

**OIL AND GAS DOCKET NO. 02-0249301**

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**THE APPLICATION OF CYPRESS E & P CORPORATION TO AMEND THE FIELD RULES FOR THE BRUSHY CREEK (WILCOX CONS.) FIELD, JACKSON COUNTY, TEXAS**

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**Heard by:** Donna K. Chandler, Technical Examiner

**Hearing Date:** October 31, 2006

**Appearances:**

**Representing:**

George Neale  
Rick Johnston

Cypress E & P Corporation

**EXAMINER'S REPORT AND RECOMMENDATION**

**STATEMENT OF THE CASE**

Field rules for the Brushy Creek (Wilcox Cons.) Field were adopted in Oil and Gas Docket No. 02-0244729, effective January 10, 2006. The rules provide the following:

1. Designation of the field as the correlative interval from 10,490 feet to 11,935 feet, as shown on the log of the Webernich Lease Well No. 1;
2. Allocation based on 95% deliverability and 5% acreage.

Cypress requested this hearing to expand the correlative interval for the field. Cypress requests that the field be defined as the interval from 10,000 feet to 11,935 feet as shown on the log of the Webernich No. 1. At the hearing, it was determined that the allocation formula adopted by the Final Order on January 10, 2006 incorrectly included an acreage factor of 5%. It had been requested at the prior hearing that allocation be based on 95% deliverability and 5% per well. The Final Order was in error and it is recommended that this error be corrected in conjunction with the expanded field interval.

This application was unopposed and the examiner recommends that the designated interval for the Brushy Creek (Wilcox Cons.) Field be amended as requested by Cypress and that the allocation formula be corrected.

**DISCUSSION OF EVIDENCE**

The Brushy Creek (Wilcox Cons.) Field was formed in January 2006 as a result of consolidating two fields. The field is a non-associated gas field with eight wells on the current proration schedule. Cypress E & P Corporation has recently completed four wells in the field which are not yet listed on the proration schedule. The allocation formula is currently suspended.

The field interval adopted for the field in January 2006 does not include the entire Wilcox. The upper 500 feet was not originally included because the log of the Webernich No. 1 did not indicate productive sands in that interval. However, other wells indicate porosity zones between about 10,200 and 10,400 feet which appear to be productive. Cypress requests that Rule 1 for the field be amended to designate the field as the correlative interval from 10,000 feet to 12,935 feet as shown on the log of the Webernich No. 1. This interval includes the entire Wilcox.

**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. Field rules for the Brushy Creek (Wilcox Cons.) Field include a designated interval between 10,490 feet and 12,935 feet as shown on the log of the Webernich No. 1.
3. Logs of other wells in the field indicate the presence of other productive porosity intervals above the current designated interval for the field.
4. The designated interval for the Brushy Creek (Wilcox Cons.) Field should be amended to include the entire Wilcox. The amended interval is from 10,000 feet to 12,935 feet as shown on the log of the Webernich No. 1.

**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. Expanding the designated interval for the Brush Creek (Wilcox Cons.) Field is necessary to prevent waste and protect correlative rights.

**RECOMMENDATION**

Based on the above findings and conclusions of law, the examiner recommends that Rule 1 of the field rules for the Brushy Creek (Wilcox Cons.) Field be amended as requested by Cypress E & P Corporation. It is also recommended that the allocation formula be corrected to reflect 95% deliverability and 5% per well.

Respectfully submitted,

Donna K. Chandler  
Technical Examiner