

**THE APPLICATION OF COG OPERATING LLC TO CONSOLIDATE THE PARKS (SPRABERRY), PARKS (PENNSYLVANIAN) AND BRYANT -G- (STRAWN) FIELDS INTO A NEW FIELD CALLED THE PARKS (CONSOLIDATED) FIELD AND TO ADOPT FIELD RULES FOR THE PARKS (CONSOLIDATED) FIELD, MIDLAND COUNTY, TEXAS**

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**Heard by:** Donna K. Chandler on February 25, 2009

**Appearances:**

Flip Whitworth  
Greg Cloud  
Forrest Collier  
Mary Ann Berry  
Jayne Krawietz

**Representing:**

COG Operating LLC

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

COG Operating LLC requests that the Parks (Spraberry), Parks (Pennsylvanian) and Bryant -G- (Strawn) Fields be consolidated into a new field called the Parks (Consolidated) Field and that the following rules be adopted for the consolidated field:

1. Designated interval from 6,190 feet to 11,700 feet as shown on the log of the Parks Field Unit 2 Well No. 2208;
2. Well spacing a minimum of 467 feet from lease lines and 933 feet between wells;
3. 160/optional 40 acre density
4. Allocation based 75% acreage and 25% per well for oil and gas wells;
5. Associated-prorated designation with AOF status for gas field.

This application was unopposed and the examiner recommends approval of the field consolidation and field rules as requested.

**DISCUSSION OF THE EVIDENCE**

The Parks (Pennsylvanian) Field was discovered in 1950. The field is an associated field with 2 producing gas wells and 15 producing oil wells. The field operates under rules providing for 660'-1,320' well spacing, 80 acre density and allocation based on 75% acreage and 25% per well. The gas field is classified as associated-49(b). There is no designated interval for the field but production is from a depth of approximately 10,500 feet. Cumulative production from the field is 15.6 million BO.

The Parks (Spraberry) Field was discovered in 1957. There are 97 producing oil wells in the field and there is no associated gas field. The field operates under rules providing for 467'-1,200' well spacing, 160/optional 40 acre density and allocation based on 75% acreage and 25% per well. In 1978, the Commission consolidated the R & W (Clear Fork) Field into the Parks (Spraberry) Field. The current rules were adopted in 2000 when the Commission also consolidated the Parks (Wolfcamp 9335) Field into the Parks (Spraberry) Field. The designated interval for the Parks (Spraberry) Field is from 7,466-10,049 feet as shown on the log of the Parks Field Unit 2 No. 2208. This interval includes the lower portion of the Clear Fork, the Spraberry, the Jo Mill, the Dean and the Wolfcamp formations. Cumulative production from the field is 9 million BO.

The Bryant -G- (Strawn) Field was discovered in 1966. There are 7 producing oil wells in the field. There is an associated gas field which is classified as 49(b) but there are no active gas wells in the field. The field operates under Statewide Rules and there is no designated interval for the field. The Strawn is productive from a depth of approximately 10,200 feet. Cumulative production from the field is 728,000 BO.

COG requests that the three fields be consolidated and that the field be designated as the correlative interval from 6,190 feet to 11,700 feet as shown on the log of the Parks Field Unit 2 Well No. 2208. This interval will include all zones between the top of the Clear Fork and the base of the Woodford Shale, which is the top of the Devonian. All of the zones are continuous across the field area. Numerous Rule 10 exceptions have been approved by the Commission for various combinations of the three designated fields.

COG requests that the density rule which has governed the Parks (Spraberry) Field remain in place. A slightly closer well spacing of 467'-933' is requested to provide flexibility in further development of the various reservoirs. COG plans to drill "twin" wells to many existing Spraberry wells instead of deepening the old Spraberry wellbores. COG has selected 59 locations for commingling the Wolfcamp and Strawn, where the Spraberry has already been produced. In areas where the Spraberry has not been produced, there are 171 locations for commingling the Spraberry, Wolfcamp and Strawn. These 171 wells could be drilled for the Spraberry/Wolfcamp reserves, but the Strawn reserves would not be recovered without the proposed consolidation. The reserves for individual completions in the various reservoirs do not support separate wells for each zone. Additionally, all 230 wells would require Rule 10 exceptions, absent the consolidation. The Pennsylvanian reserves are not considered to be a primary target in the consolidation, but may contribute marginal additional reserves. Additionally, the Upper Clear Fork at the top of the proposed interval and the Mississippian and Woodford at the base of the proposed interval are prospective intervals which may contribute marginally but have not been produced in the

area. COG estimates that 22,650 BO per well will be recovered as a result of a lower combined economic limit for the reservoirs. Total additional oil to be recovered as a result of the entire project is 12 million BO.

The proposed consolidated field will consist of numerous separate reservoirs. A two factor allocation formula based on 25% per well and 75% acreage is requested for the consolidated field to meet statutory requirements. COG also requests that the associated gas well be classified as associated-prorated as opposed to associated 49(b). There is no gas production from the Bryan -G- (Strawn) Field and the production from the two gas wells in the Parks (Pennsylvanian) Field is less than 25 MCFD per well. These fields are in the late stages of depletion and limiting gas production is not necessary to maximize oil reserves.

### **FINDINGS OF FACT**

1. Notice of this hearing was sent to all persons legally entitled to notice at least ten days prior to the date of hearing.
2. The Parks (Pennsylvanian) Field is an associated field which was discovered in 1950.
  - a. The field operates under rules providing for 660'-1,320' well spacing, 80 acre density and allocation based on 75% acreage and 25% per well.
  - b. The gas field is classified as associated-49(b).
  - c. Production is from a depth of approximately 10,500 feet.
  - d. Cumulative production from the field is 15.6 million BO.
3. The Parks (Spraberry) Field is a non-associated oil field which was discovered in 1957.
  - a. The field operates under rules providing for 467'-1,200' well spacing, 160/optional 40 acre density and allocation based on 75% acreage and 25% per well.
  - b. In 1978, the R & W (Clear Fork) Field was consolidated into the Parks (Spraberry) Field.
  - c. In 2000, the Parks (Wolfcamp 9335) Field was consolidated into the Parks (Spraberry) Field.
  - d. The designated interval for the Parks (Spraberry) Field is from 7,466-10,049 feet as shown on the log of the Parks Field Unit 2 No. 2208.

This interval includes the lower portion of the Clear Fork, the Spraberry, the Jo Mill, the Dean and the Wolfcamp formations.

- e. Cumulative production from the field is 9 million BO.
- 4. The Bryant -G- (Strawn) Field is an associated field which was discovered in 1966.
    - a. The associated gas field which is classified as 49(b) but there are no active gas wells in the field.
    - b. The field operates under Statewide Rules.
    - c. The Strawn is productive from a depth of approximately 10,200 feet.
    - d. Cumulative production from the field is 728,000 BO.
  - 5. The Parks (Consolidated) Field should be designated as the interval from 6,190 feet to 11,700 feet as shown on the log of the Parks Field Unit 2 Well No. 2208. This interval includes all zones between the top of the Clear Fork and the base of the Woodford Shale.
  - 6. Numerous Rule 10 exceptions have been approved by the Commission for various combinations of the three fields. Consolidation of the fields will eliminate the need for approximately 230 Rule 10 exceptions.
  - 7. Consolidation of the field will result in the recovery of an additional 22,650 BO per well due a lower combined economic limit for the reservoirs. Estimated additional recovery as a result of COG's proposed infill drilling/consolidation project of 230 wells is 12 million BO.
  - 8. The proposed well spacing of 467 feet from lease lines and 933 feet between wells is necessary to eliminate Rule 37 exceptions for the many wells which will be drilled as "twin" wells to old Spraberry wells.
  - 9. A density rule of 160/optional 40 acres is appropriate for the consolidated field because such rule has been in effect for the Parks (Spraberry) Field for many years.
  - 10. Because the proposed consolidated field consists of numerous separate reservoirs, a two factor allocation formula is necessary. Allocation based 75% acreage and 25% per well meets statutory requirements.

11. Classification of the associated gas field as associated-49(b) is not necessary to prevent waste. Associated-prorated status for the gas field is appropriate.
12. There is a market for all gas produced from the fields to be consolidated.

**CONCLUSIONS OF LAW**

1. Proper notice of this hearing was given to all persons legally entitled to notice.
2. All things have occurred or been accomplished to give the Railroad Commission jurisdiction in this matter.
3. Consolidation of the fields as proposed by COG Operating LLC is necessary to prevent waste and protect correlative rights.
4. The proposed field rules will prevent waste, protect correlative rights, and satisfy statutory requirements.
5. Suspension of the allocation formula for the Parks (Consolidated) Field is appropriate pursuant to Statewide Rule 31(j).

**EXAMINER'S RECOMMENDATION**

Based on the above findings and conclusions, the examiner recommends that the three subject fields be consolidated into a new field to be known as the Parks (Consolidated) Field and that the requested field rules be adopted for the consolidated field.

Respectfully submitted,

Donna K. Chandler  
Technical Examiner