

**OIL AND GAS DOCKET NO. 06-0257379**

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**APPLICATION OF ENDURING RESOURCES, LLC TO CONSIDER A BLANKET EXCEPTION TO STATEWIDE RULE 10 FOR ALL CURRENT AND FUTURE WELLS IT OPERATES IN THE BRACHFIELD, S.E. (COTTON VALLEY) AND MINDEN (TRAVIS PEAK CONS.) FIELDS, RUSK AND PANOLA COUNTIES, TEXAS**

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**HEARD BY:** Donna K. Chandler on July 1, 2007.

**APPEARANCES:**

Dale E. Miller

**REPRESENTING:**

Enduring Resources, LLC

**EXAMINER'S REPORT AND RECOMMENDATION**  
**STATEMENT OF THE CASE**

On July 17, 2007, the Commission signed a Final Order in Docket No. 06-0251715, approving Rule 10 exception on all leases operated by Enduring Resources, LLC for the Minden (Travis Peak Cons.) and Minden (Cotton Valley Cons.) Fields. Subsequent to the Rule 10 approval, Enduring administratively transferred many of its wells from the Minden (Cotton Valley Cons.) Field to the Brachfield, S.E. (Cotton Valley) Field. As a result of the field transfers, the Rule 10 exceptions previously approved do not apply to the transferred wells. Enduring therefore requests a Commission order approving Rule 10 exceptions for all wells it operates for the Minden (Travis Peak Cons.) and Brachfield, S.E. (Cotton Valley) Fields.

This application was unopposed and the examiner recommends approval of the requested Rule 10 authority.

**DISCUSSION OF THE EVIDENCE**

The Travis Peak in this area has been developed since the 1950's. In March 2006, the Commission approved consolidation of 62 fields into the Minden (Travis Peak Cons.) Field in Docket No. 06-0245877. There are 50 oil wells and 47 gas wells listed on the current proration schedule for the field. The gas field is currently AOF.

The Brachfield, S.E. (Cotton Valley) Field was discovered in 1981 and is a non-associated gas field with 101 wells listed on the current proration schedule. This field is also AOF status.

Most of the recent development has been in the Cotton Valley. Most of the Travis Peak intervals are depleted and operators generally add Travis Peak perforations after the Cotton Valley has depleted to 200-300 MCFD. There have been at least ten Rule 10 exceptions granted for the Brachfield, S.E. (Cotton Valley) and Minden (Travis Peak Cons.) Fields since February 2007.

No fluid compatibility problems have occurred in previously commingled wells. Enduring submitted a water analysis report indicating very little scaling tendencies when Travis Peak and Cotton Valley waters are combined. Any cross-flow which may occur will therefore not cause reservoir damage. Enduring does not expect any cross-flow to occur because the zones will not be commingled until the Cotton Valley zone pressure is depleted sufficiently to match the Travis Peak zone.

Enduring estimates that incremental reserves as a result of commingling are 700 MMCF of gas per well. This is a result of a lower combined economic limit.

It is requested that the commingled well which are classified as gas wells be assigned to the Brachfield, S.E. (Cotton Valley) Field for proration purposes and wells classified as oil be assigned to the Minden (Travis Peak Cons.) Field for proration purposes. The Brachfield, S.E. (Cotton Valley) Field is classified as Non-Associated and the Minden (Travis Peak Cons.) Field is classified as Associated-Prorated.

### **FINDINGS OF FACT**

1. Notice of this hearing was issued to all operators in the Brachfield, S.E. (Cotton Valley) and Minden (Travis Peak Cons.) Fields.
2. The Minden (Travis Peak Cons.) Field was formed in 2006 as a result of consolidating 62 fields. The Brachfield, S.E. (Cotton Valley) Field was discovered in 1981.
3. There are 101 gas well currently carried in the in the Brachfield, S.E. (Cotton Valley) Field. There are 50 oil wells and 47 gas wells in the Minden (Travis Peak Cons.) Field. Both fields are AOF.
4. On July 17, 2007, the Commission signed a Final Order in Docket No. 06-0251715, approving Rule 10 exception on all leases operated by Enduring Resources, LLC for the Minden (Travis Peak Cons.) and Minden (Cotton Valley Cons.) Fields.
5. Subsequent to the Rule 10 approval, Enduring administratively transferred many of its wells from the Minden (Cotton Valley Cons.) Field to the Brachfield, S.E. (Cotton Valley) Field.

6. Downhole commingling of the Cotton Valley and Travis Peak is common in this area. Numerous Rule 10 exceptions have been approved by the Commission in various fields in the past two years. At least ten Rule 10 exceptions have been approved for the Brachfield, S.E. (Cotton Valley) Field and the Minden (Travis Peak Cons.) Field since February 2007.
7. Cross-flow between the fields is not expected because wells will not be commingled until pressures are equalized. No fluid compatibility problems have been observed in previously commingled wells and water analysis indicates very little scaling tendencies.
8. Downhole commingling production from these fields will prevent waste because separate completions in the Travis Peak are generally not economic any more.
9. Incremental recovery as a result of commingling is estimated to be 700 MMCF per well.

**CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the requested Rule 10 exceptions for all wells on leases operated by Enduring Resources, LLC in the Brachfield, S.E. (Cotton Valley) and Minden (Travis Peak Cons.) Fields will prevent waste and will not harm correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends approval of the requested Rule 10 exceptions for all wells on leases operated by Enduring Resources, LLC in the Brachfield, S.E. (Cotton Valley) and Minden (Travis Peak Cons.) Fields, as specified in the attached order.

Respectfully submitted,

Donna K. Chandler.  
Technical Examiner