



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 7C-0301166

THE APPLICATION OF ARBEN OIL, INC. TO ADOPT FIELD RULES FOR THE BALLINGER (PALO PINTO, N.) FIELD, RUNNELS COUNTY, TEXAS

HEARD BY: Paul Dubois – Technical Examiner
Marshall Enquist – Administrative Law Judge

HEARING DATE: September 28, 2016

CONFERENCE DATE: October 25, 2016

APPEARANCES:

Lou Beal

REPRESENTING:

Arben Oil, Inc.

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Arben Oil, Inc. ("Arben") seeks to adopt permanent field rules for the Ballinger (Palo Pinto, N.) Field (No. 05310 720) in Runnels County, Texas. The field is currently on Statewide Rules, and Arben requests that the field density be set to 20-acre proration units. Arben provided an engineering study to support its request. The application was not protested. The Technical Examiner and Administrative Law Judge (collectively, "Examiners") recommend the field rules be adopted as requested by Arben.

DISCUSSION OF THE EVIDENCE

The Ballinger (Palo Pinto, N.) Field in Runnels County, Texas, was discovered on December 18, 1955, at a depth of 3,468 feet. The field is currently on Statewide Rules, which consist of 40-acre density, 467-foot lease line spacing and 1,200-foot between well spacing. The 1947 yardstick allowable for the field is 84 barrels of oil per day. A total of 31 wells have been completed in the field; there are currently 15 producing wells in the field, 13 of which are operated by Arben.

The field includes an upper and lower zone with a total net thickness of about 16 feet. Porosity ranges from 3 to 9 percent. On initial potential testing the wells have produced at rates from 20 to 138 barrels of oil per day. Wells in the field currently produce from about 0.25 to 3

barrels of oil per day. Arben has conducted acid stimulation on its wells from time to time to improve production, but 20-acre density is necessary for full development.

Arben seeks to reduce the field density to 20-acre units, which will enable it to attempt to recover 861,100 gross recoverable barrels of proved oil that remain in the Palo Pinto Formation. Arben's evidence indicates that in-fill wells on a reduced 20-acre density are necessary to continue development of the field, prevent waste, and protect its correlative rights.

The adjacent Ballinger (Palo Pinto) Field has special field rules establishing 20-acre proration units, 330-foot lease line spacing and 933-foot between well spacing (Special Order No. 7-24,127, effective July 21, 1952). The proposed field rules will equalize the regulatory requirements for both fields.

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 the hearing.
2. The Ballinger (Palo Pinto, N.) Field in Runnels County, Texas, was discovered on December 18, 1955, at a depth of 3,468 feet.
3. The field is currently on Statewide Rules, which consist of 40-acre density, 467-foot lease line spacing and 1,200-foot between well spacing. The 1947 yardstick allowable for the field is 84 barrels of oil per day. The adjacent Ballinger (Palo Pinto) Field has special field rules establishing 20-acre proration units, 330-foot lease line spacing and 933-foot between well spacing (Special Order No. 7-24,127, effective July 21, 1952).
4. A total of 31 wells have been completed in the field; there are currently 15 producing wells in the field, 13 of which are operated by Arben.
5. The field includes an upper and lower zone with a total net thickness of about 16 feet. Porosity ranges from 3 to 9 percent. On initial potential testing the wells have produced at rates from 20 to 138 barrels of oil per day. Wells in the field currently produce from about 0.25 to 3 barrels of oil per day.
6. Arben estimates there are 861,100 gross recoverable barrels of proved oil that remain in the Palo Pinto Formation in the field.
7. In-fill wells on a reduced 20-acre density are necessary to continue development of the field, prevent waste, and protect its correlative rights.
8. Standard spacing for 20-acre density is 330-foot lease line and 933-foot between well.

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 §§ 1.43 and 1.45.
3. The proposed field rules will prevent waste, protect correlative rights, and promote the orderly development of the field.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend the Commission enter an order granting the application of Arben Oil, Inc. to adopt permanent field rules for the Ballinger (Palo Pinto, N.) Field in Runnels County, Texas.

Respectfully submitted,



Paul Dubois
Technical Examiner



Marshall Enquist
Administrative Law Judge