



RAILROAD COMMISSION OF TEXAS

OFFICE OF GENERAL COUNSEL

OIL AND GAS DOCKET NO. 06-0276413

THE APPLICATION OF FOREST OIL CORPORATION FOR AN EXCEPTION TO 16 TAC §3.10 FOR THE WILLOW SPRINGS (TRAVIS PEAK) FIELD AND WILLOW SPRINGS (COTTON VALLEY) FIELD IN GREGG COUNTY, TEXAS

HEARD BY: Brian Fancher, P.G. - Technical Examiner
Michael Crnich - Legal Examiner

HEARING DATE: June 18, 2012

APPEARANCES:

REPRESENTING:

APPLICANT:

Rick Johnston

Forest Oil Corporation

EXAMINERS' REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Forest Oil Corporation ("Forest") requests a Blanket Statewide Rule 10 Authority for any well in the following two fields:

<u>FIELD NAME</u>	<u>FIELD NUMBER</u>
Willow Springs (Travis Peak)	97752 830
Willow Springs (Cotton Valley)	97752 100

This application was unopposed and the examiners recommend approval of the Blanket Statewide Rule 10 Authority, as requested by Forest.

DISCUSSION OF THE EVIDENCE

The Willow Springs (Travis Peak) Field is an associated field that operates under special field rules. The oil field rules provide 467'-1200' well spacing, 80 acre proration units with 40 acre tolerance, and allocation based on 100% acres. The gas field rules provide a correlative interval,



467'-1,200' well spacing, 640 acre proration units, optional 40 acre units, 64 acres tolerance, and a two part allocation formula based on 95% deliverability and 5% acreage. Notably, the allocation formula is 100% Absolute Open Flow (AOF) status.

The Willow Springs (Travis Peak) Field is a consolidated field that incorporates the Willow Springs (Bodenheim Trans) Field, per Oil & Gas Docket 06-0213528. As of June 2012, the oil and gas proration schedules depict seventeen oil wells and fifty-eight gas wells produce hydrocarbons from the field.

The Willow Springs (Cotton Valley) Field is a non-associated gas field and was discovered in July 1975. The field operates under special field rules that provide for 467'-600' well spacing, 160 acre gas units, optional 40 acre density, 16 acre tolerance, and allocation based on 100% acreage, with 100% AOF status. As of June 2012, the gas proration schedule indicates there are fourteen operators active in the field and eighteen producing wells.

At the hearing, Forest submitted evidence that indicates eighty-four wells are currently down-hole commingled in the subject fields. Forest testified it does not anticipate any cross-flow to occur between two fields, as evidenced by the quantity of wells within the geographical region of the fields having already obtained exceptions to Statewide Rule 10. Forest requested that the Blanket Statewide Rule 10 exception for the subject fields be granted, in an effort to alleviate the physical filings involved in the administrative application process.

FINDINGS OF FACT

1. Notice of this hearing was issued to all operators in the three subject fields.
2. The Willow Springs (Travis Peak) Field is an associated field that operates under special field rules.
3. The allocation formula that governs production of hydrocarbons produced from gas wells in the Willow Springs (Travis Peak) Field is currently suspended.
4. The Willow Springs (Cotton Valley) Field is a non-associated gas field discovered in July 1975 that operates under special field rules.
5. The allocation formula for the Willow Springs (Cotton Valley) Field is currently suspended.
6. As of June 2012, eighty-four wells completed in the Willow Springs (Travis Peak) and Willow Springs (Cotton Valley) Fields are approved for down-hole commingling.

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 Blanket Rule 10 Authority for the two subject fields will prevent waste, will not harm correlative rights, and will promote development in the fields.

EXAMINERS' RECOMMENDATION

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission approve the Blanket Rule 10 Authority for the Willow Springs (Travis Peak) and Willow Springs (Cotton Valley) Fields, as requested by Forest Oil Corporation.

Respectfully submitted,



Brian K. Fancher, P.G.
Technical Examiner



Michael Crnich
Legal Examiner