

**OIL AND GAS DOCKET NO. 8A-0259606**

---

**THE APPLICATION OF FOREST OIL PERMIAN CORPORATION TO INCREASE THE GAS-OIL RATIO FOR THE TEX-MEX, SE. (WICHITA ALBANY) FIELD, GAINES COUNTY, TEXAS**

---

**Heard by:** Richard D. Atkins, P.E. - Technical Examiner

**Date of Hearing:** November 17, 2008

**Appearances:**

Richard P. Marshall, Jr.  
Mimi Winetroub

**Representing:**

Forest Oil Permian Corporation

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Forest Oil Permian Corporation requests that the permissible gas-oil ratio for the Tex-Mex, SE. (Wichita Albany) Field be amended from 2,000 cubic feet per barrel to 15,000 cubic feet per barrel. Forest also requests that all overproduction in the field be canceled.

This application was unopposed and the examiner recommends approval of the requested gas-oil ratio rule for the field and that all overproduction in the field be canceled.

**DISCUSSION OF THE EVIDENCE**

The Tex-Mex, SE. (Wichita Albany) Field was discovered in February 1983 and there are currently 120 wells carried on the proration schedule. The field operates under Field Rules specifying a correlative interval, 467'-933' well spacing, 80 acre units with optional 40 acre density and allocation based on 100% acreage. The top allowable is 198 BOPD with an allowable gas-oil ratio of 2,000 cubic feet per barrel. Cumulative production from the field through September 2008 is 7.9 MMBO and 15.8 BCFG.

The initial field development was only in the Wichita Albany formation. In 2000, a correlative interval was designated that added the Clearfork formation and the gross field interval expanded from 154 feet to 894 feet. These formations are fractured dolomite deposited over a Northwest-Southeast trending anticline. The producing zones are heterogeneous lenticular deposits that have an average porosity of 8.5%, an average water saturation of 45% and a cumulative net pay thickness of 76 feet. The primary drive mechanism is a solution gas drive and the field is in the later stages of primary depletion.

All of the producing wells are on rod pump and the average field gas-oil ratio is

approximately 3,000 cubic feet per barrel. The producing gas-oil ratio for wells completed in the Wichita Albany zone only are generally between 1,000 and 3,000 cubic feet per barrel. However, the producing gas-oil ratio for wells completed in the Clearfork and Wichita Albany zones are generally between 3,000 and 15,000 cubic feet per barrel.

Forest has drilled more than 60 wells in the field since 2004 and plans to drill or re-enter six additional wells. In addition, Forest will be adding all pay zones in wells where there is additional pay behind pipe. This program will develop additional oil reserves of an estimated 100,000 barrels and Forest does not want the oil allowable to be penalized due to a wells high initial producing gas-oil ratio.

Forest also requests that all overproduction in the field be canceled.

### **FINDINGS OF FACT**

1. Notice of this hearing was given to all persons entitled to notice and there were no protests.
2. The Tex-Mex, SE. (Wichita Albany) Field was discovered in February 1983.
3. There are currently 136 producing wells in the field and the top allowable is 198 BOPD with an allowable gas-oil ratio of 2,000 cubic feet per barrel.
4. The correlative interval includes the Clearfork and Wichita Albany formations. The primary drive mechanism is a solution gas drive and the field is in the later stages of primary depletion.
5. All of the producing wells are on rod pump and the average field gas-oil ratio is approximately 3,000 cubic feet per barrel.
  - a. The producing gas-oil ratio for wells completed in the Wichita Albany zone only are generally between 1,000 and 3,000 cubic feet per barrel.
  - b. The producing gas-oil ratio for wells completed in the Clearfork and Wichita Albany zones are generally between 3,000 and 15,000 cubic feet per barrel.
6. A development program will produce additional oil reserves of an estimated 100,000 barrels of oil and Forest does not want the oil allowable to be penalized due to a wells high initial producing gas-oil ratio.
7. A permissible gas-oil ratio of 15,000 cubic feet per barrel will not cause waste of oil in the Tex-Mex, SE. (Wichita Albany) Field.

8. Cancellation of all overproduction in the field will not harm correlative rights.

**CONCLUSIONS OF LAW**

1. Proper notice of this hearing was given to all persons legally entitled to notice.
2. All things have occurred or been accomplished to give the Railroad Commission jurisdiction in this matter.
3. Amending the permissible gas-oil ratio to 15,000 cubic feet per barrel and canceling overproduction in the Tex-Mex, SE. (Wichita Albany) Field will not cause waste or harm correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiner recommends that the permissible gas-oil ratio for the Tex-Mex, SE. (Wichita Albany) Field be set at 15,000 cubic feet per barrel. It is further recommended that all overproduction in the field be canceled.

Respectfully submitted,

Richard D. Atkins, P.E.  
Technical Hearings Examiner