



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 04-0298726

**THE APPLICATION OF DEWBRE PETROLEUM CORPORATION TO ADOPT
PERMANENT FIELD RULES FOR THE RIGGAN (F-8) FIELD, WILLACY COUNTY,
TEXAS**

HEARD BY: Paul Dubois – Technical Examiner
Ryan Lammert – Administrative Law Judge

HEARING DATE: December 17, 2015

CONFERENCE DATE: February 3, 2016

APPEARANCES:

Dale Miller

REPRESENTING:

Dewbre Petroleum Corporation

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Dewbre Petroleum Corporation (Dewbre) seeks to adopt permanent field rules for the Riggan (F-8) Field (No. 76669 050) in Willacy County, Texas. The field is currently under Statewide Rules, and Dewbre requests the following special field rules:

1. A correlative interval from 8,390 feet to 8,440 feet;
2. 330-foot lease line spacing and 660-feet between well spacing;
3. 40-acre oil proration units with 20-acre tolerance, no maximum diagonal limitations, and acreage assignment through Form P-16 with or without proration unit plats; and
4. 100 percent acreage allocation formula.

The application is not protested. The Examiners recommend the permanent field rules be adopted as requested by Dewbre.

DISCUSSION OF EVIDENCE

The Dewbre Thomas Oil Unit Well No. 3 (API No. 42-489-31277), located on the west side of Raymondville, Texas, was completed at a depth of 8,440 feet on June 13, 2015. The well was permitted and initially placed in the Riggan (8500) Field. On June 15, 2014 the initial potential test produced 175 barrels of oil 170 thousand cubic feet (mcf) gas, and no water.

After completion, Dewbre determined that the well was not actually completed in the correlative interval for the Riggan (8500) Field, but instead was producing from a new and previously undiscovered interval. Dewbre applied for a new field designation for the Riggan (F-8) Field, which was granted on August 24, 2015. The correlative interval for the field is the interval from 8,390 feet to 8,440 feet as shown on the Baker Hughes high definition induction log, compensated densilog, compensated neutron log, gamma ray log of the Dewbre Petroleum Corporation, Thomas Unit Well No. 3 (API No. 42-489-31277).

Since June 2014, the Thomas Oil Unit Well No. 3 has produced 68,488 barrels of oil and 49,032 mcf gas. In September 2015 the well produced an average of 155 barrels of oil per day and 108 mcf gas. Production is stable with little decline. It is currently the only well in the field. Dewbre anticipates that the field can be fully developed with a total of five wells.

Dewbre requests standard 40 acre drilling and proration units. However, because the well is on the western side of the city of Raymondville, and additional development will likely be towards developed areas, Dewbre also requests 330-foot lease line spacing provisions and 660-foot between well spacing.

FINDINGS OF FACT

1. Notice of this hearing was given to all parties entitled to notice at least ten days prior to the date of hearing.
2. The Dewbre Thomas Oil Unit Well No. 3 (API No. 42-489-31277), located on the west side of Raymondville, Texas, was completed at a depth of 8,440 feet on June 13, 2015.
 - a. The well was permitted and initially placed in the Riggan (8500) Field.
 - b. On June 15, 2014 the initial potential test produced 175 barrels of oil 170 thousand cubic feet (mcf) gas, and no water.
 - c. Since June 2014, the Thomas Oil Unit Well No. 3 has produced 68,488 barrels of oil and 49,032 mcf gas.

- d. In September 2015 the well produced an average of 155 barrels of oil per day and 108 mcf gas.
 - e. Production is stable with little decline.
3. The Thomas Oil Unit Well No. 3 well was not actually completed in the correlative interval for the Riggan (8500) Field, but instead was producing from a new and previously undiscovered interval, which was designated by the Commission as the Riggan (F-8) Field on August 24, 2015.
 4. The correlative interval for the field is the interval from 8,390 feet to 8,440 feet as shown on the Baker Hughes high definition induction log, compensated densilog, compensated neutron log, gamma ray log of the Dewbre Petroleum Corporation, Thomas Unit Well No. 3 (API No. 42-489-31277).
 5. Dewbre anticipates that the field can be fully developed with a total of five wells.
 6. 40-acre proration units are appropriate for the field.
 7. 330-foot lease line spacing and 660-foot between well spacing are appropriate for the field to provide flexibility in well placement within the City Limits of Raymondville, Texas.

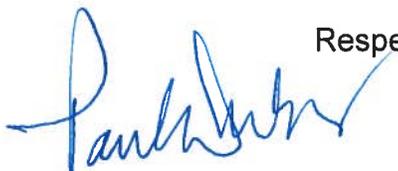
CONCLUSIONS OF LAW

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. The proposed field rules will prevent waste, protect correlative rights, and promote the orderly development of the field.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend the Commission enter an order granting the application of Dewbre Petroleum Corporation to adopt permanent field rules for the Riggan (F-8) Field in Willacy County, Texas.

Respectfully submitted,



Paul Dubois
Technical Examiner



Ryan Lammert
Administrative Law Judge