

THE APPLICATION OF ENCANA OIL & GAS (USA) INC. TO CONSIDER NEW FIELD DESIGNATION AND FIELD RULES FOR THE (PROPOSED) JOHN AMORUSO (BOSSIER) FIELD, ROBERTSON COUNTY, TEXAS

Heard by: Andres J. Trevino, P.E. on February 20, 2007

Appearances:

Rick Johnston
Robert E. Dreyling
Doreen V. Grieve
D.Davin McGinnis

Representing:

EnCana Oil & Gas (USA) Inc.
Gastar Exploration Texas, L.P.
Gastar Exploration Texas, L.P.
Burlington Oil & Gas Co. L.P.

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

EnCana Oil & Gas (USA) Inc. requests that a new field designation called the John Amoruso (Bossier) Field be approved for its R.L. Dobbs, Jr. "B" Well No. 1. EnCana also requests that the following rules be adopted for the John Amoruso (Bossier) Field:

1. Designation of the field as the correlative interval from 13,870 feet to 16,360 feet as shown on the log of the R.L. Dobbs, Jr. "B" Well No. 1;
2. Allocation based on 95% deliverability and 5% per well.

There were no protests to this application and the examiner recommends approval of the new field designation and field rules.

DISCUSSION OF EVIDENCE

EnCana Oil & Gas (USA) Inc. completed its R.L. Dobbs, Jr. "B" Well No. 1 in April 2006. The well has four sets of perforations in the Bossier Sand between 14,726 feet and 15,921 feet. On initial test, the well produced at a rate of 12,486 MCFD, 0 BCPD and 124 BWPD. Flowing tubing pressure is 5,215 psi with no indications of decline at this point in time.

The new field designation should be approved for the R.L. Dobbs, Jr. "B" Well No. 1. The nearest comparable production is approximately 3.8 miles to the southwest in the Savelle (Bossier) Field. Encana has drilled four other wells (completion reports pending) which will be placed into this new field and is currently drilling three other wells into this field.

Encana requests that the entire correlative interval between 13,870 feet to 16,360 feet in the R.L. Dobbs, Jr. "B" Well No. 1 be considered a single field. This interval includes several sands within the Bossier. Separate completions in the intervals would not be commercial.

State statutes require that a two factor allocation formula be adopted for the proposed field designation to be considered a single field. Encana requests that allocation be based on 95% deliverability and 5% per well for the field.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice at least ten days prior to the date of hearing.
2. Encana Oil & Gas (USA) Inc. completed its R.L. Dobbs, Jr. "B" Well No. 1 in April 2006 with four sets of perforations in the Bossier 14,726 feet and 15,921 feet. On initial test, the well produced at a rate of 12,486 MCFD, 0 BCPD and 124 BWPD.
3. The R.L. Dobbs, Jr. "B" Well No. 1 is entitled to a new field designation because there is no comparable production within a 2½ mile radius of the subject well.
4. The entire correlative interval from 13,870 feet to 16,360 feet as shown on the Computer Processed Log of the R.L. Dobbs, Jr. "B" Well No. 1 should be designated as the John Amoruso (Bossier) Field. The Amoruso (Bossier) Field name was not available as initially requested by Encana.
5. Allocation based on 95% deliverability and 5% per well will protect correlative rights and meets statutory requirements for combining multiple productive zones into a single field.

CONCLUSIONS OF LAW

1. Proper notice of this hearing was issued.
2. All things have been accomplished or have occurred to give the Commission jurisdiction in this matter.
3. Approval of the requested new field designation and adoption of field rules will prevent waste, protect correlative rights and promote the orderly development of the field.

RECOMMENDATION

Based on the above findings and conclusions of law, the examiner recommends approval of the new field designation and adoption of field rules for the John Amoruso (Bossier) Field.

Respectfully submitted,

Andres J. Trevino, P.E.
Technical Examiner