

OIL AND GAS DOCKET NO. 08-0258878

**THE APPLICATION OF BRIGHAM OIL & GAS, L.P. TO CONSIDER AUTHORITY
PURSUANT TO STATEWIDE RULE 23 FOR VARIOUS LEASES, PERRIWINKLE
(CANYON) FIELD, MARTIN COUNTY, TEXAS**

Heard by: Donna Chandler
Technical Examiner

Hearing Date: October 6, 2008

Appearances:

John Fontenot

Representing:

Brigham Oil & Gas, L.P.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Brigham Oil & Gas, L.P. requests authority to pull up to 25 inches of mercury vacuum on all wells it operates in the Perriwinkle (Canyon) Field.

This application was unopposed and the examiner recommends approval.

DISCUSSION OF THE EVIDENCE

The Perriwinkle (Canyon) Field was discovered in 1985 and production is from a depth of approximately 9,400 feet. There are currently eight producing oil wells in the field, five operated by Brigham, and one each operated by Big Star Oil & Gas, LLC, Lynx Operating Co., Inc. and Tacor Resources, Inc. All of the wells in the field are on rod pump. Cumulative production from the 16 total wells which have produced from the field is 1.3 million BO and 3.6 BCF of gas. Average daily production from the 8 wells in the field is 8 BOPD and 16 MCFD.

The initial reservoir pressure in the field was 3,814 psi. Brigham has bottom hole pressure calculations for two of its wells: the Davis Oil Unit No. 1 has a BHP of 340 psi and the Morgan "40" No. 1 has a BHP of 265 psi. These two wells were equipped with wellhead

compressors in November 2003. Wellhead pressures were reduced from 50-60 psi to 10-20 psi and production increased from 8-10 BOPD and 80 MCFD per well to 18-20 BOPD and 150-180 MCFD. Currently, the Davis well produces 8 BOPD and 27 MCFD and the Morgan well produces 6 BOPD and 50 MCFD. Brigham estimates that installation of vacuum pumps will increase ultimate recovery from the Davis well by 8,000 BO and from the Morgan well by 4,000 BO. For the other three wells which currently produce without compression, Brigham estimates that total increase in ultimate recovery will be about 35,000 BO and 50 MMCF.

All operators in the subject fields were notified of the subject hearing and there were no objections filed and no protestant appeared at the hearing.

FINDINGS OF FACT

1. Proper notice of this hearing was given to all operators in all four fields at least ten days prior to the date of hearing. There were no protests to the application.
2. There are 8 producing wells in the Perriwinkle (Canyon) Field, all which produce on rod pump.
3. Cumulative production from the 16 wells which have produced from the field is 1.3 million BO and 3.6 BCF of gas.
4. The average daily production from wells in the field is 8 BOPD and 16 MCFD.
5. With the use of vacuum pumps, estimated ultimate recoveries from Brigham's five wells is expected to increase by 47,000 BO and 120 MMCF of gas.

CONCLUSIONS OF LAW

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the requested authority pursuant to Statewide Rule 23 will prevent waste and will not harm correlative rights.

EXAMINER'S RECOMMENDATION

Based on the above findings and conclusions, the examiner recommends that the requested Rule 23 authority be granted for all wells operated by Brigham Oil & Gas, L.P. in the Perriwinkle (Canyon) Field.

Respectfully submitted,

Donna K. Chandler
Technical Examiner