

November 7, 2000

**OIL AND GAS DOCKET NO. 04-0226438**

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**APPLICATION OF BRIGHAM OIL & GAS, L.P. TO CONSIDER A NEW FIELD DESIGNATION AND TWO FACTOR ALLOCATION FORMULA FOR THE PROPOSED HOME RUN (LOWER VICKSBURG 7) FIELD, BROOKS COUNTY, TEXAS**

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**HEARD BY:** Thomas H. Richter, P.E.

**DATE OF HEARING:** November 6, 2000

**APPEARANCES:**

Dale Miller

**REPRESENTING:**

Brigham Oil & Gas, L.P.

**PROTESTANT:** none

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

This is the unprotested application of Brigham Oil & Gas for a new field designation and to adopt a two-factor allocation formula for the proposed Home Run (Lower Vicksburg 7) Field which provide for:

1. The entire combined correlative interval from 11,424' to 11,944' as shown on the type log of the Brigham Exploration Company, Palmer State 348 Well No 3 in the J.F. Dawson/C&M RR Co. Survey, A-348, Brooks County, Texas should be designated as the Home Run (Lower Vicksburg 7) Field.
2. A two-factor allocation formula based on 95% deliverability and 5% per well.

The examiner recommends approval of the proposed application.

**DISCUSSION OF THE EVIDENCE**

The proposed Home Run (Lower Vicksburg 7) Field was discovered by completion of the Brigham Oil & Gas, L.P., Palmer State 348 Well No. 3 through selective perforations from 11,441' to 11,564' subsurface depths in August 2000. The well potentialized at a flow rate of 4,587 MCF of gas per day with a calculated absolute open flow of 39,771 MCF of gas per day. The shut-in bottomhole pressure was 9,974 psi. A review was made of all wells within 2.5 miles of the subject well that penetrated the equivalent stratigraphic interval. The subject well is not in pressure

communication with any other wells in the area which is demonstrated by the virgin original pressure found upon completion of the well. The nearest comparable production is from the Home Run (Lower Vicksburg) Field which 1,500 feet northeast and produces from the Vicksburg 8 Sand. Approval of this application will combine the Vicksburg 6 and 7 Sands. It is proposed the entire combined correlative interval from 11,424' to 11,944' as shown on the type log of the Brigham Exploration Company, Palmer State 348 Well No 3 in the J.F. Dawson/C&M RR Co. Survey, A-348, Brooks County, Texas should be designated as the Home Run (Lower Vicksburg 7) Field.

It is estimated that the Palmer State 348 Well No. 3 will recover approximately 1.64 BCF of gas. Cumulative production from August 9 through October 31, 2000, is 581,887 MCF, 22,826 barrels of condensate and 3,314 barrels of water. The well currently produces at 4,471 MCFD, 170 barrels of condensate and 16 BWPD. The flowing tubing pressure has fallen from 7575 psig to 1500 psig in only three months.

Because the proposed new field is combining multiple productive zones, a two-factor allocation formula is necessary for the protection of correlative rights pursuant to State Statutes. The proposed two-factor allocation formula based on 95% deliverability and 5% per well satisfies this requirement.

### **FINDINGS OF FACT**

Based on the evidence presented, the examiner proposes the following findings:

1. Notice of this hearing was sent to all affected persons in the subject area field at least ten (10) days prior to the subject hearing.
2. There was no protest at the call of the hearing.
3. The proposed Home Run (Lower Vicksburg 7) Field was discovered by completion of the Brigham Oil & Gas, L.P., Palmer State 348 Well No. 3 through selective perforations from 11,441' to 11,564' subsurface depths in August 2000.
4. A review was made of all wells within 2.5 miles of the subject well that penetrated the equivalent stratigraphic interval.
  - a. The subject well is not in pressure communication with any other wells in the area which is demonstrated by the virgin original pressure found upon completion of the well.
  - b. The nearest comparable production is from the Home Run (Lower Vicksburg) Field which 1,500 feet northeast and produces from the Vicksburg 8 Sand.

5. The entire combined correlative interval from 11,424' to 11,944' as shown on the type log of the Brigham Exploration Company, Palmer State 348 Well No 3 in the J.F. Dawson/C&M RR Co. Survey, A-348, Brooks County, Texas should be designated as the Home Run (Lower Vicksburg 7) Field.
6. Because the proposed new field is combining multiple productive zones, a two-factor allocation formula is necessary for the protection of correlative rights pursuant to State Statutes.
  - a. The proposed two-factor allocation formula based on 95% deliverability and 5% per well satisfies this requirement.

**CONCLUSIONS OF LAW**

1. Proper notice was given to all parties as set out in the provisions of all applicable codes and regulatory statutes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Adoption of the proposed new field designation will prevent waste, foster conservation and protect correlative rights.

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends approval of the proposed new field designation and two factor allocation formula for the Home Run (Lower Vicksburg 7) Field.

Respectfully submitted,

Thomas H. Richter, P.E.  
Technical Examiner  
Office of General Counsel