

**THE APPLICATION OF FOREST OIL CORPORATION FOR NEW FIELD DESIGNATION AND FIELD RULES FOR THE (PROPOSED) TEX-MEX, S.E. (UPPER CLEARFORK) FIELD, GAINES COUNTY, TEXAS**

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**Heard by:** Andres J. Trevino, P.E. on June 27, 2007

**Appearances:**

Richard P. Marshall  
Denny LeMar

**Representing:**

Forest Oil Corporation

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Forest Oil Corporation requests a new field designation called the Tex-Mex, S.E. (Upper Clearfork) Field be approved for its McGowen No. 1. Forest also requests that the following rules be adopted for the new field:

1. Designation of the Tex-Mex, S.E. (Upper Clearfork) Field as the correlative interval from 6,104 feet to 6,700 feet as shown on the Schlumberger Compensated Neutron-Litho-Density log of the McGowen Well No. 1;
2. Allocation based on 95% W-10 potential 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**

Forest Oil Corporation recompleted its McGowen No. 1 in April 2006 with perforations into the Upper Clearfork Formation between 6,158 and 6,208 feet. On initial test, the well produced at a rate of 40 BOPD and 56 BWPD.

The new field designation should be approved for the subject well. There are 43 wellbores within a 2 ½ mile radius of the McGowen No. 1 which are drilled through the Upper Clearfork. There are on wells producing from the Upper Clearfork with in a 2 ½ mile radius of the McGowen No. 1. The nearest Upper Clearfork production is 6.6 northeast from the McGowen No. 1 in the Stockyard Field.

Forest requests that the entire correlative interval between 6,104 to 6,700 feet in the McGowen No. 1 be considered a single field. This interval includes several separate

accumulations of hydrocarbons and therefore a two factor allocation formula is required. Forest requests that allocation for wells in the field be based on 95% W-10 potential and 5% per well.

**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. Forest Oil Corporation recompleted its McGowen No. 1 in April 2006 with perforations in the Upper Clearfork between 6,158 and 6,208 feet.
3. The McGowen No. 1 is entitled to a new field as there is no other comparable Upper Clearfork production within 2 ½ miles of the McGowen No. 1.
4. The entire correlative interval between 6,104 feet to 6,700 feet as shown on the Schlumberger Compensated Neutron-Litho-Density log of the McGowen No. 1 should be designated as the Tex-Mex, S.E. (Upper Clearfork) Field.
5. The field interval includes separate accumulations of hydrocarbons and a two factor allocation formula is necessary to consider the interval as a single field. Allocation based on 95% W-10 potential and 5% per well meets statutory requirements.

**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 Tex-Mex, S.E. (Upper Clearfork) Field.

Respectfully submitted,

Andres J. Trevino, P.E.  
Technical Examiner