

THE APPLICATION OF SAMSON LONE STAR, LLC TO CONSIDER AN EXCEPTION TO STATEWIDE RULE 11 FOR THE H. LOPEZ LEASE, WELL NO. 1, LOPEZ RANCH (VKSBG F1) FIELD, BROOKS COUNTY, TEXAS

HEARD BY: Andres J. Trevino, P.E., on January 25, 2008

APPEARANCES:

Applicant:

James M. Clark

Representing:

Samson Lone Star, LLC

EXAMINER'S REPORT AND RECOMMENDATION

STATEMENT OF THE CASE

Samson Lone Star, LLC requests an exception to Statewide Rule 11 for its H. Lopez Lease, Well No. 1 in the Lopez Ranch (Vksbg F1) Field. Samson requests that it not be required to run an inclination survey from 10,282 feet to total depth of 11,705 feet.

This application was unopposed and the examiner recommends approval of the requested exception to Statewide Rule 11.

DISCUSSION OF THE EVIDENCE

Field rules for the Lopez Ranch (Vksbg F1) Field require a minimum of 467 feet from lease lines. The H. Lopez, Well No. 1 was issued a regular directional drilling permit on August 21, 2007 for the Lopez Ranch (Vksbg F1) Field. The permitted surface location for the well was 1,895 feet FWL and 1,820 feet FSL of the 5,331.5 acre lease. The permitted bottomhole location for the well was 1,570 feet FWL and 2,060 feet FSL of the lease. The well was to be vertically drilled to 6,300 feet, then directionally drilled 300 feet to the northwest to hit a target at 9,300 feet. The well was then drilled vertically to a total depth of 11,705 feet.

During the drilling of the well Samson ran a directional survey from 200 feet to 10,282 feet. The last segment of the well was drilled with casing as the drill string as a precaution against differential sticking. Samson had experienced differential sticking in other wells in the area. During the drilling of the final segment of the well, the well began to experience severe drilling problems. Samson elected not to run the final inclination

survey as it would require circulation to stop while the tools were run in the hole. The last measurement was made at 10,282 feet MD. At this depth, the distances to the nearest lease lines of the bottomhole location are 1,592 feet FWL and 2,031 feet FSL of the 5,331.5 acre lease.

Statewide Rule 11(c)(2)(B) requires that "All directional surveys...shall be either single shot surveys or multi-shot surveys with the shot points not more than 200 feet apart...". After the last survey point at 10,282 feet MD, the well was drilled an additional 1,423 feet with no additional survey points. The well was drilled vertically as possible and was not intentionally deviated. The wellbore location was 1,592 feet from the nearest lease line at 10,282 feet. The bottom hole would have to drift 1,126 feet during the last 1,423 feet for the well's bottom hole location not to be a regular location.

FINDINGS OF FACT

1. Notice of this hearing was given to all persons entitled to notice at least ten (10) days prior to the hearing.
2. On August 21, 2007, a regular drilling permit was issued for directional drilling of the H. Lopez Lease, Well No. 1 for the Lopez Ranch (Vksbg F1) Field.
 - a. Field rules for the subject field require a minimum of 467 feet to all lease lines.
 - b. The permitted surface location for the well was 1,895 feet FWL and 1,820 feet FSL of the 5,331.5 acre lease. The permitted bottomhole location for the well was 1,570 feet FWL and 2,060 feet FSL of the lease.
3. From 10,282 feet MD to total depth of 11,705 feet MD, no survey was made in the wellbore due to severe drilling problems encountered. The inclination survey was run not for fear of the production casing becoming stuck in the well.
4. The entire as-drilled wellbore is regular to all lease lines.
 - a. At the last surveyed depth of 10,282 feet, the distances to the nearest lease lines of the bottomhole location are 1,592 feet FWL and 2,031 feet FSL..
 - b. The bottom hole would have to drift 1,126 feet during the last 1,423 feet for the well's bottom hole location not to be a regular location.

- c. After reaching a seismic target at a depth of 9,300 feet the well was drilled vertically.
5. The area is known to be difficult to drill. The last segment of the well was drilled using casing drilling technology.

CONCLUSIONS OF LAW

1. Proper notice was timely given to all parties entitled to notice pursuant to applicable statutes and rules.
2. All things have occurred and have been accomplished to give the Commission jurisdiction in this case.
3. Approval of the requested exception to Statewide Rule 11 for the H. Lopez Lease, Well No. 1 will not cause waste or harm correlative rights.

EXAMINER'S RECOMMENDATION

It is recommended that Samson Lone Star, LLC be granted an exception to Statewide Rule 11(c)(2)(B) for its H. Lopez Lease, Well No. 1 such that a multi-shot survey is not necessary for the last 1,423 feet of the wellbore. The directional data is sufficient for assignment of a lease number and allowable to the well, assuming all other required completion papers have been properly filed.

Respectfully submitted;

Andres J. Trevino, P.E.
Technical Examiner