



RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL AND GAS DOCKET NO. 02-0304316

THE APPLICATION OF ALTA MESA SERVICES TO CONSOLIDATE VARIOUS FIELDS INTO THE BRANDY (PETTUS-CM CONS.) FIELD, GOLIAD COUNTY, TEXAS.

HEARD BY: Peggy Laird, P.G. – Technical Examiner
Ryan M. Lammert – Administrative Law Judge

HEARING DATE: May 15, 2017

CONFERENCE DATE: August 1, 2017

APPEARANCES: **REPRESENTING:**

APPLICANT:

Frank Muser
Dorsey Twidwell

Alta Mesa Services

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Alta Mesa Services ("AMS") requests to consolidate the various fields listed in the following table into the Brandt (Pettus-CM Cons.) Field.

FIELD NAME	FIELD NUMBER
Bomba (Yegua 2 nd)	10357600
Brandt (4670)	11381265
Brandt (Cook Mountain)	11381050
Brandt (Yegua 4600)	11381490
Brandt (Yegua 4650)	11381496
Brandt (Yegua 4700)	11381498
Brandt (Yegua 5000)	11381664
Brandt (Yegua 5200)	11381700
Brandt, S. (Cook MT. 5200)	11386666
Franke (Yegua)	32625333
Franke (Yegua, First)	32625666
Gottschalt (Cook Mountain)	36065050
Gottschalt (Crockett Lower)	36065062
Gottschalt (Crockett Upper)	36065186
Gottschalt (Pettus)	36065620
Gottschalt (Third Yegua)	36065700
Gottschalt, W.	36069500
Gottschalt, West (Pettus)	36069700
Weser	96422001

AMS also seeks the following field rules for the Brandt (Pettus-CM Cons.) Field: (1) a correlative interval from 4,460 feet to 5,280 feet; (2) 330-foot lease line spacing and 933-foot between well spacing; (3) 40-acre proration units for oil and gas wells; (5) 20-acre tolerance for oil wells and ten percent tolerance acreage for gas wells; (6) no maximum diagonal; (7) oil allocation based on the 1965 Yardstick and gas allocation based on 95% deliverability and 5% per well; and (8) suspension of the gas allocation formula and gas field types set to 100% AOF.

All operators in the various fields were notified, and no protests were received. The Administrative Law Judge and the Technical Examiner (collectively, the "Examiners") recommend the various fields be consolidated into the Brandt (Pettus-CM Cons.) Field and adopt the proposed field rules.

DISCUSSION OF EVIDENCE

The Gottschalt (Crockett Lower) and the Gottschalt (Crockett Upper) Fields are currently under special rules. The remaining fields are under statewide rules. The following table is a summary of information for the various fields.

Field	Field Number	Disc Depth	Disc Date	Field Rules	Field Type
Bomba (Yegua 2 nd)	10357600	5281	1/1/1975	467/1200/40	Associated
Brandt (4670)	11381265	4673	5/27/1983	467/1200/40	Non-Associated
Brandt (Cook Mountain)	11381050	5165	8/14/1979	467/1200/40	Associated
Brandt (Yegua 4600)	11381490	4592	10/26/1984	467/1200/40	Non-Associated
Brandt (Yegua 4650)	11381496	4642	2/29/1984	467/1200/40	Non-Associated
Brandt (Yegua 4700)	11381498	4659	8/18/1955	467/1200/40	Associated
Brandt (Yegua 5000)	11381664	4990	1/6/1960	467/1200/40	Non-Associated
Brandt (Yegua 5200)	11381700	5178	8/23/1976	467/1200/40	Non-Associated
Brandt, S. (Cook MT. 5200)	11386666	5202	4/9/1964	467/1200/40	Associated
Franke (Yegua)	32625333	4783	10/12/1955	467/1200/40	Non-Associated
Franke (Yegua, First)	32625666	4794	7/30/1955	467/1200/40	
Gottschalt (Cook Mountain)	36065050	4981	12/30/2011	467/1200/40	Associated
Gottschalt (Crockett Lower)	36065062	5110	7/1/1958	330/933/160	Non-Associated
Gottschalt (Crockett Upper)	36065186	5073	7/1/1958	330/933/160	Non-Associated
Gottschalt (Pettus)	36065620	4469	1/16/1962	467/1200/40	Associated
Gottschalt (Third Yegua)	36065700	4685	5/28/1981	467/1200/40	Non-Associated
Gottschalt, W.	36069500	5092	8/28/1979	467/1200/40	Non-Associated
Gottschalt, West (Pettus)	36069700	4484	4/29/1980	467/1200/40	Associated
Weser	96422001	3655	1936	467/1200/40	

AMS reported that consolidation of the various fields and adopting the proposed field rules will allow for efficient development of the field and prevent waste. AMS presented evidence that demonstrated the various fields are stratigraphically equivalent and fall within the proposed correlative interval. The cost to recover reserves across multiple pay zones is lower than producing individual fields. AMS considers that the production across multiple pay zones at the same time will lower abandonment pressure and allow additional reserves to be recovered. Production history and results of volumetric calculations indicate drainage area of 40 acres is appropriate. AMS stated that fluids from all the fields are compatible, and that the bottom hole pressures of the fields are similar.

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 and no protests were received.
2. The Gottschalt (Crockett Lower) and the Gottschalt (Crockett Upper) Fields are currently under special rules. The remaining fields are under statewide rules.
3. All the fields were discovered at various times, from 1936 to 2011.
4. The various fields are stratigraphically equivalent and fall within the proposed correlative interval.
5. Production history and results of volumetric calculations indicate drainage area of 40 acres is appropriate.
6. Fluids from all the fields are compatible, and the bottom hole pressures of the fields are similar.
7. At the hearing, the applicant agreed on the record that the Final Order in this case is to be effective when the Master Order is signed.

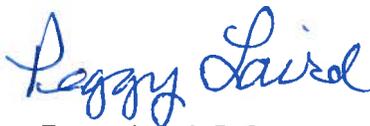
CONCLUSIONS OF LAW

1. All things have occurred and been accomplished to give the Commission jurisdiction in this matter. Tex. Nat. Res. Code § 81.051.
2. All notice requirements have been satisfied. 16 Tex. Admin. Code § 1.4.
3. Consolidation of the various fields and adopting the proposed field rules will allow for efficient development of the field and prevent waste.
4. Pursuant to §2001.144(a)(4)(A), of the Texas Government Code, and the agreement of the applicant, the Final Order is effective when a Master Order relating to the Final Order is signed on August 1, 2017.

RECOMMENDATION

Based on the above findings of fact and conclusions of law, the Examiners recommend the various fields previously listed be consolidated into the Brandt (Pettus-CM Cons.) Field and that the proposed field rules be adopted for the Brandt (Pettus-CM Cons.) Field as requested by Alta Mesa Services.

Respectfully submitted,



Peggy Laird, P.G.
Technical Examiner



Ryan M. Lammert
Administrative Law Judge