330ft - 660ft well spacing.
3. 40 acre base oil units with optional 10 acre density, 20 acre tolerance provision for the last well on the lease, the filing of Form P-15 to designate the number of acres to be assigned to individual wells with a plat of the entire lease, with no requirements to file individual well proration unit plats and no maximum diagonal limitation. Although not required, an operator may file proration plats for individual wells if they so desire.
4. Allocation based on 95% wells and 5% acres with an oil allowable based on the 1965 Yardstick Allowable.

There are a total of 36 pumping wells, and 6 abandoned wells in the field. Cumulative field production from 1981 to January 2008 is 522,296 BO. According to Blackbeard, the average pay thickness is approximately 120 feet thick. The average porosity of the pay sand is 8.0 %, the average permeability is 3.0 md. The average oil interstitial water saturation is 50%. The average API gravity of the oil produced is 43.0° API. The proven oil acreage is 1680 acres and the formation volume factor is 1.38. The original reservoir pressure was 2,168 psi with temperature of 90°. Based on these reservoir parameters, the drainage areas for wells in the field range from less than 1.0 acre to 27 acres The average well density is less than 40 acres per well.

The Examiners recommend field rules for the Marston Ranch Clearfork) Field be adopted as proposed by Blackbeard.

### **FINDINGS OF FACT**

1. Notice of the application was sent to all operators with wells in the field subject to the application no protests were received.

2. The Marston Ranch (Clearfork) Field was discovered on October 13, 1962 at a depth of 5,344 feet. The field is currently under Special Order 8-69,435, dated September 18, 1978.
3. There are 42 wells in the field, 36 pumping wells and 6 abandoned wells..
4. The maximum drainage area of the 36 wells is 27 acres per well with 12 wells draining less than 10 acres, and an average well density of 40 acres
5. The proposed minimum well spacing, 330'/660' (lease line/between well) is necessary to provide for flexibility in locating wells in this field.
6. Additional development on 10 acre density is necessary to maximize ultimate recovery from the field.
7. A two factor allocation formula of 95% wells and 5% acres will be protective of correlative rights.
8. Blackbeard plans to drill additional wells on the proposed optional 10 acre density.

#### CONCLUSIONS OF LAW

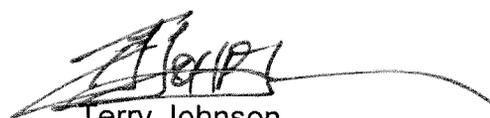
1. Proper notice was issued as applicable in all regulatory statutes and codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter
3. Granting the requested Field Rules will prevent waste, protect correlative rights and promote an orderly development of the reservoir.

#### EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend that the Commission adopt the proposed permanent Field Rules for the Marston Ranch (Clearfork) Field, Ward County, Texas as requested by Blackbeard Operating Co.

Respectfully submitted,

  
Richard Eyster, P.G.  
Technical Examiner

  
Terry Johnson  
Legal Examiner